HISTORIC ENVIRONMENT SCOTLAND

HISTORIC ENVIRONMENT POLICY
Strategic Environmental Assessment
Environmental Report

10 September 2018

HISTORIC ENVIRONMENT SCOTLAND | ÀRAINNEACHD EACHDRAIDHEIL ALBA

We are committed to ensuring this
publication is accessible to everyone.
If you need it supplied in a different
format or language, please get in touch.

Contents

1.   Introduction

The policy

In 2016, we committed to a review and replacement of the Historic Environment Scotland Policy Statement (HESPS). This was an interim document which was put in place when Historic Environment Scotland (HES) was formed. HESPS currently sets out how HES fulfils its regulatory and advisory roles and how it expects others to interpret and implement Scottish Planning Policy.

The draft replacement policy has the working title of Historic Environment Policy (HEP). HEP is for everyone who cares about decisions that affect the historic environment. This includes those who make the decisions, as well as anyone else affected by or interested in them.

This policy has been developed using current research and established views about how the historic environment should be cared for. It also uses previous policy documents and related policy areas that affect or are affected by the historic environment. The policy has also been informed by the What's Your Heritage? project led by HES. During the project, HES asked the people of Scotland what the historic environment means to them, and how it should be looked after. HES then spoke to people working in the historic environment sector and other interested parties about what is important to them.

This policy is a product of these conversations and principles. Whilst HEP will be a short, strategic document, it will be underpinned by detailed operational and topic specific guidance.

Plans that have the potential to have significant effects on the environment should be subject to environmental assessment before adoption. This is called 'strategic environmental assessment' or SEA. We consider that HEP has the potential to result in significant environmental effects, so we have carried out an assessment to understand what these effects are. This document summarises the findings of our assessment and acts as the 'Non-Technical Summary' of the full environmental report.

The Environmental Report

Policies that have the potential to have significant effects on the environment should be subject to environmental assessment before adoption. This is called 'strategic environmental assessment' or SEA. We consider that HEP has the potential to result in significant environmental effects, so we have carried out an assessment to understand what these effects are. This document summarises the findings of our assessment and acts as the 'Non-Technical Summary' of the full environmental report.

We will consider the SEA requirements relating to supporting guidance on a case by case basis.

What comments are being sought?

We would welcome views on any aspect of this report, but in particular, invite you to think about the following question:

> **Do you agree with the results of our environmental assessment and have the key issues associated with the environmental implications of the draft policy been identified?**

2.   What is Strategic Environmental Assessment (SEA)?

What is the purpose of SEA?

When public bodies are preparing plans, programmes and strategies, an assessment of their effect on the environment is undertaken. The public bodies preparing plans, programmes or strategies are the 'Responsible Authorities' for those documents.

The purpose of SEA is to ensure that information on the environmental effects of a plan, programme or policy are gathered and made available to plan-makers and decision takers as it is prepared and implemented. The overarching aim of SEA is to provide a high level of protection for the environment, to reduce environmental impact and to enhance environmental outcomes. It also ensures that policies and proposals are informed by relevant environmental information and provides further opportunities for people to get involved in the process.

In doing so, SEA aims to:

- integrate environmental factors into plan preparation and decision-making
- improve plans and enhance environmental protection
- increase public participation in decision making
- facilitate openness and transparency

The key stages of SEA for the Historic Environment Policy involve:

Stage	Activity
Screening	Determining if the policy is likely to have significant environmental effects and whether an SEA is required.
Scoping	Deciding on the scope and level of detail for the assessment and the consultation period. This is done in liaison with Scottish Natural Heritage (SNH) and the Scottish Environment Protection Agency (SEPA).
Assessment, mitigation & enhancement	Testing the contents of the policy as it is developed, identifying mitigation measures and looking at ways to enhance positive effects.
Environmental Report	Publishing an Environmental Report on the findings of the assessment and consulting on that report and the policy.
Adoption & monitoring	Providing information on the adopted policy, how consultation comments have been taken into account and methods for monitoring the significant environmental effects arising from its implementation.

What is the purpose of this Environmental Report?

This report documents the findings of our environmental assessment of the draft policy. It highlights the types of environmental issues that we have considered, at a strategic level, as being relevant for the actions that are likely to be brought forward.

Where possible we have sought to identify the most significant effects (both positive and negative) and where relevant, suggest mitigation measures or opportunities for enhancement.

This report has been prepared in accordance with the Environmental Assessment (Scotland) Act 2005. This legislation sets out the process of undertaking SEA, from screening (where relevant) and scoping at the outset, to assessment, the preparation of an Environmental Report, and public consultation.

3.   Environmental Context

What environmental information has been used to inform the assessment?

To ensure our assessment focused upon the most relevant issues and reflected the area covered by the review, we initially undertook a review of Scotland's strategic environmental protection objectives (e.g. existing legislation, policies and targets). We also undertook a review of the environmental issues likely to be affected by the policy, including key environmental problems and how these are expected to evolve in the future (such as the effects of climate change). This information helped us to 'scope' the assessment. Further information on this is provided below.

What existing environmental objectives have been taken into account?

One of the early stages of the SEA process is to consider the relationship of the policy to other relevant policies, plans, strategies and environmental objectives. This allows key environmental protection objectives to be identified for consideration during its preparation. It is also important to identify those objectives that will influence the policy and those that will be influenced by it. An understanding of the context and the hierarchy that the policy sits within is also useful for giving early thought to mitigation measures and where they may be best implemented.

Table 1 below summarises the findings of the review of the current legislation, policies, plans and strategies that are considered to be most directly relevant to HEP. It has been assumed that the key environmental protection objectives for each of the environmental topics identified in schedule 3 of the Act are translated into national policy and strategy. The environmental protection framework provided by European legislation has not been reviewed in detail. Instead, the focus has been to review the key areas of legislation relevant to HEP and its assessment.

Table 1

SEA topic	Summary of environmental objectives	Plan, Programme or Strategy
Climatic factors	Policies focus on the need to cut greenhouse gas emissions. National targets are for an 80% reduction by 2050 making a contribution to climate change abatement targets set at the UK, EU and international levels. Energy policy highlights the importance of energy efficiency, and the need to achieve a shift from fossil fuels to renewable sources of energy. There is also a need for adequate, planned adaptation to future climates in order to increase the resilience of communities, and natural and economic systems.	• UK Climate Change Act 2008 • Climate Change (Scotland) Act 2009 • Climate Change Delivery Plan (2009) • Climate Change Adaptation Framework (2009) • UK Low Carbon Transition Plan (2009) • Conserve and Save: Consultation on the Energy Efficiency Action Plan (2010)

Population and Human Health	Policy outlines the need to seek to improve health and quality of life. There is now a growing recognition of an additional need to shape places which are nurturing of positive health, wellbeing and resilience. Community Planning Partnerships, which involve a number of public bodies, including HES, have a duty to make plans for local areas which meet the needs and ambitions of local people. Community planning priorities stress the important role played by communities in shaping and making local decisions. The Islands Bill is emerging legislation (currently before Parliament) with provision to 'island-proof' decision-making across the public sector will ensure the interests of islanders are reflected in future legislation and policy from the very outset.	• Improving Health in Scotland – the Challenge (2003) • Community Empowerment Act (Scotland) 2015 • The Islands (Scotland) Bill (emerging legislation) • Creating Places - A policy statement on architecture and place for Scotland • Homes fit for the 21st century – the Scottish Government's Strategy for Housing 2011-2020 • Good Places Better Health (2008) • Equally Well: Implementation Plan (2008) and 2010 Review Recommendations
Landscape	Landscape policies aim to not only safeguard protected areas, but to recognise and conserve wider landscapes. These may not be formally designated but make an important contribution to the quality of environment. The Strategic Historic Environment Forum's vision is for the historic dimension of landscape to be fully acknowledged and valued. It is at the core of a shared and unifying approach to managing change in our landscape in ways which maximise public benefit for present and future generations. Natural Heritage Futures policies aim to guide the sustainable management and use of Scotland's nature and landscapes.	• Council of Europe, European Landscape Convention (2000) • SNH Natural Heritage Futures • SNH National Scenic Areas Programme (2009) • Scotland's Landscape Charter • Landscape and the Historic Environment – A Common Statement (Strategic Historic Environment Forum) • Scottish Natural Heritage's Landscape Policy Framework: Policy Statement No. 05/01

