

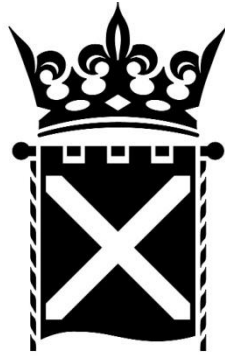
Finance Committee

6th Report, 2013 (Session 4)

Stage 1 Report on the Landfill Tax (Scotland) Bill

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website -
www.scottish.parliament.uk



The Scottish Parliament
Pàrlamaid na h-Alba

Finance Committee

6th Report, 2013 (Session 4)

Stage 1 Report on the Landfill Tax (Scotland) Bill

Published by the Scottish Parliament on 12 September 2013



The Scottish Parliament
Pàrlamaid na h-Alba

Finance Committee

6th Report, 2013 (Session 4)

CONTENTS

Remit and membership

Report	1
Introduction	1
Tax Framework	2
Unauthorised Disposals to Landfill	10
The role of Revenue Scotland and SEPA	122
Block Grant Adjustment	144
Landfill Communities Fund	166
Conclusion	200
Annexe A: Reports from other committees	21
Annexe B: Index of oral evidence sessions	21
Annexe C: Index of written evidence	21



The Scottish Parliament
Pàrlamaid na h-Alba

Finance Committee

Remit and membership

Remit:

1. The remit of the Finance Committee is to consider and report on-
 - (a) any report or other document laid before the Parliament by members of the Scottish Executive containing proposals for, or budgets of, public expenditure or proposals for the making of a tax-varying resolution, taking into account any report or recommendations concerning such documents made to them by any other committee with power to consider such documents or any part of them;
 - (b) any report made by a committee setting out proposals concerning public expenditure;
 - (c) Budget Bills; and
 - (d) any other matter relating to or affecting the expenditure of the Scottish Administration or other expenditure payable out of the Scottish Consolidated Fund.
2. The Committee may also consider and, where it sees fit, report to the Parliament on the timetable for the Stages of Budget Bills and on the handling of financial business.
3. In these Rules, "public expenditure" means expenditure of the Scottish Administration, other expenditure payable out of the Scottish Consolidated Fund and any other expenditure met out of taxes, charges and other public revenue.

(Standing Orders of the Scottish Parliament, Rule 6.6)

Membership:

Gavin Brown
Malcolm Chisholm
Kenneth Gibson (Convener)
Jamie Hepburn

John Mason (Deputy Convener)
Michael McMahon
Jean Urquhart

Committee Clerking Team:

Clerk to the Committee

Jim Johnston

Senior Assistant Clerk

Catherine Fergusson

Assistant Clerk

Alan Hunter

Committee Assistant

Parminder Kaur



The Scottish Parliament
Pàrlamaid na h-Alba

Finance Committee

6th Report, 2013 (Session 4)

Stage 1 Report on the Landfill Tax (Scotland) Bill

The Committee reports to the Parliament as follows—

INTRODUCTION

1. The Landfill Tax (Scotland) Bill (“the Bill”) was introduced on 17 April 2013 by John Swinney MSP, Cabinet Secretary for Finance, Employment and Sustainable Growth (“the Cabinet Secretary”). The Finance Committee was designated lead committee by the Parliamentary Bureau. The role of the Committee at Stage 1 is to consider and report on the general principles of the Bill.

2. The Committee issued a general call for evidence on 24 April 2013 and all submissions received are available on the Committee’s web pages on the Scottish Parliament website¹. The Committee also heard oral evidence at its meetings on 5, 12 and 19 June 2013. The Committee would like to thank all those who provided evidence to the inquiry.

3. The Committee also received a report from the Delegated Powers and Law Reform Committee (DPLRC) on the delegated powers provisions within the Bill², some of the findings of which are considered below.

Bill Purpose

4. The Policy Memorandum (PM) accompanying the Bill states that it “makes provisions for a Scottish tax on disposals to landfill, to be called the Scottish Landfill Tax.”³ This will replace the UK Landfill Tax regime and will come into force the day after the UK Landfill Tax is disapplied from Scotland. The Financial Memorandum (FM) accompanying the Bill states that this date is “to be set by the Treasury by order”, and that “the present policy of the UK Government is that this order will take effect from April 2015.”

¹ [Scottish Parliament. Finance Committee. Written submissions](#)

² [Scottish Parliament Delegated Powers and Law Reform Committee. 34th Report, 2013 \(Session 4\)](#)

³ [Landfill Tax \(Scotland\) Bill. Policy Memorandum, paragraph 2](#)

5. The Bill is the second of three bills to be introduced by the Scottish Government (“the Government”) as a consequence of measures enacted in the Scotland Act 2012. The Land and Buildings Transaction Tax (Scotland) Bill (“LBTT Bill”) received royal assent on 31 July and the Government has announced that a Revenue Scotland and Tax Powers Bill will be introduced later in the autumn. The PM states that the LBTT and the Landfill Tax Bills “will come into force at the same time” and that “the administrative arrangements for both the Scottish Landfill Tax and LBTT will be set out in the proposed Bill on tax management.”⁴

Structure of the Report

6. The Committee considered a number of issues in relation to the following aspects of the proposed tax—

- Tax Framework;
- Unauthorised disposals to landfill;
- The role of Revenue Scotland and SEPA;
- The block grant adjustment;
- The Landfill Communities Fund

7. The Committee also considered a number of issues in relation to the FM and these are discussed throughout this report.

TAX FRAMEWORK

Tax Rates

8. The Government has announced that it will not set the tax rates lower than those in place for the UK Landfill Tax. The FM assumes that, “in line with the announced intention” of the Government, “the Scottish tax rates will mirror the UK rates in 2015-16.”⁵ This would mean £80 a tonne for active materials and £2.50 a tonne for inactive material. However, the PM states that “the tax rates will not be specified on the face of the Bill, to allow flexibility and so that changes to rates can be made in future without the need for primary legislation.”⁶

Uncertainty

9. A number of witnesses raised concerns regarding the uncertainty about the tax rates. North Ayrshire Council, for example, noted that “there is still no confirmation of what the rates will be beyond 2014/15 which doesn’t help in giving certainty for financial planning.”⁷

10. The Scottish Environmental Services Association (SESA) stated that the Government —

“appears to have drafted the Bill as an enabling framework, with specific detail on how the new tax regime might apply in practice to follow later in

⁴ [Landfill Tax \(Scotland\) Bill. Policy Memorandum, paragraph 3](#)

