

## **A response to the Scottish Government Consultation - A Landfill Tax for Scotland**

**by the Scottish Environment LINK Scottish  
Environmental Fundraising Forum (SEFF)  
Taskforce**

**Date: 15 January 2013**



### **Introduction**

Scottish Environment LINK is the forum for Scotland's voluntary environment community, with over 30 member bodies representing a broad spectrum of environmental interests with the common goal of contributing to a more environmentally sustainable society.

Its member bodies represent a wide community of environmental interest, sharing the common goal of contributing to a more sustainable society. LINK provides a forum for these organizations, enabling informed debate, assisting co-operation within the voluntary sector, and acting as a strong voice for this community in communications with decision-makers in Government and its agencies, Parliaments, the civic sector, the media and with the public.

Acting at local, national and international levels, LINK aims to ensure that the environmental community participates in the development of policy and legislation affecting Scotland.

LINK works mainly through Taskforces – groups of members working together on topics of mutual interest, exploring the issues and developing advocacy to promote sustainable development, respecting environmental limits.

LINK members welcome the opportunity to comment on this consultation.

### **General remarks**

The undersigned LINK members support Scotland's Zero Waste Plan and the move towards an environmentally sustainable Scotland where waste use is minimised. We therefore support the principle of reducing and ultimately eradicating landfill in Scotland; however, whilst the practice is still in existence, we are in favour of a fund such as the Landfill Communities Fund, which hypothecates tax raised from an environmentally damaging activity for projects that benefit the environment.

**For the purposes of this consultation response, we restrict our comments to Chapter 5 - Landfill Communities Fund - Supporting Those Affected by Landfill of the consultation document.**

### **Q11**

**Do you support maintaining a Landfill Communities Fund and extending the credit limit for contributions to the fund?**

We strongly support both maintaining a Landfill Communities Fund (LCF) and extending the credit limit for contributions to the fund.

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The LCF has provided much-needed financial support to communities around Scotland since its introduction in 1996 and has been one of the few funding streams to support biodiversity projects. This has enabled the restoration and enhancement of important habitats to help safeguard Scotland's diverse plant and wildlife species and provide high quality greenspaces for people to enjoy and connect with nature. These initiatives are crucial in helping the Scottish Government to meet national and EU biodiversity targets. Without LCF it is unlikely that many projects which have delivered significant benefits for communities and biodiversity would have gone ahead. These projects have also secured employment in the sector and mobilised significant levels of community volunteering

Accessing funding for the natural environment sector is increasingly restricted and competitive. Extending the credit limit for contributions to the fund will help increase the funding available and is therefore welcomed.

### Q12

#### **Could the money from the fund deliver similar or greater benefits through a different approach or delivery model? What alternative arrangement would you propose?**

Currently the LCF is delivered by experienced Distributive Environmental Bodies (DEBs), which operate at a regional level and know their operational area and project client base well. They provide good value for money with management fees usually less than 10% of income. In some cases, funds are also distributed directly by landfill operators.

We would suggest that the scheme continues to be managed by DEBs who already hold significant expertise in the running and management regulations of the LCF. They could enforce the regulations with applicants through stipulations in contracts that non-compliance of the rules would result in a refusal to pay grant awards.

We would recommend that guidance relating to the nature of projects is retained, with biodiversity remaining a priority area for funding as it has been through Object DA in the current LCF. The current programme is one of the few funding streams available that will fund pure biodiversity, allowing large scale projects that provide demonstrable improvements to take place and deliver against the Scottish Government's Scottish Biodiversity Strategy.

We propose that the scheme is regulated as suggested below in response to Q13.

### Q13

#### **What benefits would be obtained from retaining an independent regulator? What functions and responsibilities should the regulator have?**

One of the biggest issues for the present scheme is regulation. While regulation is crucial, it is important that it does not obstruct the delivery of high quality projects. We have concerns in relation to the current regulation model carried out by ENTRUST, which is expensive, duplicates information-gathering and arguably over-regulates the scheme.

ENTRUST currently scrutinise project applications and register projects. Their only regulatory role is to ensure that Landfill Tax Contributions are spent in compliance with the regulations. The first role is arguably superfluous - the guidance is clear and currently projects are registered almost

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without exception. The present regulatory model acknowledges the lack of risk by permitting certified EBs to self-register projects.

We would envisage that any future regulatory role could be streamlined by dropping the information collection and storage function currently being carried out by ENTRUST. Registration holders would be obliged to hold all relevant information regarding their projects (as set out in a regulatory framework) and be required to present any such information upon demand should there be any concerns over compliance - or potentially through proportional audits.

We would suggest that financial probity could be ensured by EBs reporting receipt of contributions direct to Revenue Scotland who could by means of reconciliation with contributions reported by Landfill Tax payers. The DEBs themselves would be able to demonstrate adherence to correct financial procedures by the fact that they are registered companies, subject to auditing and publication of accounts by Companies House.

It is felt that a more efficient regulatory process such as that suggested above would ensure that more funding would be made available for project delivery. This is important given that the focus of the scheme should remain one that empowers communities and delivers biodiversity improvements for the benefit of all.

### Q14

#### **Should the 10 mile eligibility radius from landfill sites be maintained or reviewed to ensure those most affected by landfill sites benefit from projects?**

LINK agrees that an eligibility radius is useful to ensure the fund is seen as addressing disbenefits for communities living close to a landfill site. However, by defining the exact distance, this potentially puts at a disadvantage projects that fall just outside this area and does not allow the funder any degree of flexibility to include worthwhile projects falling just beyond this area. In the long-term this could mean an exhaustion of good projects in the 10 mile radius with good projects just outside being excluded.

The undersigned LINK members also recommend that the eligibility radius is extended for biodiversity projects given the geographical breadth of ecosystems and that the radius is also relaxed in sparsely populated areas such as the Highlands. In this case, it may be appropriate to use the boundary of a community or group of communities served by an amenity rather than the location of the amenity itself.

We also recommend that consideration is given to extending qualifying sites to include waste transfer stations and other waste related facilities which have a negative impact on neighbouring communities. A definitive and regularly updated list of eligible sites is crucial.

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**Q15**

**Do you support using a proportion of the fund to support more strategic environmental objectives, including climate change mitigation and resilience and, if so do you have views on which organisations could play a role in identifying and channelling funding towards these strategic priorities?**

LINK supports the Scottish Government's strategic environmental objectives, including climate change mitigation and resilience, however we believe that these objectives should be delivered through mainstream Government spending. This will ensure that more funds within this type of scheme remain available to empower communities. The national LCF scheme is currently heavily over-subscribed and there is simply insufficient funding available to make a meaningful contribution to the delivery of strategic priorities. The focus of the LCF should continue to be delivering projects at a community level, which may well lead to achievement of strategic priorities such as climate change objectives.

**This response was compiled on behalf of LINK Scottish Environmental Fundraising Forum Taskforce and is supported by:**

**Buglife**

**Butterfly Conservation Scotland**

**Froglife**

**National Trust for Scotland**

**Plantlife Scotland**

**RSPB Scotland**

**Scottish Wildlife Trust**

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