		• Landscape Character Assessments and associated Guidance
Cultural Heritage	Historic environment policies aim to identify and protect historic buildings and sites from inappropriate development and damage. Policies extend beyond specific designated sites to reflect the value of undesignated / unknown sites, wider townscapes, the setting of monuments and historic buildings, and wider cultural landscapes.	• Historic Environment Scotland Act 2014 • Historic Environment Scotland Policy Statement 2016 • Scottish Planning Policy (SPP) (2014) • PAN 2/2011 Planning and Archaeology • Historic Environment Scotland Corporate Plan 2016-19 • Managing Change in the Historic Environment Guidance Notes • Our Place in Time: The Historic Environment Strategy for Scotland (2014) • Other Historic Environment Scotland guidance documents
Biodiversity, Geodiversity, Flora and Fauna	Biodiversity policies from international to local levels aim in particular to conserve habitats, species and ecosystems. Halting the decline of key species is important, and where possible remedial action and enhancement should be implemented in degraded areas. Policies also note the importance of an ecosystem approach – a holistic, landscape-scale approach to biodiversity conservation that goes beyond the traditional emphasis on protecting individual sites. Geodiversity forms the foundation of our ecosystems and provides Scotland's people with vital benefits and services.	• The Birds Directive 2009/147/EC • The Habitats Directive 1992/43/EEC • Wildlife and Countryside Act 1981 • Conservation (Natural habitats &c.) Amendment (Scotland) Regulations 2007 • Nature Conservation (Scotland) Act 2007 • UK Post-2010 Biodiversity Framework • Scotland's Biodiversity – It's In Your Hands (2004)2020 Challenge for Scotland's

		• Biodiversity (2013) • Scotland's Geodiversity Charter (2012)
Soil	Policies on soil seek to protect resources from a range of impacts, including soil sealing by development, increased susceptibility to erosion and soil pollution.	• Scottish Soil Framework (2009)
Water	Water related policies aim to protect water resources, and achieve an improvement in their ecological condition where appropriate. River Basin Management Plans, which were prepared under the Water Framework Directive and WEWS Act set specific objectives for the protection and improvement of water resources within each river basin.	• The Groundwater Directive 2006/118/EC • Water Framework Directive 2000/60/EC • Water Environment and Water Services (Scotland) Act 2003 (WEWS) Act • Scotland River Basin Management Plan (2009) • Water Environment (River Basin Management Planning: Further Provision) (Scotland) Regulations 2013 • Cross-Border River Basin Districts (Scotland) Directions 2014
Air	Air quality targets have been set at the European and UK levels. The Air Quality Strategy for England, Scotland, Wales and Northern Ireland sets objectives for Particulate Matter (PM), oxides of nitrogen (NOx), sulphur dioxide (SO2) and ozone (O3) amongst others. Good progress is being	• 2008/50/EC Directive on ambient air quality and cleaner air for Europe • The Air Quality Strategy for England, Scotland, Wales and Northern Ireland (2007)

	made towards meeting them.	• The Air Quality Standards (Scotland) Regulations 2010 • The Air Quality (Scotland) Regulations 2000 • The Air Quality (Scotland) Amendment Regulations 2016
Material Assets	Agricultural and forestry policies promote sustainable land use, environmental protection and stewardship, and emphasise the importance of delivering public goods out with market mechanisms. Policy sets a target of increasing forest cover to 25% of land cover. The planning system highlights the need to allow the development of high quality, well designed, energy efficient housing. Efficient design will contribute to climate change abatement targets, as will transport emission reductions. Redevelopment of urban and rural brownfield sites is preferred to development on greenfield sites Place is an agent of change. Good buildings and places can enrich our lives as individuals and as a society in many different ways. The Town Centre First Principle asks that government, local authorities, the wider public sector, businesses and communities put the health of town centres at the heart of proportionate and best-value decision making. The Scottish Government's Strategy for Housing states a need for new housing supply, and also that bringing empty homes back into active use would represent an important contribution to effective	• Scottish Forestry Strategy • National Transport Strategy • The Strategic Transport Review Project (STPR) (2008) • Local Housing Strategies • Scottish Planning Policy • National Planning Framework 3 • A Vision for Scottish Agriculture • Town Centre First Principle • Creating Places - A policy statement on architecture and place for Scotland • Homes fit for the 21st century – the Scottish Government's Strategy for Housing 2011-2020 • The Future for Scottish Agriculture (2015) • The Future for Scottish Agriculture and Summary of the National Discussion (2016) • Tourism Scotland 2020 • People make Heritage 2020

| | new supply.

Tourism is a key economic driver and the historic environment is one of the main motivators for tourism activity in Scotland. | |
|---|---|---|

What environmental baseline information has been gathered?
Given the high level nature of the policy the gathering of baseline information has been limited to an overview of key trends and environmental strengths and weaknesses across Scotland. We have relied upon national level data, most of which is set out within the Scottish Historic Environment Audit, and the SEWeb portal. A summary of the key baseline information is contained within **Annex 2.**

4. Approach to the assessment

What aspects of the environment could the policy affect?

A key part of the scoping process in SEA is to identify whether the environmental parameters set out in schedule 3 of the Act are likely to be affected by the policy. This can lead to some environmental topics being "scoped out" of the assessment. The process helps to focus the SEA on the key significant issues.

The table below sets out the environmental topics we have considered during the assessment and our reasoning, where relevant, for scoping out certain topics.

Environmental topic	Scoped in/out	Potential issues arising from the HEP and justification for scoping in/out
Biodiversity, Flora and Fauna	**Out**	Although there may be some indirect effects for biodiversity, flora and fauna as a result of the policy content developed by the HEP we do not consider these will be significant. The policies will focus on the designation and management of historic environment assets. Whilst many of these assets will also have some value for biodiversity, flora and fauna, we do not expect the policies to have significant effects on these aspects, as the policies will focus on their historic value and characteristics. Consequently we propose to scope biodiversity, flora and fauna out of the assessment. However, we will keep this under review as the HEP progresses, and will revisit if necessary.
Landscape (including seascapes and urban and suburban landscapes)	**In**	The policy content developed by the HEP will focus on the designation and management of the historic environment. All landscape has a historic dimension and this is a major cause of, and contribution to, landscape character and sense of place. We therefore consider that significant effects on landscape are likely, and consequently we propose to scope landscape into the assessment.
Cultural Heritage	**In**	The policy content developed by the HEP will focus on the designation and management of the historic environment. We consider that significant effects on cultural heritage are likely, and consequently we propose to scope cultural heritage into the assessment.
Population and Human Health	**In**	The historic environment makes a key contribution to community, place making, housing, amenities

		and recreation. We therefore consider that there are likely to be effects on population and human health as a result of the policy content developed by the HEP. Consequently, we propose to scope population and human health into the assessment.
Soil	**Out**	Although there may be some indirect effects for soil as a result of the policy content developed by the HEP we do not consider these will be strategically significant. The policies will focus on the designation and management of historic environment assets and will not relate to soil function or capacity. Consequently we propose to scope this topic out of the assessment.
Water	**Out**	We do not consider that the policy content developed by the HEP will significantly affect water quality, flow, flooding or pollution. Consequently we propose to scope this topic out of the assessment.
Air	**Out**	We do not consider that the policy content developed by the HEP will significantly improve air quality or lead to higher levels of pollution. Consequently we propose to scope this topic out of the assessment.
Climatic Factors	**In**	The policy content developed by the HEP is likely to have effects on measures to reduce emissions/efficiency or to address the impacts of climate change. The predicted effects of climate change will also have implications for the historic environment and the way is used and managed. Consequently we propose to scope this topic in to the assessment.
Material Assets	**In**	The policy content developed by the HEP has potential for effects in the context of the historic environment as a provider of material assets, such as infrastructure, housing provision, tourism facilities and place. At this stage it is uncertain whether those effects are likely to be significant. Consequently, we propose to scope material assets into the assessment.