⁵ [Landfill Tax \(Scotland\) Bill, Financial Memorandum, paragraph 27](#)

⁶ [Landfill Tax \(Scotland\) Bill. Policy Memorandum, paragraph 42](#)

⁷ [North Ayrshire Council. Written submission, paragraph 6](#)

secondary legislation. As the Bill offers the industry little in the way of certainty then we would have to argue that it is not consistent with the principles described above...We would much prefer to see greater clarity and detail in primary legislation to inform the democratic process. The Bill instead seeks wide executive powers where the likely character of their execution remains opaque.”⁸

11. Whilst COSLA, stated—

“It is essential that certainty exists and where it does not, that the financial risk to local authorities is appropriately mitigated by Scottish Government. It is essential that any future increases in landfill tax are provided to local authorities well in advance of any change being due and COSLA would suggest that five years in advance would be most appropriate.”⁹

12. When questioned with regard to the timing of the announcement of rates, North Ayrshire Council suggested that this should be done “at least three years in advance” or as “as soon as practicably possible.”¹⁰

13. Making a similar point from a slightly different perspective, SESA explained to the Committee—

“We represent an industry that is looking to make investment decisions for alternative non-landfill infrastructure, the viability of which will depend on what landfill tax will be, so it would have been nice to have an indication of what that tax will be. Similarly, for the differential rates - the potential third rate of tax - it would be interesting to know what that might be and to what materials it might apply.”¹¹

14. In its oral evidence session, the Bill team agreed that “it is vital that the industry has as much certainty as we can provide” and undertook to work with SESA “to give it as much certainty as we can, as soon as we can”. It went on to state, however, that “It is appropriate to reserve a number of policy matters to subordinate legislation, as that will allow the Parliament to adjust critical aspects of the tax to bring it into line with shifts in policy and external circumstances, which is essential.”¹²

15. The Bill team, however, also made the point that “waste management companies have no certainty about what the UK Government’s position on landfill tax will be post next year.” Whilst acknowledging the fact that such companies would understandably seek certainty on the volumes of waste which they would handle and therefore profit from, it pointed out that, partly as a result of the Government’s attempts to drive down the amount of waste in our economy, “we cannot give 100 per cent certainty.”¹³

⁸ [The Scottish Environmental Services Association. Written submission, paragraph 6](#)

⁹ [COSLA. Written submission, paragraph 13](#)

¹⁰ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2784](#)

¹¹ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2776](#)

¹² [Scottish Parliament. Finance Committee. Official Report, 5 June 2013. Cols. 2729-2730](#)

¹³ [Scottish Parliament. Finance Committee. Official Report, 5 June 2013. Col. 2740](#)

16. The Cabinet Secretary stated that he was keen to announce the rates “in a timescale that is of assistance to industry”, but explained—

“I have not stated at what stage we will set the rates. I am certainly considering whether it would be relevant to do that at around budget time in September 2014, but I have yet to make a final decision. We can consider that further as part of the committee proceedings.”¹⁴

17. When questioned about the length of time for which the rates, when set, would apply the Cabinet Secretary stated “I certainly accept that, if there is to be an escalator, for example, having knowledge of that has been helpful, I am mindful of that point in determining how much detail we will set out when we set the rates in the first instance.”¹⁵

18. In response to questioning relating to the desire for certainty on levels of taxation in order to encourage the development of alternatives to landfill, the Cabinet Secretary stated that—

“those are long-term investment decisions that will be influenced not by what the landfill tax rates are this year or next year, but by whether, as a country, we will dispose of materials that such companies can utilise and make an economic return from. That should not be confused with the setting of the landfill tax rates in any given year.”¹⁶

19. He also stated that the Government’s Zero Waste Plan along with “the fact that the Parliament unanimously passed the Climate Change (Scotland) Act 2009” demonstrated the Government’s commitment to a zero waste objective, and “that gives a reliable framework within which operators can make their plans.”¹⁷

20. The Committee notes that the FM assumes on the basis of the “announced intention”¹⁸ of the Government that the rates for 2015-16 will mirror the UK rates of £80 a tonne for the standard rate and £2.50 a tonne for the lower rate.

21. The Committee notes the concerns of witnesses regarding the desire for greater certainty in relation to the setting of future tax rates and invites the Government to clarify the reasons why there is a need to wait until around September 2014 to set future rates.

22. The Committee also asks the Government to provide greater clarity regarding the period to be covered when the rates are announced and whether there will be an escalator.

¹⁴ [Scottish Parliament. Official Report, 19 June 2013. Col. 2839](#)

¹⁵ [Scottish Parliament. Official Report, 19 June 2013. Cols. 2846-2847](#)

¹⁶ [Scottish Parliament. Official Report, 19 June 2013. Col. 2839](#)

¹⁷ [Scottish Parliament. Official Report, 19 June 2013. Col. 2842](#)

¹⁸ [Landfill Tax \(Scotland\) Bill. Financial Memorandum, paragraph 27](#)

Waste Tourism

23. A number of witnesses raised the issue of “waste tourism” if the rate or structure of the tax is different to the rest of the UK. The Bill team stated that part of the reason why the Scottish rates will be no lower than in the rest of the UK is to “minimise cross-border movement”¹⁹ of waste. The Bill team went on to state that the Committee “would be surprised at how small the differential in tax rates would be for it to be cost effective to move waste” and that, “initially, we would want to mirror the UK structure and rates closely.”

24. This approach was generally welcomed in evidence to the Committee. For example, RSPB Scotland stated:

“Altering rates may encourage the cross-border transfer of waste. Depending on how the rates were set, this would either lead to a loss of revenue from Scotland or an increase in the amount of landfill waste within Scotland.”²⁰

25. SEPA stated in oral evidence—

“We would like the rates of landfill tax to remain the same as they are in the rest of Britain to encourage certainty in disposal. However, we believe that certain waste streams would benefit from a slight change and that it is worth discussing that further and consulting on the issue. Any of the proposals to change the rates could bring about quite complex changes to the movement of material backwards and forwards. It is therefore only fair to consult industry openly if any changes are to be made.”²¹

26. SESA explained that “any marked difference between England and Scotland could increase fly-tipping in Scotland if businesses in Scotland take umbrage at having to pay higher disposal charges on their waste.”²²

27. The Chartered Institute of Waste Management (Scotland) (CIWM) explained that it was natural and even beneficial in some cases for waste to be transported around Europe (for example, with hazardous wastes which require specialist facilities for their safe disposal). However, it went on to suggest that the creation of “a big differential - say, £10 a tonne...might lead to movement that we do not really want.”²³

