

Landfill Tax Credit Scheme: Opportunities In South Buckinghamshire

Chiltern Local Committee

4 April 2001

Contact Officer : Richard Ward

Tel 01296 38 2964

1 PURPOSE OF REPORT

- a To inform the Committee of the opportunities and successes to date arising from the Landfill Tax Credit Scheme in south Buckinghamshire.

2 PROPOSED ACTION

- b **The Committee is invited to NOTE the contents of this report.**

3 SUPPORTING INFORMATION

- c The Landfill Tax Credit Scheme is just one of many potential external funding sources available to the County Council, Districts, Parishes and Voluntary/Community Groups. Its criteria, however, make it particularly relevant for Environmental projects.

- d Landfill Tax on the disposal of waste was introduced in October 1996. In line with the Government's 1999 Budget commitment to adopt an escalator of £1 per tonne a year for five years until 2004, the current standard rate of landfill tax will increase from £11 per tonne to £12 per tonne with effect from 1 April 2001.

- e The rationale for the tax is to encourage a more sustainable approach to waste management. In addition, landfill operators are able to claim a 90% rebate on their liability for landfill tax (on up to 20% of the total liability in any one year) provided that this is given to an independent trust or company for disbursement to projects which meet a specified range of environmental objectives. These cover the following:

- contaminated land remediation and restoration
- prevention and removal of pollution
- sustainable waste management

- provision, improvements and maintenance of parks and public amenities (usually within 10 miles of a landfill site)
- repair, restoration and maintenance of churches and historic buildings (usually within 10 miles of a landfill site).

- f All of these objectives have potential application in Buckinghamshire.
- g The attached map at Appendix A shows the extent of coverage of the County by operators who participate in the scheme. In the south the principal operator is Onyx with sites at Gerrards Cross. Credits from all Onyx sites are channelled to a nationally-based Onyx Environmental Trust. There are a number of other operators in the south, either with offices or smaller sites in the area, who contribute to trusts and, therefore, represent further potential sources of funding e.g. SITA and Biffa. Groundwork Thames Valley Board also act as a Trust for disbursing grants from Landfill Tax Credits donated from operators outside Bucks but within the Thames Valley e.g. Summerlease and Grundons.
- h The County Council has been actively bidding for funding to the scheme for its own projects or supporting partner organisations whose projects meet mutually beneficial objectives. It should be noted that, as the operator can only reclaim 90% of the tax up to the prescribed limit, this means that the remaining 10% must be met by the Operator out of its own cash flow or rely on a 10% contribution from an independent third party.
- i The extent to which Landfill Tax grants have benefited Buckinghamshire as a whole is demonstrated by the fact that over £4m worth of awards have been approved to date of which over £1.6m is towards projects in South Buckinghamshire including Chiltern and South Bucks Districts. A list of awards to these latter areas can be found at Appendix B.
- j The County Council's External Funding Officer has actively promoted the scheme at County, District and Parish level and is available to give advice on applications. However the extent of awards is largely dependant on the generation of appropriate project bids which require both time and expertise to develop. This poses a constraint on winning more landfill tax grants. The actual success ratio of awards to bids for the County Council is over 80%.
- k The Government's Waste Strategy 2000 has introduced statutory performance standards for local authorities requiring an increase in household recycling and composting. Pressure is expected to be brought to bear on the waste industry to allocate a greater proportion of tax credits to sustainable waste management projects, especially projects which promote waste recycling. This could mean fewer resources being available for community-type projects.