Key inputs – scoping and evidence gathering

A scoping report – outlining our proposed approach to our assessment – was issued to the Consultation Authorities (SNH & SEPA) for comment on 29 March 2018 for a period of 5 weeks. They were content with our overall approach and offered very helpful comments, which we have taken into consideration during the course of the assessment. Copies of the responses returned during the scoping consultation can be found in Annex 3.

What has been assessed?

The assessment has been undertaken at a level of detail that enables us to broadly predict the likely significant environmental effects arising from the policy. The first two stages of our assessment focused on the scope and form of the policy. This was followed by a process of iterative policy drafting and assessment, where the environmental effects of the evolving were progressively assessed.

How have elements of the Policy been assessed?

A framework of environmental objectives and related questions has been used to help predict the environmental effects of the policy. This approach helps to make the assessment systematic and consistent. The environmental objectives come from our review of plans, programmes and strategies that we talked of above and the performance of our actions against these objectives is tested by a series of questions that help to focus the assessment.

These are set out in Table 2:

Table 2

Environmental Topic	SEA Objective	How will the Policy Review affect…
Cultural Heritage	Safeguard and where appropriate enhance the historic environment	The safeguarding of designated tangible features of the historic environment The safeguarding of undesignated / unknown tangible features of the historic environment The safeguarding of intangible features of the historic environment Elements of the historic environment which have been identified as at risk Address the consequences of climate change for the historic environment
Landscape (including urban and suburban landscapes)	To safeguard and enhance the distinct identity, the diverse character and the special qualities of Scotland's landscapes as a whole.	The safeguarding and enhancement of natural characteristics and qualities of Scotland's landscapes A unified approach to managing change in landscapes
Population and Human Health	Promote celebration, understanding,	Access to the historic environment

	enjoyment and access to the natural and cultural heritage Support healthy living and working environments To reduce inequalities	Understanding of the value of the historic environment Community involvement in decisions affecting their places and spaces The condition of the historic environment as a place to work and live
Climatic Factors	Reduce the causes of climate change Contribute to effective adaptation to the predicted effects of climate change	CO_2 and greenhouse gas emissions Effective adaptation to the effects of climate change
Material Assets	To support high quality place making. To support sustainable, inclusive growth.	Management of agricultural and forestry assets Management of infrastructure Provision of high quality, efficient housing supply Creation of high quality places and spaces The contribution of the historic environment to tourism in Scotland Resource and waste management Waste heat and energy

How have alternatives been identified and assessed?

Alternatives were identified throughout the development of the policy, as a result of consultation with internal and external stakeholder, and through the environmental assessment itself. **Section 5** and **Annex 1** of this report tell the story of the iterative development of the policy, and the alternatives that were considered as part of the process.

How has the SEA helped to avoid or minimise negative environmental effects, and enhance positive effects?

The SEA seeks to provide an objective assessment of the emerging policy, helping to inform the most environmentally beneficial outcome. As part of the iterative drafting / assessment process, both mitigation and enhancement measures have been identified, and the majority of these have informed the content of the consultative draft. It is important, however, to note that SEA is not the only determinant of the strategy, and any information and recommendations provided need to be considered alongside other matters. **Section 5** outlines the key findings of the assessment and outlines those mitigation and enhancement measures which remain outstanding.

5. Assessment Findings

At Stage 1 of the policy review we considered options for the outcome of the policy review. It was clear that revocation of HESPS with no replacement was not a reasonable option. Because of this, we have considered the effects of the draft HEP against the baseline of the existing HESPS. This means that we have only identified effects which are additional to those implemented by HESPS. This has allowed us to focus on identifying, mitigation and enhancing the effects of areas of change introduced by the new policy.

Stage 1 - Consideration of options for outcome of the policy review

At an early stage in the review, three options for the outcome of the review were identified. We did not consider that the first, revocation of the existing policy with no replacement, was a reasonable alternative. The reasonable options were:

> **Option 1**: do nothing / minor amendments – continue with existing policy framework, content and focus.

This option reflects the current situation, and we have therefore considered this to represent the baseline against which the other alternatives are assessed.

> **Option 2**: revoke existing policy; replacement policy to have holistic approach encompassing whole of historic environment, rather than focusing on designated heritage assets.

This option has **significant positive** effects for **cultural heritage**, particularly undesignated, unknown and intangible historic environment. It is also **positive** for **population** and **landscape** objectives, as it supports an inclusive approach which can apply to all communities, and has scope to encompass the historic nature of landscapes. There is also the scope for additional environmental benefits by bring forward a new policy which can be informed by changes in environmental baseline and objectives.

> **Option 3**: revoke existing policy; replacement policy to be equally relevant to all decision making for the historic environment, rather than focusing on limited aspects of HES decision making.

This option has **significant positive** effects for **cultural heritage**, as it will place a new emphasis on good decision making in *all* types of decision which affect the historic environment. It is also **positive** for **population** by supporting community involvement in decisions about the historic environment. There is also the scope for additional environmental benefits by bring forward a new policy which can be informed by changes in environmental baseline and objectives.

We decided to take forward an approach which combines options 2 and 3.

Stage 2 – Options for framework of new policy

Following the decision to bring forward new policy to replace HESPS, we then considered the form that the new policy might take. Two options were identified:

Option 1: retain current framework, with operational policy and detailed guidance included in one document.

This option reflects the current situation, and we have therefore considered this to represent the baseline against which the other alternatives are assessed.

Option 2: Replace with new framework, headed by high level policy document with suite of operational policy and guidance documents sitting underneath.

This could potentially lead to a loss of policy and guidance content which would have a **significant negative** effect on some objectives for **cultural heritage**, particularly relating to the safeguarding of designated tangible features of the historic environment.

Mitigation: ensure that all policy and guidance content which is not carried into the new high-level policy is reviewed and where appropriate retained elsewhere within the suite of policy and guidance documents. Ensure that all essential material is in place and issued in advance of, or alongside the adoption of HEP.

Option 2 offers benefits in terms of clarity, usability and flexibility of policy framework, and was therefore taken forward to drafting phase, with a commitment to implement the recommended mitigation.

Stage 3 – Content of the HEP

This section sets out the assessment findings for the consultative draft HEP. The detailed findings (at **Annex 1**) set out how the HEP has developed, and how the ongoing assessment has informed the emerging policy content.

The principles and policies are presented in three groups; *understanding and recognition*, *managing change*, and *working together*.