28. The Cabinet Secretary acknowledged that “relatively small cost differentials could encourage cross-border activity” but stated that he was “adamant that the setting of rates must be compatible with and should in no way undermine the Government’s...zero-waste strategy.”²⁴

¹⁹ [Scottish Parliament. Finance Committee. Official Report, 5 June 2013. Col. 2728](#)

²⁰ [RSPB Scotland. Written submission, paragraph 6](#)

²¹ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2819](#)

²² [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2773](#)

²³ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2773](#)

²⁴ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2852](#)

29. **The Committee notes that the Government's scope to make substantial changes to the rates and structure of landfill tax in Scotland is limited by the implications for waste tourism. The Committee asks whether the Government has commissioned any research or conducted any analysis on the likely impact of any changes to the structure and rates of landfill tax in Scotland on waste moving between Scotland and England.**

30. **The Committee also invites the Government to provide details of what discussions have taken place with the UK Environment Agency on the implications of any changes to landfill tax on waste moving between Scotland and England.**

Level of Scrutiny

31. Section 41 of the Bill provides that the first order to set the tax rates will be subject to the affirmative procedure and, thereafter, will be subject to a form of "provisional affirmative procedure." The DPLRC stated in its report that this provisional procedure allows the instruments to come into force immediately but that they cannot remain in force unless the Parliament agrees to that within 28 days. The DPLRC states that the "intention behind creating this procedure is that the Ministers should be able to make instruments and bring them into force very quickly, while allowing for a greater degree of Parliamentary control than would be the case with the negative procedure."²⁵

32. The DPLRC also considered the appropriate level of scrutiny for the setting of tax rates in relation to the LBTT Bill. The LBTT Bill initially provided that the first order to set the tax rates would be subject to the affirmative procedure and that subsequent orders would be subject to the negative procedure. The DPLRC recommended that these powers should always be subject to a form of affirmative procedure with a suitable form of emergency affirmative procedure being made available to Ministers if there was a need to exercise the power when the Parliament was not sitting. The Government subsequently lodged an amendment at Stage 2 introducing the "provisional affirmative procedure" for subsequent orders setting the tax rates for LBTT. This amendment was agreed by the Committee.

33. The Cabinet Secretary confirmed in evidence to the Committee that the new procedure was intended to give "the Government the opportunity to take forward tax changes and tax measures when we consider it necessary for them to have immediate effect."²⁶

34. **The Committee welcomes the introduction of the "provisional affirmative procedure" for the changing of tax rates for both Landfill Tax and LBTT where there is a need to make these changes with immediate effect.**

35. **However, it is not clear why the Bill also provides for this procedure to be used when there is not a need for Ministers to act quickly. The Committee, therefore, invites the Government to explain why the affirmative**

²⁵ [Scottish Parliament Delegated Powers and Law Reform Committee. 34th Report, 2013 \(Session 4\)](#)

²⁶ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2837](#)

procedure should not apply to an order changing the tax rates for both LBTT and Landfill Tax other than in cases where there is a need to introduce the tax changes with immediate effect.

Taxable Disposals

36. The PM states that “what constitutes a chargeable disposal of material is central to the effective operation”²⁷ of the tax. The Bill draws on the existing UK Landfill Tax to “create the basic framework for what constitutes a taxable disposal.” The tax is charged at a standard rate and at a lower rate for certain qualifying materials. However, the Bill also allows Ministers to introduce additional rates in subordinate legislation and these could include a third rate for “stabilised” materials.

37. The majority of respondents to the call for evidence agreed with this approach with the Chartered Institute of Taxation welcoming the provision for more than one rate of tax as being more in keeping with Scotland’s Zero Waste Plan. It noted the “considerable difference between the rate that is applied to inert material and other waste, despite the fact that some of the other waste taxed at the standard rate may create minimal environmental impact.”²⁸ East Dunbartonshire Council went further by stating that “the proposal of different tax rates for different materials should be introduced.”²⁹ CIWM agreed that this was “a reasonable approach” as it would give the Government “some flexibility to consider how best to manage waste that has not been thermally treated (for example)”. It stated that for the moment it “would support the ability to introduce a third rate, and will respond to any resultant consultation.”³⁰

38. Similarly, Comhairle nan Eilean Siar suggested that there was “potential to consider an additional rate for materials which are close to inert specification but have no route for reuse or recycling.”³¹ Suggestions were also made that “useful waste” should be taxed at higher rates to encourage its use and/or recycling with SEPA, for example, recommending that “wastes which could be put to productive use, such as incinerator bottom ash could be brought into the standard rate of tax instead of the lower rate.”³² In oral evidence, however, SESA sounded a note of caution, stating “we need to understand better the economic impacts and consequences of such a move.”³³

39. CIWM reminded the Committee that the primary purpose of the tax was to tax methane, stating “if we start to deviate towards having rates for special waste, hazardous waste, bottom ash and so on, we will drift away from the fundamental principles of the tax. I am not commenting on whether that is bad or good but we should note that that is what we are doing.”³⁴ Expanding on the need to maximise the benefit from “useful waste”, it explained that “people might want to take that

²⁷ [Landfill Tax \(Scotland\) Bill. Policy Memorandum, paragraph 40](#)

²⁸ [Chartered Institute of Taxation. Written submission, paragraph 17](#)

²⁹ [East Dunbartonshire Council. Written submission, paragraph 5](#)

³⁰ [The Chartered Institution of Wastes Management. Written submission, paragraph 7](#)

³¹ [Comhairle nan Eilean Siar. Written submission, paragraph 6](#)

³² [SEPA. Written submission, paragraph 8](#)

³³ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2775](#)

³⁴ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2776](#)

material and recover energy from it. We need to consider energy security, so we must not use the taxation powers to allow biodegraded waste to slip into landfill and undermine our ability to generate energy.”³⁵

40. SEPA, whilst asserting its desire for rates “to remain as they are in the rest of Britain, to encourage certainty”, suggested that “certain waste streams would benefit from a slight change and that it is worth discussing that further and consulting on the issue.”³⁶

41. The Committee recommends that the introduction of any additional rates is subject to the affirmative procedure.

Exemptions

42. The PM states that whilst the tax will have an identical set of exemptions to the UK Landfill Tax it “will have a simpler and more efficient system for adjusting and removing exemptions thereafter.”³⁷

43. Suggestions for materials that should be exempted from tax were received in response to the call for evidence and these can be broadly broken down into two types of materials: “aggregates” used on landfill sites for engineering purposes such as the construction of roads; and hazardous materials, which some respondents feared might be more likely to be disposed of illegally.

