FINANCE COMMITTEE CALL FOR EVIDENCE ON THE LANDFILL TAX (SCOTLAND) BILL

SUBMISSION FROM SOUTH AYRSHIRE COUNCIL

Whether the Bill is consistent with the four principles underlying the Scottish Government’s approach to taxation, i.e. – certainty, convenience, efficiency, and proportionate to the ability to pay.

1. Generally yes, the Bill is proposing a continuation of landfill tax policy that was previously adhered to by the UK government and which has proved successful in diverting waste from landfill towards more sustainable forms of waste management.

The decision not to introduce significant changes to the form or structure of the existing UK landfill tax.

2. We would support this decision for similar reasons to those outlined in our response to Q1 above. In addition, if different landfill tax rates were applied in Scotland to other areas of the UK this would encourage cross border transport and disposal of wastes which would work against the proximity principle of waste management and other sustainable waste management policies.

The use of the same list of qualifying materials as specified in the Landfill Tax (Qualifying Material) Order 2011.

3. We are in agreement with this approach.

The intention to set tax rates in subordinate legislation, and in such a way that “rates will follow closely UK rates”

4. We only know that the landfill tax will reach a level of £80 per tonne for the year 2014/15, and therefore any further increases in the landfill tax beyond this date has the potential for the Council to have to pay for these tax increases at the expense of providing other services.

The power in the Bill to establish more than two tax rates and to vary the list of material qualifying for different tax rates in subordinate legislation.

5. We generally support this approach as it would provide flexibility for future changes in waste management policy and direction.

The provisions which will allow the tax authority to pursue taxes evaded through the illegal dumping of waste.

6. We are content that the provisions detailed are sufficient to allow orders to be made to recover landfill tax from any illegal dumping of waste activities.

The list of activities and materials which are exempt from landfill tax?

7. The list of materials qualifying for the lower tax rate appears comprehensive and we do not see the need for any refinements. However, inert materials could perhaps be better used in the production of aggregates, building blocks, filtration equipment or landscaping, than going for landfill disposal and perhaps an assessment of the alternative uses for these inert materials is required.
**The Scottish landfill Communities Fund**

8. Yes, we very much support maintaining a Landfill Communities Fund and extending the credit limit for contributions to the Fund.

9. We would also suggest that the 10 mile radius limit is too restrictive and this should be extended to the full area of any local authority where the landfill site is located as well as the ten mile radius.

**The Role of Revenue Scotland in administering the tax**

10. No particular comment other than the need for Revenue Scotland to work closely with the Scottish Environment Protection Agency (SEPA).

**The role of SEPA in the administration of the tax**

11. The proposal to appoint SEPA as the “Collection Agent” for the landfill tax should help to improve clarity between the waste authority and landfill operators.

12. With SEPA acting as the “landfill tax collector” they will be able address issues of clarity through landfill site licences and PPC’s in discussion with the landfill operators.

**The formula for calculating the adjustment to the block grant**

13. No comment at this time.

**The financial implications of the Bill as estimated in the financial memorandum**

14. The Council is already committed to reducing waste going to landfill to only 5% by the year 2025 in accordance with the requirements of the Zero Waste Plan, and we therefore would not wish to see increasing expenditure on landfill tax in future years that would impact on the delivery of other council services.