Understanding and recognition

This policy theme and group of principles is likely to have **positive** effects, some of which may be **significant**, for **population** (understanding the differing cultural values of the historic environment; inclusive approach), and **cultural heritage** (holistic approach).

This section focuses specifically on the historic environment and cultural significance. There is an opportunity to also address the historic environment's role

as an integral element of a broader understanding of environment. This would reflect the 'holistic approach to the environment' challenge, and could support the **landscape** objectives.

> **Enhancement:** amend wording of ***Understanding and recognition*** *section* to introduce positive effects for **landscape**.

Managing change

This policy theme and group of principles is likely to have **positive** effects for **material assets** (through promoting sustainable decisions), and **climatic factors** (through promoting retention and reuse) and **significant positive** for **cultural heritage** (through providing a framework which can be applied holistically to change in the historic environment.)

Working together

This policy theme and group of principles is likely to have **positive** effects, some of which may be **significant**, for **population** (through promoting and inclusive, collaborative, community focused approach to accessing, understanding and managing change for the historic environment). This will have **positive** secondary effects for **cultural heritage**, though encouraging and empowering more communities to take a role in managing the historic environment.

Cumulative effects

We do not think that the cumulative application of the principles and policies will result in any additional significant effects.

6. Mitigation, enhancement and monitoring

Mitigation and enhancement

Our approach to the assessment and development of HEP has been iterative, and consequently the majority of mitigation and enhancement measures have been implemented as the policy has evolved. At this stage, there is one recommended mitigation measure and one recommended enhancement measure:

> **Mitigation:** ensure that all policy and guidance content which is not carried into the new high-level policy is reviewed and where appropriate retained elsewhere within the suite of policy and guidance documents. Ensure that all essential material is in place and issued in advance of, or alongside the adoption of HEP.

We have already begun work on implementing this mitigation measure.

> **Enhancement:** amend wording of ***Understanding and recognition*** *section* to introduce positive effects for **landscape**.

This enhancement measure will be considered as part of the post-consultation review process.

Monitoring

We will monitor the environmental effects of HEP as part of our overall monitoring of the policy. We will use the environmental objectives and issues identified in this assessment to help us do this. This will help to identify any effects arising which were not predicted through the assessment and allow appropriate mitigation to be sought.

We have also developed a specific monitoring framework in relation to the potential **significant negative** effect related to loss of policy and guidance content, which would affect some objectives for **cultural heritage**, particularly relating to the safeguarding of designated tangible features of the historic environment. The mitigation identified is:

> **Mitigation:** ensure that all policy and guidance content which is not carried into the new high-level policy is reviewed and where appropriate retained elsewhere within the suite of policy and guidance documents. Ensure that all essential material is in place and issued in advance of, or alongside the adoption of HEP.

Table 3 sets out in more detail where the mitigation is required, how it should be delivered and the required milestones for doing so. It provides a framework with which to monitor our delivery of the mitigation and we will review this regularly to monitor our progress.

Table 3

Section of HESPS	Has this area of policy / guidance been carried through into HEP?	Will the elements of policy / guidance not included in HEP be retained elsewhere?	What form will it take?	Does it need to be in place when HEP is adopted?	What is its current status?
Introduction	Yes				
Chapter 1: Scotland's historic environment	Yes				
Chapter 2: Designation	No	Yes	New Designations Policy	Yes	Currently under development. Consultation scheduled for early 2019.

Section of HESPS	Has this area of policy / guidance been carried through into HEP?	Will the elements of policy / guidance not included in HEP be retained elsewhere?	What form will it take?	Does it need to be in place when HEP is adopted?	What is its current status?
			Historic Environment Circular 1	Yes	Published
			Updated online designation process guidance	No	To be updated following adoption of HEP
Chapter 3: Consents and advice	Partly (high level policy and principles in HEP)	Yes	New Scheduled Monument Consent Policy	Yes	Currently under development. Consultation scheduled for early 2019.
			Managing Change (MG) guidance notes	Yes	Replacement MG on Demolition of Listed Buildings under development, consultation scheduled for late 2018. Other MG published but under ongoing review and will be refreshed as appropriate.
			Historic Environment Circular 1	Yes	Published
			Updated online SMC process guidance	No	To be updated following adoption of HEP
			Conservation Area Consent advice (policy	Yes	Policy content from HESPS to be taken and published online. To be reviewed

Section of HESPS	Has this area of policy / guidance been carried through into HEP?	Will the elements of policy / guidance not included in HEP be retained elsewhere?	What form will it take?	Does it need to be in place when HEP is adopted?	What is its current status?
			element)		and updated as necessary following adoption of HEP
Annex 1: criteria for and guidance on the determination of 'national importance' for scheduling	No	Yes	New Designations Policy	Yes	Currently under development. Consultation scheduled for early 2019.
Annex 2: criteria for determining whether a building is of 'special architectural or historic interest' for listing	No	Yes	New Designations Policy	Yes	Currently under development. Consultation scheduled for early 2019.
Annex 3: criteria for the designation of a conservation area	No	Yes	New Designations Policy	Yes	Currently under development. Consultation scheduled for early 2019.
Annex 4: criteria for and guidance on the determination of 'national importance' for the designation of historic marine	No	Yes	New Designations Policy	Yes	Currently under development. Consultation scheduled for early 2019.

Section of HESPS	Has this area of policy / guidance been carried through into HEP?	Will the elements of policy / guidance not included in HEP be retained elsewhere?	What form will it take?	Does it need to be in place when HEP is adopted?	What is its current status?
protected areas					
Annex 5: criteria for determining whether a garden or designed landscape is of 'national importance' for inclusion in the inventory	No	Yes	New Designations Policy	Yes	Currently under development. Consultation scheduled for early 2019.
Annex 6: criteria for determining whether a battlefield is of 'national importance' for inclusion in the inventory	No	Yes	New Designations Policy	Yes	Currently under development. Consultation scheduled for early 2019.
Annex 7: relationship of scheduled monument consent to planning consent	No	Yes	Historic Environment Circular 1	Yes	Published
			Updated online guidance	No	To be updated following adoption of HEP
Annex 8: listed building consent processes	No	Yes	Historic Environment Circular 1	Yes	Published
			Updated online guidance	No	To be updated following adoption of HEP
Annex 9: listed building	No	Yes	Historic Environment	Yes	Published

Section of HESPS	Has this area of policy / guidance been carried through into HEP?	Will the elements of policy / guidance not included in HEP be retained elsewhere?	What form will it take?	Does it need to be in place when HEP is adopted?	What is its current status?
consent and planning permission			Circular 1		
			Updated online guidance	No	To be updated following adoption of HEP
Annex 10: meaning of 'monument' under the 1979 act	No	Yes	New Designations Policy	Yes	Currently under development. Consultation scheduled for early 2019.
Annex 11: the certificate of intention not to list process	No	Yes	Updated online guidance	Yes	Currently under development

7.   Next Steps

The public consultation period on our draft HEP and accompanying Environmental Report (ER) ends on 3 December. A final version of HEP will be prepared following the consultation period to take into account comments made. All changes will be screened to consider if they raise significant environmental issues that have not already been considered in the environmental assessment. If the potential for significant environmental effects is identified, an assessment will be undertaken of their impact, and reported in the SEA Post Adoption Statement.

The SEA Post Adoption Statement, which will be published along with the final version of HEP, will show how the ER (and all the comments expressed on it) has been taken into account.