44. In its written submission, Glasgow City Council noted that aggregates used for engineering purposes in landfill had previously been exempt from landfill tax and suggested that this exemption should be reintroduced. It stated that aggregates were used to create on-site roads on which vehicles could safely operate and that such materials were also used “as daily cover to ensure compliance with the site’s Pollution Prevention Control Permit.”³⁸ With regard to hazardous wastes, it suggested that “it would be likely to be of assistance to offer a limited exemption for problematic material such as asbestos, to encourage their proper disposal and reduce the risk of illegal dumping.” Similarly, SEPA noted that “there is an argument that wastes for which landfill is the only legitimate waste management option (e.g. asbestos) should be charged at the lower rate. There are unlikely to be many such wastes.”³⁹

45. North Ayrshire Council noted the importance of ensuring that cost did not become a deterrent, explaining that as “landfill is probably one of the few options for such waste, we should not move people towards fly-tipping.”⁴⁰ SEPA agreed that “reducing the tax liability for asbestos would encourage the proper and safe disposal of the material”, but noted the context and scale of the problem, explaining “there is a considerable tonnage (of asbestos) still to be disposed of but, in comparison with the waste stream in Scotland as a whole, it is small.”⁴¹

³⁵ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2788](#)

³⁶ [Scottish Parliament. Official Report, 19 June 2013. Col. 2819](#)

³⁷ [Landfill Tax \(Scotland\) Bill. Policy Memorandum, paragraph 50](#)

³⁸ [Glasgow City Council. Written submission, paragraph 4](#)

³⁹ [SEPA. Written submission, paragraph 8](#)

⁴⁰ [Scottish Parliament. Official Report, 12 June 2013. Col. 2775](#)

⁴¹ [Scottish Parliament. Official Report, 19 June 2013. Col. 2819](#)

46. The Bill team agreed that the proposed exemptions and the reasons for them were “good and valid points”⁴² but sounded a note of caution about “potential ramifications.” For example, if the rate of tax for asbestos was reduced it could result in more of that material being moved from England to Scotland. The Bill team explained, therefore, that “we would not want to have too many radical changes at the point of implementation but, as we move forward post-2015, such things might be considered.”⁴³

47. The DPLRC suggested that “the lead committee may wish to consider whether reduction in liability or the provision of exemptions for certain types of activity might be sufficiently controversial as to merit the affirmative procedure rather than the negative procedure provided for in the Bill.”⁴⁴

48. In response to questioning on this point, the Cabinet Secretary explained that his view was “based on the fact that a reduction of burden is envisaged in such circumstances and I assume that that would be less controversial, which is why it would be considered appropriate to use the negative procedure.”

49. However, he went on to state—

“Chewing that over, I suppose that there could be perspectives within the Parliament that would consider a reduction of burden to be controversial or unwelcome. Therefore, there may be a necessity for wider scrutiny, so if the committee has further reflections on that point or is concerned by the approach that we are taking, I am happy to consider that.”⁴⁵

50. The Committee recommends that any adjustment or removal of exemptions is subject to the affirmative procedure.

Island Communities

51. Comhairle nan Eilean Siar, in its written evidence, drew attention to the different challenges faced by island communities in comparison to mainland Scotland stating that “disproportionate costs of haulage” placed “unfair limitations on the economic sustainability of alternatives to landfill disposals.” It suggested “that the rate of Landfill Tax applied to Island wastes disposed of to landfill should be at a lower rate for specific types of materials where no viable recycling or recovery routes are available.”⁴⁶

52. However, SEPA stated that “there are regulatory mechanisms in place that allow exemptions and certain less strict standards for islands. That is a better way

⁴² [Scottish Parliament. Official Report, 5 June 2013. Col. 2731](#)

⁴³ [Scottish Parliament. Official Report, 5 June 2013. Col. 2731](#)

⁴⁴ [Scottish Parliament. Delegated Powers and Law Reform Committee. 34th Report, 2013 \(Session 4\)](#)

⁴⁵ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2847](#)

⁴⁶ [Comhairle nan Eilean Siar. Written submission, paragraph 5](#)

to address the problem than having differential rates, which could lead to the perverse tourism of stuff coming back from the mainland to the islands.”⁴⁷

53. The Bill team acknowledged the “unique challenges that exist in island areas” but suggested that other measures “have provided much greater flexibility for the island communities, so that they can adapt them.”⁴⁸

54. The Cabinet Secretary confirmed that he was “certainly happy to consider further the issues that are raised to ensure that the island communities are being treated fairly, given the facts with which they are wrestling.”⁴⁹

55. The Committee invites the Government to respond to the suggestion that there should be a lower rate of tax on island wastes for materials for which no viable recycling or recovery routes are available.

UNAUTHORISED DISPOSALS TO LANDFILL

56. The PM states that “unauthorised landfill sites continue to operate in Scotland on a large scale” and notes that at present, “HMRC does not have powers to collect tax from unauthorised operators.” In addition to the environmental impact of unauthorised landfill, the PM states that it also results in tax evasion before noting that “the related court fines, which are usually smaller than the tax evaded, make unauthorised activity financially attractive.”⁵⁰ The Bill provides for the imposition of both fines and taxes on unauthorised operators in order to reduce this financial incentive.

57. The Bill team confirmed that this provision was “intended to be another strong tool in the armoury to tackle illegal waste dumping”, explaining “we are not talking about small-scale fly tipping but about large-scale organised crime...evading tax of the order of £5 million plus.”⁵¹

58. The written evidence received was very supportive of this approach in principle. East Ayrshire Council, for example, stated that it would “act as a significant deterrent to illegal activity.”⁵² Renfrewshire Council stated that it would “ensure that the punishment is more expensive than the savings made from continuing to commit environmental crime.”⁵³

59. SESA welcomed “the addition of powers in the Bill to recover avoided tax from illegal sites.”⁵⁴ CIWM referred to a recent case in West Lothian stating that “had the individuals...also been required to pay landfill tax on that waste, the fines that they received would have been three or four times higher.”⁵⁵

⁴⁷ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2824](#)

⁴⁸ [Scottish Parliament. Finance Committee. Official Report, 5 June 2013. Col. 2735](#)

⁴⁹ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2844](#)

⁵⁰ [Landfill Tax \(Scotland\) Bill. Policy Memorandum, paragraph 45](#)

⁵¹ [Scottish Parliament. Finance Committee. Official Report, 5 June 2013. Col. 2727](#)

⁵² [East Ayrshire Council. Written submission, paragraph 5](#)

⁵³ [Renfrewshire Council. Written submission, paragraph 11](#)

