

**The Highland Council**  
**Community Services Committee**  
**15 May 2014**

Agenda Item	<b>6</b>
Report No	<b>COM /03/14</b>

**Landfill Community Fund**

**Report by Director of Community Services**

**Summary**

This report advises Members of the Landfill Community Fund and invites Members to approve the governance arrangements in relation to the allocation of funding.

**1. Background**

- 1.1 This report is linked to the Programme for The Highland Council, “Working together to empower our communities”

**2. Landfill Community Fund**

- 2.1 Landfill Operators (LOs) including The Highland Council, must pay a tax to the Government on every ton of waste that they dispose of in a landfill site. The Landfill Community Fund (LCF) allows The Highland Council to offset 5.1% of its landfill tax liability in 2014-15 and gives a 90 per cent tax credit against their donations to organisations who deliver Environmental Objectives (Appendix C), and are registered with ENTRUST, the Government regulator of the LCF. The Highland Council removes the need and expense to register with ENTRUST by employing E B Scotland a ‘Distributive Environmental Body’. This means that E B Scotland register the projects in their name and undertake all regulatory and administrative responsibilities.
- 2.2 Previously, those bodies which were eligible were invited to submit applications to Highland Council for LCF. Applications were summarised and presented to a Working Group for recommendation and subsequently the Transport, Environmental and Community (TECS) Committee for approval. It is recommended that where appropriate the Area Committees approve applications as per the Scheme of Delegation to Area Committees (“To allocate and monitor expenditure from agreed funds”) of the Council’s Scheme of Delegation in the future.
- 2.3 Over time, changes have made a considerable difference to the distribution of LCF within Highland Council, these include:
- The closure of the Longman Landfill site at Inverness
  - The reduction in available LCF from 20% to 5.1%
  - The removal of Objects C and CC (Recycling Projects) under which several groups within the Highlands had previously submitted projects.

Due to the significant reduction in available LCF, Members agreed projects should meet the following criteria:

- Be restricted to Objective DA (biodiversity conservation). This was subsequently extended to include Objective D (public amenities or parks) due to the ad hoc offer of £100,000 from Avondale the company which landfills the majority of Highland Council's waste.
- Be restricted to a maximum of £10,000 to any one project annually.

These criteria do not conflict with ENTRUST criteria for approval of either the organisation or their project(s).

### **3. Distribution of Future Funding**

- 3.1 With the complete disbursement of the Avondale funding it is recommended that The Highland Council LCF is subject to the previous restrictions (Objective DA (biodiversity conservation) and a maximum of £10,000 to any one project annually), subject to Approval by the appropriate Area Committee.

### **4. Devolution of landfill tax to Scotland from 1 April 2015**

- 4.1 The Scotland Act 2012 provides for landfill tax to be devolved to Scotland. From 1 April 2015, operators of landfill sites in Scotland will no longer be liable to pay UK landfill tax for waste disposed of at their Scottish sites. Instead, they will be liable to register and account for Scottish Landfill Tax (SLfT).
- 4.2 Revenue Scotland, the new tax authority for Scotland's devolved taxes, will be responsible for SLfT. The Scottish Environment Protection Agency (SEPA) will support Revenue Scotland in the administration of the SLfT. Operators of landfill sites in Scotland will be required to register with Revenue Scotland in advance of April 2015.
- 4.3 The Landfill Tax (Scotland) Act 2014 introduces a similar LCF type scheme to ensure communities in Scotland are still compensated for living close to landfill sites after the introduction of SLfT. SEPA will also regulate the new scheme in Scotland for projects funded by SLfT after 31 March 2015.

### **5. Implications**

- 5.1 There are no known Legal; Equalities; Climate Change/Carbon Clever; Gaelic or Risk implications as a result of this report.

**Recommendation**

Members are invited to:-

- (i) approve distribution Landfill Community Fund as set out in Section 3 of this report and;
- (ii) invited to note the devolution of landfill tax in 2015.

Designation: Director of Community Services

Date: 6 May 2014

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