8.   Consultation

The Environmental Report accompanies the draft policy for a 12 week public consultation between 10 September and 3 December 2018. Any comments that you would like to make on either document are welcomed. A number of questions are listed in the Response Form which you are encouraged to use to help structure your response to the draft policy and this Environmental Report. For the Environmental Report, the main question to think about is:

> **Do you agree with the results of our environmental assessment and have the key issues associated with the environmental implications of the draft policy been identified?**

Contact point for queries about the Environmental Report:

Ginny Sharp
Senior Casework Officer
virginia.sharp@hes.scot

Historic Environment Scotland

Annex 1: Detailed assessment findings

Stage 1 – Consideration of options for outcome of the policy review

At an early stage in the review, three options for the outcome of the review were identified. We did not consider that the first, revocation of the existing policy with no replacement, was a reasonable alternative. The reasonable options were:

1. Do nothing / minor amendments – continue with existing policy framework, content and focus.

This option reflects the current situation, and we have therefore considered this to represent the baseline against which the other alternatives are assessed.

2. Revoke existing policy; replacement policy to have holistic approach encompassing whole of historic environment, rather than focusing on designated heritage assets.

This option has **significant positive** effects for **cultural heritage**, particularly undesignated, unknown and intangible historic environment. It is also **positive** for **population** and **landscape** objectives, as it supports an inclusive approach which can apply to all communities, and has scope to encompass the historic nature of landscapes. There is also the scope for additional environmental benefits by bring forward a new policy which can be informed by changes in environmental baseline and objectives.

3. Revoke existing policy; replacement policy to be equally relevant to all decision making for the historic environment, rather than focusing on limited aspects of HES decision making.

This option has **significant positive** effects for **cultural heritage**, as it will place a new emphasis on good decision making in *all* types of decision which affect the historic environment. It is also **positive** for **population** by supporting community involvement in decisions about the historic environment. There is also the scope for additional environmental benefits by bring forward a new policy which can be informed by changes in environmental baseline and objectives.

We decided to take forward an approach which combines options 2 and 3.

Stage 2 – Options for framework of new policy

Following the decision to bring forward new policy to replace HESPS, we then considered the form that the new policy might take. Two options were identified:

1. Retain current framework, with operational policy and detailed guidance included in one document.

This option reflects the current situation, and we have therefore considered this to represent the baseline against which the other alternatives are assessed.

2. Replace with new framework, headed by high level policy document with suite of operational policy and guidance documents sitting underneath.

This could potentially lead to a loss of policy and guidance content which would have a **significant negative** effect on some objectives for **cultural heritage**, particularly relating to the safeguarding of designated tangible features of the historic environment.

> **Mitigation:** ensure that all policy and guidance content which is not carried into the new high-level policy is reviewed and where appropriate retained elsewhere within the suite of policy and guidance documents. Ensure that all essential material is in place and issued in advance of, or alongside the adoption of HEP.

Option 2 offers benefits in terms of clarity, usability and flexibility of policy framework, and was therefore taken forward to drafting phase, with a commitment to implement the recommended mitigation.

Stage 3 – Drafting of the high – level policy document

This assessment focuses on the content of the new high-level policy document. Policy (including operational policy) and guidance which flows from the high level policy will be subject to the mitigation identified at stage 2. Where changes are made to these elements, or where new policy or guidance is proposed, we will consider whether significant environmental effects are likely and undertake assessment where appropriate.

The iterative drafts of the policy document have been assessed against a baseline of the effects of the existing policy (HESPS), rather than a baseline scenario of no policy.

Phase 1 of drafting

An initial draft document was developed which drew together a potential format and content for discussion and further informal consultation. It set out *core values; principal policies;* and *cross cutting themes*.

The *core values* proposed were:

- The historic environment is important
- Presumption is to conserve in situ and in an appropriate setting
- It is tangible and intangible
- Man-made and natural aspects are inextricably linked
- For all the people of Scotland
- Place and culture specific

- The historic environment is finite and non-renewable – good stewardship is essential
- People make the system work

Considered against the baseline of existing policy, these have **positive** effects for intangible **cultural heritage**, and **material assets** (through reduction of waste and promotion of sustainable use). The introduction of an emphasis on inclusivity and people has the potential for **significant positive** effects for **population.**

> **Enhancement:** the core values should be reflected in the active elements of the policy, to ensure that potential benefits can be delivered through decision making.

Principal Policies

The draft policy set out four principal policies. These were closely based on those set out in the existing policy, and therefore not considered to have any additional environmental effects.

Cross cutting themes

The draft policy set out four cross-cutting themes: *recognising value*; *good stewardship*; *assessing impact* and *working together*. The first of these three broadly reflected wording in the existing policy and therefore had no additional effects. *Working together* places a new emphasis on consideration of wider environmental enhancements. Whilst this has potential to support objectives for **climatic factors**, **landscape**, **material assets** and **population**, the wording was not specific enough to deliver these potential effects

> **Enhancement:** the policy could expand and strengthen the *working together* theme to deliver positive effects for **cultural heritage**, **climatic factors**, **landscape**, **material assets** and **population**.

In general, it was considered that there was potential for the policy to recognise key environmental, social and economic issues that can affect, or be affected by, decision making for the historic environment. This would also provide an environmental 'thread' which should inform the content of policy at this and lower levels.

> **Enhancement:** the policy should refer more specifically to key environmental challenges, issues and drivers, to embed consideration of these into the policy hierarchy.

Phase 2 of drafting

Following a series of internal and external consultation events, using the phase 1 draft as a basis for discussion, a second version was developed. This set out *challenges*, *key principles*, *overarching policies* and *cross cutting themes*.

The *challenges* were provided as generic headings at this point, and were assessed to identify links to SEA objectives and potential enhancements:

- Wellbeing (links with **population**)
- Climate change (links with **climatic factors**; **cultural heritage**; **population**)
- Placemaking (links with **population**; **material assets**; **cultural heritage**)
- Gaps in our ability to monitor decision making affecting the HE (links with **cultural heritage**)
- Land management (links with **landscape**; **material assets**)
- Societal change (links with **population**; **material assets**)
- Economic change (links with **population**; **material assets**)
- Regulatory change (no clear links)
- Inclusion/communities/empowerment (links with **population**; **cultural heritage**)
- Capacity and expertise (links with **cultural heritage**; **population**)

Enhancement: in developing the wording of the challenges, consider how they can support the SEA objectives of relevant topic areas.

The *key principles* evolved from the core values set out in the first phase of drafting:

- The historic environment is the cultural heritage of places and spaces. It is diverse but collectively tells the story of our shared past;
- The historic environment means different things and can have different values for different people. How we value places can change through time;
- The historic environment can include the natural as well as the built environment and can be both material and non-material, tangible and intangible;
- The historic environment is a non-renewable resource and should be carefully considered and managed before making a change to it;
- Historic aspects of our places and spaces are finite and irreplaceable;
- Historic places and spaces have been adapted over time to meet changing needs;
- The remains of the past can act as a powerful catalyst and a stimulus to high quality new design and development, leading to economic regeneration and community building;
- The historic environment provides a sense of place that contributes to our cultural identity and our well-being;
- We have a collective responsibility to participate in conserving the historic environment;
- Landscape is an important record of our past and is a source of significant national and local social, economic and environmental history;
- Each place is seen as special and understanding its significance is vital;
- Decisions affecting the historic environment are taken with a longer-term view to ensure that it is sustained so that that present and future generations can realise its benefits;

- The conservation of the historic environment is best delivered through working together;
- Decisions are based on a range of values that affect our wellbeing, prosperity and happiness;
- Decisions are proportionate, consistent and transparent.

Considered against the baseline of existing policy, these are **positive** for intangible **cultural heritage**, **material assets** (through reduction of waste and promotion of sustainable use, and promotion of placemaking), **landscape**, and **population** (through a focus on wellbeing and collaboration). At this level, the key principles in themselves are not likely to have significant effects, but their inclusion in this policy provides opportunity for influencing positive effects at the point of decision making, some of which may be significant at a local level.