⁵⁴ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2774](#)

⁵⁵ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2774](#)

60. Revenue Scotland also welcomed the proposed powers as “an important issue of principle” which would “send the signal that tax will still be collected from everyone who ought to have paid it. Regardless of whether we collect a large amount of money, we will follow the important principle of not allowing people simply to duck the tax.”⁵⁶

61. However, several respondents suggested that, in order to maximise the benefits of this approach there was a need to provide greater resources for enforcement. SESA, for example, stated that the problem required “strong leadership and resources sufficient to create a climate where the fear of being caught is high.”⁵⁷ Whilst unauthorised disposals were already illegal, CIWM suggested that “SEPA would require additional resources in order to bring such activities into the tax regime and to apply any criminal sanctions.”⁵⁸

62. Some local authorities sought assurances that any increased enforcement costs would not fall on them with North Lanarkshire Council, for example, seeking “further guidance that this pursuit of offenders would not become a burden or strain on the resources of the local authority in pursuing the issue.”⁵⁹ North Ayrshire Council stated in oral evidence that “we want a more joined up approach between SEPA, the police and local authorities”, but acknowledged “I do not know whether SEPA needs additional resources from the Scottish Government.”⁶⁰

63. CIWM suggested that “perhaps SEPA needs more resources in order to manage, watch, inspect, engage and deal with reported incidents.”⁶¹ In oral evidence, SEPA confirmed that the estimated £300,000 in its annual costs did not include “enforcement around illegal dumping” as “discussions have still to take place about the enforcement role and who will be best placed to undertake it.”⁶²

64. SEPA confirmed that it had “put a massive amount of resource” into identifying and dealing with illegal waste sites and that it worked with “partners through the environmental crime task force.”⁶³

65. On the issue of whether additional resources to identify illegal landfill operators might be required the Cabinet Secretary stated that he would expect SEPA to tackle examples of illegal dumping “in a focussed and effective way”, but that he did “not think that that automatically requires us to consider increasing the resources that are available to SEPA. It has always worked collaboratively at a local level.”⁶⁴ When asked to expand on this point he stated—

“The law provides for a tax to be applied on illegal dumping. Therefore I would expect SEPA to pursue that as part of its activities. As part of the arrangements that I have put in place, operating under the umbrella of

⁵⁶ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2820](#)

⁵⁷ [The Scottish Environmental Services Association. Written submission, paragraph 16](#)

⁵⁸ [The Chartered Institute of Waste Management. Written submission, paragraph 8](#)

⁵⁹ [North Lanarkshire Council. Written submission, paragraph 6](#)

⁶⁰ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2788](#)

⁶¹ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2786](#)

⁶² [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2832](#)

⁶³ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2821](#)

⁶⁴ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2844](#)

Revenue Scotland, there will be compliance support and assistance for SEPA in doing that.”⁶⁵

66. The Cabinet Secretary also drew attention to the fact that SEPA “is already able to fine illegal dumpers and indeed does so, but the Bill provides for a tax charge to be applied into the bargain.”⁶⁶

67. The Committee welcomes the introduction of landfill tax on unauthorised disposal to landfill.

68. The Committee asks the Government to clarify whether the resources which have been allocated to Revenue Scotland for compliance activity include additional resources for SEPA to identify and deal with illegal sites.

69. The Committee invites the Government to clarify whether any extra revenues raised as a result of the power to impose tax on illegal landfill sites might be used to assist SEPA in identifying illegal sites.

THE ROLE OF REVENUE SCOTLAND AND SEPA

70. The PM states that, like LBTT, “the Scottish Landfill Tax will be administered by Revenue Scotland”, a body to be created on a statutory basis by the proposed tax management bill. The Bill proposes that Revenue Scotland will work with SEPA on the administration of the tax in a similar way to that in which it will work with Registers of Scotland with regard to LBTT. The PM outlines some of the anticipated advantages of this partnership, given SEPA’s existing knowledge of landfill in Scotland, and predicts that “this knowledge can be utilised to achieve efficiencies and reduce the burden on operators.”⁶⁷

71. The PM states that the Government “is attracted by the potential for savings, greater efficiency, and greater clarity through combining the roles of the independent regulator with that of a tax collection agency”, particularly given SEPA’s existing “skills and expertise in dealing with landfill sites, data returns and tackling illegal activities.”⁶⁸

72. The majority of respondents supported the involvement of SEPA in the administration of the tax. Comhairle nan Eilean Siar stated that it was “considered potentially advantageous to have a single body administering environmental compliance and Landfill Tax.”⁶⁹

73. SEPA highlighted the importance of a clearly defined division of responsibilities between Revenue Scotland and agencies collecting tax on its behalf. The Bill team stated in oral evidence that the expectation was that “the precise division of responsibilities will be worked out between the two organisations.” Revenue Scotland explained that the division of powers and

⁶⁵ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2850](#)

⁶⁶ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2851](#)

⁶⁷ [Landfill Tax \(Scotland\) Bill. Policy Memorandum, paragraph 62](#)

⁶⁸ [Landfill Tax \(Scotland\) Bill. Policy Memorandum, paragraph 72](#)

⁶⁹ [Comhairle nan Eilean Siar. Written submission, paragraph 11](#)

responsibilities would be discussed further during the passage of the proposed tax management bill and noted that “a formal agreement between Revenue Scotland and SEPA” would be required. It was then confirmed that this “would be a public document that the Committee will have an opportunity to scrutinise.”⁷⁰

Compliance Activity

74. The FM states that “further planning work is required to decide on the respective roles that Revenue Scotland and SEPA will have in relation to compliance activity.”⁷¹ The FM includes £350,000 in annual running costs for compliance activity within the estimated running costs for Revenue Scotland. These costs relate to the collection of both LBTT and Landfill Tax. The FM also includes £75,000 in annual running costs for risk assessment, compliance activity and ensuring debt collection for SEPA. The FM also points out that SEPA will be able to draw on existing enforcement staff.

75. The Bill team explained that, with regard to the predicted costs relating to Revenue Scotland, “we have not been able to separate the costs of administering land and buildings transaction tax and landfill tax at this stage”, and therefore “we have not differentiated compliance for landfill and compliance for LBTT.”⁷²

Delegation of Functions

76. The DPLRC noted that the Bill would allow the tax authority to delegate any of its functions to SEPA. Its report stated that, whilst it agreed that this provision was “sensible”, “no provision for the publication of such delegations is provided in the Bill.” The report went on to “strongly recommend” that the Government “improve the transparency and accountability of the delegation of functions...by requiring publication of any such delegation.”⁷³ In response to questioning on this recommendation, the Cabinet Secretary stated “I certainly give the Committee the assurance that I will look very carefully at the issue that has been raised...We will certainly explore the issue and respond to the questions in the Delegated Powers and Law Reform Committee’s report.”⁷⁴

Possible Skills Gap

77. North Ayrshire Council, in its written evidence suggested that as SEPA was “an experienced environmental regulator rather than a tax assessor”⁷⁵, there might be “a potential skills gap” to address. Renfrewshire Council also suggested that “sufficient funding and expertise”⁷⁶ should be provided to SEPA to support its revised role.

⁷⁰ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2830](#)

⁷¹ [Landfill Tax \(Scotland\) Bill. Financial Memorandum, paragraph 44](#)

⁷² [Scottish Parliament. Finance Committee. Official Report, 5 June 2013. Col. 2737](#)

⁷³ [Scottish Parliament Delegated Powers and Law Reform Committee. 34th Report, 2013 \(Session 4\)](#)

⁷⁴ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2837](#)

⁷⁵ [North Ayrshire Council. Written submission, paragraph 12](#)

⁷⁶ [Renfrewshire Council. Written submission, paragraph 15](#)

78. CIWM stated that the proposed change to SEPA’s role raised the question of whether it had the expertise to undertake “a tax-policing and revenue-raising role.”⁷⁷ SESA also expressed concerns that the “bolting on”⁷⁸ of tax raising powers might divert SEPA from its primary focus of protecting the environment.

79. SEPA acknowledged in oral evidence that there was the potential for a skills gap to exist but confirmed that it had made allowances for the development of guidance and staff training to “plug that gap.” It stated that “there is a bit more to do before we can audit tax returns. The base is there and there is funding in place to upskill staff as required.”⁷⁹ It went on to confirm that it was confident that the skills gap would not exist by April 2015.

80. The Committee recognises that Landfill Tax is not due to be implemented until April 2015 but is nevertheless concerned about the current lack of clarity regarding the respective roles of Revenue Scotland and SEPA and recommends that this be addressed as a matter of urgency.

81. The Committee intends to monitor and scrutinise the implementation and delivery of Landfill Tax and invites Revenue Scotland and SEPA to report to it both orally and in writing on a six-monthly basis.

82. The Committee supports the recommendation of the DPLRC in relation to the publication of the delegation of functions.

BLOCK GRANT ADJUSTMENT

83. The FM states that “there will be a loss of receipts to the UK Government from the withdrawal of UK Landfill Tax in Scotland. The UK Government will consequently make a corresponding adjustment to the Scottish block grant.”⁸⁰

84. The Office for Budget Responsibility (OBR) forecasts tax receipts for landfill tax in Scotland based on a continuation of the UK landfill tax regime. The OBR has published three forecasts as follows—

March 2012

Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Landfill Tax (£ million)	115	123	132	145	151	157

December 2012

Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Landfill Tax (£ million)	98	97	96	105	107	107	110

⁷⁷ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2780](#)

⁷⁸ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2785](#)

⁷⁹ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2830](#)

⁸⁰ [Landfill Tax \(Scotland\) Bill. Financial Memorandum, paragraph 4](#)

March 2013

Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Landfill Tax (£ million)	98	99	95	104	105	105	108

85. However, the FM states that the OBR “does not take into account Scottish-specific policies that will affect the amount of material going to landfill” when forecasting tax receipts. The Government expects “landfill tonnages in Scotland to significantly decrease over the coming decade with a corresponding reduction in receipts.”⁸¹ Consequently, the Government estimates that landfill tax receipts will fall from £107m in 2015-16 to around £40.5m in 2025.

86. The Bill team stated that broadly speaking “the OBR sees tax revenue from landfill tax staying level in cash terms from 2015 onwards, whereas we project a significant reduction.” On this basis the Government aims “to achieve a block grant adjustment that is as low as possible so that we minimise the risk of the Scottish budget losing when the devolved taxes start up in April 2015.”⁸²

87. CIWM suggested, however, that it was possible that the amount of waste disposed of to landfill (and therefore the income generated by the tax) might not continue to decrease as predicted. It stated that “the yearly increase in recycling has been decreasing year on year as it becomes harder to extract more material for recycling”⁸³ and there was therefore a risk of recycling rates plateauing.

88. The Cabinet Secretary explained that his “expectation is that, in the coming period, we will see a long-term reduction in the revenue from landfill tax.”⁸⁴ He also questioned the initial OBR forecast in March 2012 that landfill tax receipts would rise from £115m in 2011-12 to £157m in 2016-17. He stated: “The only people on the planet who thought that must have been the OBR, because nobody else would ever come to that conclusion.”⁸⁵ However, he also recognised that subsequent forecasts were much more sensible.

89. The Cabinet Secretary went on to suggest that “the way to address the issue is to have a discussion and an agreement that relates to all the devolved small taxes, taking into consideration the fact that there is likely to be a loss of revenue on landfill tax, and come to a reasonable position on the totality of block grant adjustment that should be taken into account.”⁸⁶

90. The Committee is currently considering the block grant adjustment in relation to all financial powers arising from the Scotland Act and will submit its views to the Government.

⁸¹ [Landfill Tax \(Scotland\) Bill. Financial Memorandum, paragraph 30](#)

⁸² [Scottish Parliament. Finance Committee. Official Report, 5 June 2013. Col. 2732](#)

⁸³ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2781](#)

⁸⁴ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2835](#)

⁸⁵ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2841](#)

⁸⁶ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2841](#)

91. The Committee invites the Government to provide a year-on-year breakdown of the estimated decline in landfill tax receipts between 2015 and 2025 and asks whether the possibility of recycling rates plateauing was considered during the forecasting exercise.

LANDFILL COMMUNITIES FUND (LCF)

92. The PM states that the LCF “was set up in 1996 to provide funding for community or environmental projects in the vicinity of landfill sites.”⁸⁷ It explains that the Fund allows landfill operators to give a maximum percentage (currently 6.8%) of their UK tax liabilities to such projects in return for a 90% tax credit. The Bill “provides for this approach to continue by closely following the existing UK Landfill Tax credit system.”⁸⁸ The PM further states that the credit rates and details of the administrative arrangements underpinning a Scottish LCF will not be specified in the Bill, but will instead be established through secondary legislation. The Government has indicated that it intends to “consult widely before using these powers to make subordinate legislation.”⁸⁹

Regulation

93. While the evidence received by the Committee strongly supported the continuation of the LCF in Scotland there were a number of concerns regarding the existing regulation of the Fund. The Fund is currently regulated by ENTRUST on behalf of HMRC which has ultimate responsibility for governing the regulations. ENTRUST registers all organisations that wish to receive funding and carries out administrative checks on each project to ensure compliance with the regulations prior to any funds being released. The regulator also undertakes site inspection visits once funds have been allocated. It is funded by a combination of a levy of 2% on monies received from the Fund in support of environmental projects and of fees charged for registration.