Three *overarching policies* were developed:

- Understanding the significance of place is vital: Decision-making affecting the historic environment should be based on careful consideration of the significance of places and the wide-ranging values society gives them.

This is **positive** for **population**, as it supports inclusivity and understanding of cultural heritage.

- General presumption in favour of preservation/retention for the benefit and enjoyment of present and future generations.

This is **positive** for **material assets** (through reduction of waste, tourism and placemaking).

- Accessibility, inclusiveness, learning, enriching, and enabling participation: Everyone should have the opportunity to contribute to the knowledge of the values of places, to learn, and to participate in decision making.

This is **positive** for **population**, as it supports inclusivity and understanding of cultural heritage.

The *cross-cutting themes* remained largely undeveloped from the phase 1 draft, and therefore no additional effects were identified.

Phase 3 of drafting

The phase 3 draft policy included *challenges* and 3 *policy themes* which included *principles* and *policies*. At this stage the challenges remained largely undeveloped from phase 2, and were not re-assessed. The policies which sat under each policy theme were not yet developed sufficiently at this stage to assess.

The main change introduced to the Phase 3 draft was the combination of the overarching policies and cross-cutting themes into three policy themes under the heading of 'delivery'. This made the policy clearer, more concise and 'high-level', and

reduced repetition of content. The principles were developed and consolidated grouped thematically under the headings of the 3 policy themes:

Working together

- Effective management of the historic environment is a shared endeavour, best carried out in balance with the surrounding environment and with the involvement of communities of place, practice and interest
- Communities should be empowered to use their heritage for the purpose of the sustainable development of their community and place
- Where conflicts and tensions arise, the focus should be on interrelationships and areas of common ground to encourage dialogue and collaboration. Where issues are unable to be resolved, decision-makers should have all the relevant information available.

This policy theme and group of principles has the potential to achieve **positive** effects, some of which may be **significant**, for **population**, **cultural heritage** and **material assets**.

Enhancement: the policy section could be worded to deliver support for the objectives for **population**, **cultural heritage** and **material assets** The theme has also has links to the **landscape** topic (through achieving a unified approach to managing change in landscapes), and wording in both the principles and the policy could be developed to deliver positive effects for this objective.

Understanding value
- The character, diversity and distinctiveness of our historic environment has evolved over time, helps to define who we are, and shapes our lives today
- To identify the significance of a place it is first necessary to understand it
- Access to knowledge and information about the historic environment is critical to our understanding of the past

This policy theme and principles have the potential to achieve **positive** effects, some of which may be **significant**, for **population** and **cultural heritage**.

Enhancement: to deliver enhanced benefits, the policy could be worded to ensure an inclusive approach to understanding value, a broader definition of value to incorporate material assets and landscape, and avoid bias towards designated and / or tangible historic environment.

Managing change
- Decisions affecting the historic environment should be take a long-term view to ensure that it is sustained so that that present and future generations can realise its benefits
- Decisions affecting the historic environment should be proportionate, consistent and transparent
- Understanding the significance of the historic environment has a vital role to play in managing its future

This theme has the potential for **positive** effects for **material assets**, **landscape**, **population**, **climatic factors** and **cultural heritage** (particularly intangible, at risk and climate change issues).

> **Enhancement:** to deliver benefits, the policy could be worded to deliver support for the objectives for these topic areas.

Stage 4 – Consultative draft

This section explains the assessment of the final draft, which we are currently consulting on.

The Consultative Draft of HEP sets out *challenges and opportunities*, *principles* and *delivery policies*.

Challenges and opportunities

Whilst the challenges and opportunities will not in themselves lead to environmental effects, they have informed the development of the principles and policies set out by HEP. We considered where there are links to the environmental topics, and if so inclusion of the challenge or opportunity was working towards or working against the relevant environmental objectives.

> **Climate change**
> Our approach to decision-making affecting the historic environment must recognise and respond to ongoing climate change and support reductions in carbon emissions and waste.

Working towards **climate change** and **cultural heritage** objectives.

> **Creating and maintaining places**
> The places where we live, work and play are central to our wellbeing. The historic environment needs to be central to decisions about how we create, maintain and enhance our places. Ensuring places are sustainable, viable, vibrant and attractive is an ongoing challenge, and is central to the successful management of their character.

Working towards **population**, **cultural heritage** and **material assets** objectives.

> **Land management**
> Agricultural and land use practices and policies have an impact on our historic environment. They change constantly, so we must make sure that systems and principles for the management of the historic environment can accommodate and address these changes.

Working towards **landscape** and **material assets** objectives.

Intangible heritage

Established ways of managing the historic environment are based around physical, tangible things. These might be buildings, monuments, sites, places, areas or landscapes. Intangible heritage includes things which don't have a physical presence – things like stories, skills, or traditions. We need to improve our understanding of this intangible heritage. We need to recognise it properly so that it can inform our understanding of the past and the decisions we take.

Working towards **population**, **cultural heritage**, **landscape** and **material assets** objectives.

A holistic approach to the environment

Today's rural and urban landscapes are the result of human interaction with the environment. A holistic approach recognises that each part of a landscape has relationships with each other part. We have to look at each part of a landscape with reference to the whole. We must recognise that natural and cultural benefits and outcomes are often inter-dependent.

Working towards **cultural heritage** and **landscape** objectives.

Societal change

Our population is aging and shifting. It is better connected than ever before. Our communities are growing and our lifestyles are changing. All of these things should influence how we manage the historic environment. We need to make sure that we are recognising and anticipating these trends, and making sure our systems proactively respond to them.

Working towards **population** objectives.

Community participation and empowerment

The more people engage with, and participate in, decision-making affecting the historic environment the more sound the decisions we make will be. Decisions about the historic environment don't just have an impact on conservation of the historic environment, they also have an impact on people. Decision-makers need to weigh up potentially conflicting needs in an open and transparent so that everyone can understand how the decision was made.

Working towards **population** objectives.

Economic change

A strong economy supports effective management of the historic environment. The historic environment also contributes to inclusive and sustainable economic growth. We should always aim to maximise this, and make sure that people are aware of it. We need to be sure that our systems are flexible enough to handle changes in the economy.

Working towards **cultural heritage** objectives.

Regulatory change

When regulations change it can alter how decisions are made. This might include changes to planning law, or environmental assessment law. When changes like this happen, we will need to take them into account. To make this possible, our process have to be flexible, responsive, and led by an agreed set of principles.

No strong links to environmental objectives

Skills and capacity

Good management relies on decision-makers having access to the right skills and expertise to make informed decisions. We need to make that there is time and support for decision-makers to do their jobs effectively.

No strong links to environmental objectives

Sustainable tourism

Tourism brings huge benefits to the wider economy and specifically provides financial resources for looking after a lot of historic sites and buildings. High visitor numbers can also have effects on the sites themselves, and create challenges for managing them. We need to make sure that we effectively balances these effects to secure long-term benefits.

Working towards **population**, **cultural heritage**, and **material assets** objectives.

Funding

Not all elements of the historic environment can make enough money to cover the costs of maintaining them. The future of some sites will rely on external funding. There are difficult choices to be made about where to spend the available money. We have to be able to prioritise and think creatively about approaches to funding.

Working towards **cultural heritage** objectives.

Roles and responsibilities

Taking care of the historic environment is a shared responsibility. Sometimes the interests of different groups and individuals overlap, and this can cause confusion and tension about roles and responsibilities. We need to make sure that everyone understands how and why key decisions that affect the historic environment are made.