94. The RSPB argued that the current regulatory model is excessive and burdensome and suggested that significant savings could be made by aligning the reporting of the landfill tax and the credit system to the same body. The view of the Scottish Wildlife Trust (SWT) was that the regulatory model was “expensive, duplicated information gathering” and “over-regulates the scheme.” It suggested that ENTRUST’s scrutiny of applications to the LCF was “arguably superfluous.” Alternatively, environmental bodies could report contributions from Distributive Environmental Bodies (DEBs) direct to Revenue Scotland which could then reconcile them with contributions paid by landfill site operators, thereby creating “a more efficient regulatory process.”⁹⁰

95. The Scottish Landfill Communities Fund Forum (SLCFF) stated in oral evidence that the current regulatory “requirements are extremely onerous and time

⁸⁷ [Landfill Tax \(Scotland\) Bill. Policy Memorandum, paragraph 51](#)

⁸⁸ [Landfill Tax \(Scotland\) Bill. Policy Memorandum, paragraph 52](#)

⁸⁹ [Landfill Tax \(Scotland\) Bill. Policy Memorandum, paragraph 53](#)

⁹⁰ [Scottish Wildlife Trust. Written submission, paragraph 11](#)

consuming”⁹¹ and suggested that this could deter some applicants from bidding for funding. SEPA acknowledged the concerns that the regulation of the Fund was “slightly top heavy” and could be streamlined. SEPA stated that whilst there were ongoing discussions regarding its possible involvement in regulating the process this was “only one of several options being discussed.” When questioned further on whether it sought to administer the Fund it stated “Our view was not that SEPA should be doing it; it was that SEPA could be doing it, if that was the best thing for the tax and the fund.”⁹²

96. The Bill team stated that its aim was to implement a system that was “as cost effective as possible” and that it was considering “a couple of models”. These are broadly based on “self-regulation, which would take out a tier of administration, and simplification of the number of bodies that are involved, whereby there could be one overarching body that helps to administer the funds.”⁹³ Whilst acknowledging the complexity of the issue, it confirmed that the Government would work with “the industry, community groups and people with environmental interests to develop proposals that will then be reflected in subordinate legislation that will come to Parliament for approval.”⁹⁴ As a result of this process it had “no doubt that we will have a good idea on the table in six or 12 months.”⁹⁵

97. In response to questioning as to whether ENTRUST or an equivalent was needed to regulate the Fund the Cabinet Secretary stated that: “there is a lot of work to be done on the most efficient way of delivering the fund.” His view was that “we can do that admin in more efficient ways, and we will explore those.”⁹⁶

Distribution

98. Much of the LCF is currently distributed by a number of DEBs with smaller amounts being distributed by the landfill operators themselves. The evidence suggested that this system was largely considered to work well. For example, the SWT stated that DEBs “know their operational area and project client base well” and “provide good value for money.”⁹⁷

99. The SLCFF stated that it “would not support at all the notion of SEPA centralising the fund; in fact, our position is quite the reverse, in that we think that the fund should remain the way that it is and should be distributed locally, because it empowers communities.”⁹⁸ The SWT agreed with this approach stating that it was “recommending not a centralised fund as such but an element of flexibility about how the funds are distributed and continued focus on the communities that are at disbenefit from the landfill operations.”⁹⁹

⁹¹ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2796](#)

⁹² [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2827](#)

⁹³ [Scottish Parliament. Finance Committee. Official Report, 5 June 2013. Col. 2744](#)

⁹⁴ [Scottish Parliament. Finance Committee. Official Report, 5 June 2013. Col. 2746](#)

⁹⁵ [Scottish Parliament. Finance Committee. Official Report, 5 June 2013. Col. 2745](#)

⁹⁶ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2846](#)

⁹⁷ [Scottish Wildlife Trust. Written submission, paragraph 5](#)

⁹⁸ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2798](#)

⁹⁹ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2799](#)

The 10-Mile Eligibility Radius

100. The guidance for the existing LCF states that an environmental project should be no more than 10 miles from a landfill site (whether active or not) in order to be eligible to receive funding. The Committee heard conflicting views as to whether this criterion should be maintained.

101. A number of organisations proposed amending the 10-mile eligibility status including SEPA which pointed out that there were fewer landfill sites and that waste was also being “transported larger distances to facilities to be treated, rather than going to a nearby landfill site.”¹⁰⁰ SEPA suggested that “rather than having a fixed area, the principle should be that those who are directly affected should get the first call on the benefit of the fund.”¹⁰¹

102. COSLA, along with a number of local authorities also argued for changing the criterion. Suggestions were made that it could be widened to include the whole local authority area or areas from where the waste arises. It was also pointed out that a case could be made for the provision of compensation to communities through which waste was transported.

103. Community Resources Network Scotland proposed a two-tiered approach aimed at maintaining “environmental impact mitigation around a landfill site”¹⁰² whilst also creating a centralised fund on which national projects intended to reduce the amount of waste going to landfill could draw. It suggested that “a proportion of the money - and that proportion needs to be debated - needs to be focused on a national strategic objective.”¹⁰³

104. SESA, however, did not support any extension of the 10-mile limit or of using part of the Fund to support the Government’s strategic environmental objectives. It stated in oral evidence that “from an environmental justice perspective, our view is that the Fund should be for areas in close proximity to the landfill site and that the 10-mile radius should remain in place, because extending it would leave less money available for the people who are most directly impacted by landfill.”¹⁰⁴

105. In oral evidence, the Bill team agreed that it would “probably need to look hard at the 10-mile radius rule”¹⁰⁵ stating that “something a little more sophisticated” was needed. It went on to suggest that guidance was the best way of achieving this as it “can be a little more flexible and accommodating in the more complex circumstances” and undertook “to consider that with everyone who is involved in the fund over the next 18 months, before the legislation is implemented.”