No strong links to environmental objectives

Diversity and equality

Our historic environment should accessible and provides a source of inspiration, enjoyment and learning for everyone. It should reflect the whole of our society. We need to think and talk about the past in a way that is includes everyone, and celebrates and recognises the diversity of our heritage.

Working towards **population** and **cultural heritage** objectives.

Principles and Policies

These are presented in three groups; *understanding and recognition*, *managing change*, and *working together*.

Understanding and recognition

This policy theme and group of principles is likely to have **positive** effects, some of which may be **significant**, for **population** (understanding the differing cultural values of the historic environment; inclusive approach), and **cultural heritage** (holistic approach)**.**

This section focuses specifically on the historic environment and cultural significance. There is an opportunity to also address the historic environment's role as an integral element of a broader understanding of environment. This would reflect the 'holistic approach to the environment' challenge, and could support the **landscape** objectives.

> **Enhancement:** amend wording to introduce positive effects for **landscape**.

Managing change

This policy theme and group of principles is likely to have **positive** effects for **material assets** (through promoting sustainable decisions), and **climatic factors** (through promoting retention and reuse) and **significant positive** for **cultural heritage** (through providing a framework which can be applied holistically to change in the historic environment.)

Working together

This policy theme and group of principles is likely to have **positive** effects, some of which may be **significant**, for **population** (through promoting and inclusive, collaborative, community focused approach to accessing, understanding and managing change for the historic environment). This will have **positive** secondary effects for **cultural heritage**, though encouraging and empowering more communities to take a role in managing the historic environment.

Annex 2: Environmental baseline, issues and evolution

Environmental baseline

In order to establish the environmental effects of HEP it is necessary to understand the environmental baseline of the area that is likely to be affected. Schedule 3 of the Act lists the environmental topics that should be considered in SEA. To focus the SEA, baseline information has been gathered on the environmental issues that are likely to be affected by HEP. Given that HEP covers the whole of Scotland's historic environment, a national baseline has been reviewed. A summary of the key baseline information for each relevant environmental topic is set out below.

Cultural Heritage

Baseline Data	Sources
Buildings at Risk Investment in the Historic Environment Designated Sites, Buildings, Landscapes and Battlefields Properties in Care Non-designated historic environment features Marine Heritage Local Character and Townscapes	Historic Environment Scotland GIS Downloader National Monuments Record of Scotland (includes equivalent data to the Sites and Monuments Records) Scotland's Historic Environment Audit 2016 Buildings at Risk Register for Scotland (BARR) Scotland's Environment Web

The historic environment is a legacy of our long history, from the 'eco homes' at Skara Brae, to the post-war homes and churches built by Scotland's leading architects, and with a great deal in between. Scotland's historic environment is a unique asset, attracting millions of visitors each year and generating income and jobs across Scotland. As such, the historic environment makes a valuable contribution to the Scottish Government's strategic objectives and the purpose, values and national outcomes stated in the National Performance Framework.

Scotland has six World Heritage Sites, over 47,000 listed buildings and more than 600 conservation areas. Nearly 400 sites are currently identified in the Inventory of Gardens and Designed Landscapes, and 40 sites are on the Inventory of Battlefields. The actual extent of archaeological remains in Scotland is unknown with just over 8,000 Scheduled Monuments representing only a small proportion of the archaeological sites for which HES holds records. There are many more unrecorded sites, features and unknown resources throughout the country. Landscapes are a

key part of our cultural heritage; they have huge economic potential and are a vital part of our sense of place and general well-being.

The key information relating to the context for HEP, and what we have based our assessment upon, can be found in the 2016 Heritage Audit and in the Historic Environment Strategy for Scotland, *Our Place in Time*.

Population and Human Health

Baseline Data	Sources
Access to historic environment sites, records and collections Tourism revenue and visitor numbers Health and Place data Socio-economic data	Historic Environment Scotland Visit Scotland NHS Scotland Scottish Government SEPA Guidance on consideration of health factors in SEA

The environment provides a variety of services that are beneficial to human health including opportunities for education and recreation. Access to historic environment sites, forests, woodlands and nature conservation sites as well as the wider environment can help to promote healthier lifestyles, having positive effects on both physical and mental health. The quality of the environment and places and buildings in which we live can also impact on our quality of life. High quality urban environments, including natural landscapes, can create a sense of place and improve well-being. Poorly maintained housing and neglected community spaces can have a negative impact on physical and mental well-being.

The historic environment needs to be managed in a sustainable way to ensure that the positive and distinctive contribution it can make to our well-being, landscape, and sense of history, identity and place can be realised.

Community Planning is an increasingly important area in which the connection between people and place and the associated impacts (for example; health, wellbeing and social inclusion) can be seen as a driver towards better outcomes in these areas.

Climatic Factors

Baseline Data	Sources
CO2 Emissions	SNIFFER
Carbon Footprint	SEPA Guidance on consideration of climatic factors in Strategic Environmental Assessment
SNIFFER 2014 Online Handbook of Climate Trends across Scotland	UKCIP
United Kingdom Climate Impacts Programme (UKCIP) Climate Modelling	Historic Scotland Conservation Group

Our archaeology and coastal landscapes are vulnerable to coastal erosion, rises in sea level, flooding and storminess. Some of Scotland's unique and special sites such as Skara Brae in Orkney are most at risk. Built heritage can also suffer adverse effects from storms, subsidence and increased wetting and weathering. More rainfall will mean that traditional buildings will be wetter for longer periods of time resulting in increased weathering of stone, algal and fungal growth, corrosion of metals and timber decay. The spread of pests and disease as a result of a warmer climate and milder wetter winters can also have effects upon various materials and furnishings. Measures to improve energy efficiency in traditional buildings need to be considered carefully with thought given to the carbon footprint, embodied energy, longevity and sustainability of existing and replacement materials.

For example, reducing air leakage in traditional buildings to prevent heat loss might result in condensation and mould growth, with damaging effects on the building fabric and the health of those living there. Careful consideration also needs to be given to the renewable energy projects (such as micro renewables) which may have a detrimental effect on the character or setting of historic environment features, landscapes and townscapes.

We also need to be mindful of the relationship between resource use and work in the area of waste reduction and their link with climatic factors.

Landscape (including seascapes and urban and suburban landscapes)

Baseline Data	Sources
Wild land	Historic Land use Assessment
National, Regional and Country Parks	Scotland's Environment Web
	Coastal Character Assessment
National Scenic Areas	Landscape Character Assessment
Local Landscape Areas	National Scenic Areas
Historic Land Use	Wild land

Scotland's diverse and distinctive landscapes are a significant part of the country's natural and cultural heritage, making an important and positive contribution to the economic, cultural and social wellbeing of the nation.

The European Landscape Convention aims are to promote protection, management and planning of all landscapes, not just protected areas. Landscape is a component of a number of environmental designations and there is an intricate relationship between landscape, conservation, other environmental objectives, community identity and wellbeing and economic development. It is a key part of our cultural heritage which has huge economic potential and is a vital part of our sense of place and general well-being. This relationship between the perception of natural and historic landscape means that the sustainable management of the historic environment can impact on landscape as a whole.

Scottish Natural Heritage have, in partnership with others, produced a series of 30 regional Landscape Character Assessment studies that identify and map the landscape character of all of Scotland. These are currently being reviewed with the aim of producing a single national dataset. The Landscape Character Assessments are used heavily in policy making, development planning and management and form an important tool in the appropriate consideration of landscape-scale change.

Work in the area of Coastal Character Assessment is also being brought forward by Scottish Natural Heritage with a Guidance Note on the topic published in 2017. Coastal Character Assessment identifies, describes and maps Scotland's coasts and these will underpin marine plans, development plans and specific development proposals. Coastal Character Types have been identified at a national level and a Coastal Character Assessment for Orkney and Caithness in 2016.

Material assets

Baseline Data	Sources
Agricultural and forestry land use data	Scottish Government
Housing supply data	Transport Scotland
Transport data	Forestry Commission Scotland
Tourism revenue and visitor numbers	SEPA Guidance on consideration of material assets in Strategic Environmental Assessment
Waste data	Visit Scotland

Agricultural and forestry policies promote sustainable land use, environmental protection and stewardship, and emphasise the importance of delivering public goods out with market mechanisms. The Scottish Government's Draft Climate Change Plan, published in January 2017, sets specific targets for future woodland expansion to cover 21% of Scotland by 2032. To deliver this, the draft plan proposes that the rate of new afforestation rises to 15,000 hectares per year by 2024. Scotland's forests are the most productive in the UK. Our woodlands and forests offer many benefits: economic (including timber, non-timber and tourism), health and wellbeing, carbon storage and ecosystems services. The National Forest Estate covers nearly 9% of Scotland, extending to over 650,000 hectares. There are 323 scheduled monuments and 31 listed buildings on the Forestry Commission Scotland Designated Historic Assets Register. There are also around 12,000 individual historic environment features on the Forester GIS (Geographic Information System) Heritage Module. Around 80% of Scotland's land mass is used for agriculture, and agricultural practices, both historic and current, have helped shape our landscape and historic environment.

Construction accounts for about 50% of all waste in Scotland and is a major influence on efficient use of resources. The Scottish Government has published a strategy – Safeguarding Scotland's resources – that focuses on waste prevention and the circular economy. It includes a target to reduce the amount of waste generated in Scotland by 15% by 2025. The historic environment and its ongoing upkeep is inherently sustainable as it reuses existing buildings and minimises the use of new resources. Traditional buildings have embedded energy (the energy required to extract, process, manufacture, transport and install building materials). Although traditional buildings usually have a lower thermal performance than new buildings, continuing to use them can avoid some new carbon by reducing the need for new buildings. Reducing greenhouse gas emissions associated with the upkeep of old buildings, while maintaining their cultural significance, is a challenge. All measures to improve energy efficiency in traditional buildings need to be considered carefully with thought given to the carbon footprint, lifespan and the sustainability of existing and replacement materials. In improving energy efficiency, it is important to avoid damaging effects on traditional buildings. For example, reducing air leakage in

buildings to prevent heat loss may result in condensation and fungus growth, with damaging effects on the fabric of the building and the health of people using it.

Traditionally constructed buildings including housing make a major contribution to Scotland's existing built environment. The Scottish House Condition Survey (SCHS) 2015 estimates that around 20% of Scottish dwellings were built before 1919 (488,000 dwellings). 68% of pre-1919 buildings had a degree of critical element disrepair in 2015, compared to 72% in 2014 and 73% in 2013. The Scottish average was 52% in 2015, 53% in 2014 and 57% in 2013. Around 9% of households live in conservation areas, which cover about 0.3% of Scotland's land area. The Scottish Government's Strategy for Housing states a need for new housing supply, and also that bringing empty homes back into active use would represent an important contribution to effective new supply.

Scotland's transport infrastructure is also a key asset in connecting our urban and more remote rural areas, and supporting future growth. Many elements of the road, rail and canal networks across the country are of traditional construction.

Tourism is a key economic driver and the historic environment is one of the main motivators for tourism activity in Scotland. Heritage-based tourism created an estimated £780 million for the Scottish economy in 2015, supporting 23,100 FTE jobs across the sector.

Environmental Issues

A review of the baseline information has identified the following key environmental problems and issues relevant to the preparation of the HEP**:**

- The impacts of climate change on the historic environment and the role of the historic environment in contributing to adaptation and mitigation. There may be cross cutting issues around the adaptation of the historic environment and implications for health and wellbeing and material assets objectives.
- The condition and maintenance of the historic environment.
- Understanding of the value of the historic environment to communities and the place-making agenda.
- Challenges around sustainable use and reuse of historic buildings and structures, particularly those at risk.
- Access to the historic environment by everyone.
- The inclusive, sustainable use and management of historic environment assets, and the role this plays in achieving environmental objectives for health and wellbeing and material assets.
- Linkages between place, communities and inequalities.
- Tensions between the economic and cultural values that heritage assets might have, and how this might influence decision making.

Evolution of the environment in the absence of HEP

Without HEP, decision making affecting the historic environment would continue under the existing policy framework. This would mean that there would not be an opportunity to reshape the policy to seek better outcomes for both the historic environment and other environmental topics, through an up-to-date consideration of the wider legislative and policy landscape, and current environmental baseline, issues and pressures.

Annex 3: Scoping comments from consultees

Scottish Environmental Protection Agency	Our response
As required under Section 15(2) of the Act, we have considered the document submitted and are generally content with the scope and level of detail proposed to be included in the Environmental Report (ER). We are also content with the proposed minimum of 6 weeks for the consultation period.	Noted
We would highlight the following points for your information and consideration: • Table 4 - www.seaguidance.org.uk – this has been replaced by a suite of topic guidance notes (air, soil, water, human health, material assets and climatic factors) which can be found on SEPA's website: www.sepa.org.uk/environment/land/planning/strategic-environmental-assessment. These guidance notes contain links to sources of baseline information and the policy context for each topic; you may find these useful when finalising these aspects for the assessment and the subsequent report on findings.	Noted, we have updated the baseline sources accordingly.
• We would suggest that you consider widening the scope of issues to be examined under the material assets topic. For example this could include resource use, waste management, and supporting infrastructure issues related to the management, maintenance, and public access to or use of the historic environment. Consideration of material assets in this way could encompass not only waste materials from management and maintenance activities, but also waste heat and energy, or indeed the optimum use of buildings and infrastructure capacity. A more efficient approach to resource use and the subsequent reduction in waste can also have positive effects on climatic factors and would contribute to HES's ambitions for sustainable management.	Noted. The environmental baseline and objectives were amended to incorporate these elements of material assets.
Scottish Natural Heritage	**Our response**
Subject to the specific comments set out below, SNH is content with the scope and level of detail proposed for the environmental report.	Noted
• Table 2:	Noted and amended accordingly.

○ SEA Topic Landscape. We recommend that this should refer to Landscape Character Assessment. As noted in the environmental summary objectives, landscape policies are not just for protected areas.	
○ SEA Topic Biodiversity, Flora and Fauna. This could include reference to geodiversity. It would be clearer if the last sentence said "landscape-scale approach" rather than "landscape approach".	Noted and amended accordingly.
• Table 4: ○ Environmental Topic Landscape. The Baseline Data column should include Landscape Character Assessment (LCA), and Coastal Character Assessment. The national coverage of terrestrial LCA is currently being reviewed, with HES's input, and is due for publication later in 2018. In the meantime, the Sources column should use the following link to SNH's website: Landscape Character Assessment (www.nature.scot > professional advice > landscape change / landscape character assessment - and also coastal character assessment. Further information on National Scenic Areas including Special Qualities is also available via the SNH website (professional advice > protected areas > National Scenic Areas). Wild land details can also be found via the website.	Noted and included within baseline sources.
We note and support SEPA's suggestion to widen the scope of Material Assets to include more sustainable management aspects.	Noted.
SNH notes that a period of six weeks is proposed for consultation on the Environmental Report and is content with this proposed period.	Noted.