¹⁰⁰ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2826](#)

¹⁰¹ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2827](#)

¹⁰² [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2792](#)

¹⁰³ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2802](#)

¹⁰⁴ [Scottish Parliament. Finance Committee. Official Report, 12 June 2013. Col. 2782](#)

¹⁰⁵ [Scottish Parliament. Finance Committee. Official Report, 5 June 2013. Col. 2743](#)

106. The Bill team further stated that its aim was “to ensure that the people who are affected by landfill sites are the first port of call for compensation for that damage. They will be either the people right beside a landfill site or people who are affected by transportation of the waste to the site.”¹⁰⁶

107. When questioned on the 10-mile limit, the Cabinet Secretary stated that he was not “persuaded at this stage by the view that, because the waste is put into landfill sites locally, the scheme should be handled locally. However, I am open to discussion on that question.”¹⁰⁷

Level of Credit Limit

108. The Bill team, in oral evidence, stated that the amount available to the Fund was expected to diminish, “which is why the minister said that he would increase the fund by around 10 per cent.”¹⁰⁸

109. In its written evidence, Falkirk Council welcomed the proposed increase in the cap whilst SESA stated that “the Fund’s widely acknowledged success can be further built up with the proposed extension of the credit limit.”¹⁰⁹ Similarly, the SWT stated that any moves to extend the limit “should be encouraged”¹¹⁰ whilst CIWM welcomed proposals to increase by 10% the limit for contributions to the scheme.

110. The FM states that “the existing UK cap of 5.6% of total liabilities will rise to 6.16%.”¹¹¹ However, the PM states that the current UK cap is 6.8%¹¹² meaning that a 10% increase on this figure would give a new cap of 7.48%.

111. The Committee welcomes the retention of the existing landfill tax credit system, supports the 10% increase and invites the Government to confirm that this will result in a new cap of 7.48%.

112. The Committee is supportive of the principle that those communities most affected by landfill sites should be the ones to benefit most from the fund.

113. The Committee recommends that the subordinate legislation detailing the Fund’s regulatory and administrative arrangements should be subject to the affirmative procedure.

114. The Committee invites the Government to provide it with regular updates of its progress with regard to the Scottish LCF.

¹⁰⁶ [Scottish Parliament. Finance Committee. Official Report, 5 June 2013. Col. 2743](#)

¹⁰⁷ [Scottish Parliament. Finance Committee. Official Report, 19 June 2013. Col. 2846](#)

¹⁰⁸ [Scottish Parliament. Finance Committee. Official Report, 5 June 2013. Col. 2739](#)

¹⁰⁹ [Scottish Environmental Services Association. Written submission, paragraph 19](#)

¹¹⁰ [Scottish Wildlife Trust. Written submission, paragraph 4](#)

¹¹¹ [Landfill Tax \(Scotland\) Bill. Financial Memorandum, paragraph 48](#)

¹¹² [Landfill Tax \(Scotland\) Bill, Policy Memorandum, paragraph 51](#)

CONCLUSION

115. The Committee supports the general principles of the Bill and emphasises that it will seek to monitor closely the implementation and delivery of the Scottish Landfill Tax.

ANNEXE A: REPORTS FROM OTHER COMMITTEES

Delegated Powers and Law Reform Committee

The Delegated Powers and Law Reform Committee's report to the Finance Committee on the Landfill Tax (Scotland) Bill is available at:

[34th report 2013 \(Session 4\): Landfill Tax \(Scotland\) Bill](#)

ANNEXE B: INDEX OF ORAL EVIDENCE SESSIONS

17th Meeting, 2013 (Session 4) Wednesday 5 June 2013

Alistair Brown, Deputy Director, Fiscal Responsibility Division, Stuart Greig, Bill Team Leader and Head of Zero Waste, Fiscal Responsibility and Environmental Quality Divisions, David Kerrouchi, Policy Adviser, and John St Clair, Senior Principal Legal Officer, Scottish Government.

18th Meeting, 2013 (Session 4) Wednesday 12 June 2013

Professor Jim Baird, Glasgow Caledonian University, The Chartered Institution of Wastes Management; Stephen Freeland, Policy Executive, Scottish Environmental Services Association; Craig Hatton, Corporate Director, North Ayrshire Council; Lloyd Austin, Head of Conservation Policy, RSPB Scotland; Willie Beattie, Member, The Scottish Landfill Communities Fund Forum; Lucy Graham, Head of Development, Scottish Wildlife Trust; Paul Johnston, Chair, Community Resources Network Scotland.

19th Meeting, 2013 (Session 4) Wednesday 19 June 2013

Eleanor Emberson, Director of Financial Strategy and Head of Revenue Scotland, and Nicky Harrison, Chief Operating Officer, Revenue Scotland, Scottish Government; John Kenny, Head of National Operations, and Ronnie Robinson, Principal Policy Officer, National Operations Waste Unit, Scottish Environment Protection Agency; John Swinney, Cabinet Secretary for Finance, Employment and Sustainable Growth, Alistair Brown, Deputy Director, Fiscal Responsibility Division, John St Clair, Senior Principal Legal Officer, and Stuart Greig, Bill Team Leader and Head of Zero Waste, Fiscal Responsibility and Environmental Quality Divisions, Scottish Government.

ANNEXE C: INDEX OF WRITTEN EVIDENCE

Written submissions—

- [Chartered Institute of Taxation \(182KB pdf\)](#)
- [City of Edinburgh Council \(8KB pdf\)](#)
- [Comhairle nan Eilean Siar \(139KB pdf\)](#)
- [COSLA \(153KB pdf\)](#)
- [East Ayrshire Council \(125KB pdf\)](#)
- [East Dunbartonshire Council \(67KB pdf\)](#)
- [EB Scotland Limited \(227KB pdf\)](#)
- [Falkirk Council \(120KB pdf\)](#)
- [Glasgow City Council \(145KB pdf\)](#)
- [North Ayrshire Council \(124KB pdf\)](#)
- [North Lanarkshire Council \(56KB pdf\)](#)

- [Renfrewshire Council \(125KB pdf\)](#)
- [RSBP Scotland \(205KB pdf\)](#)
- [Scottish Environmental Services Association \(223KB pdf\)](#)
- [Scottish Wildlife Trust \(88KB pdf\)](#)
- [SEPA \(212KB pdf\)](#)
- [South Ayrshire Council \(199KB pdf\)](#)
- [South Lanarkshire Council \(146KB pdf\)](#)
- [The Chartered Institution of Wastes Management \(127KB pdf\)](#)
- [The Community Resources Network Scotland \(236KB pdf\)](#)
- [The Scottish Landfill Communities Fund Forum \(230KB pdf\)](#)

Supplementary written submissions—

- [The Scottish Landfill Communities Fund Forum \(20KB pdf\)](#)
- [Scottish Wildlife Trust \(370KB pdf\)](#)