
UK LANDFILL COMMUNITIES FUND

Report by Chief Executive

EXECUTIVE COMMITTEE

3 November 2015

1 PURPOSE AND SUMMARY

- 1.1 This report recommends the reallocation of unused UK Landfill Communities Fund to BCCF Environmental – Duns Rugby Football Club.**
- 1.2 Executive of 10 March 2015 approved a grant of £27,451 to BCCF Environmental – Earlston Community Development Trust. This project, the Adventure Playpark Project, is no longer going ahead and the grant award has been terminated.
- 1.3 As a consequence, £27,451 of unallocated funds is held by BCCF Environmental of which £25,536 is available funds and £1,915 is fees.
- 1.4 An application from BCCF Environmental – Duns Rugby Football Club – Clubhouse and Community Facility is currently held by SBC awaiting UKLCF funds.
- 1.5 It is recommended that the funds awarded to the Earlston Community Development Trust project be reallocated to Duns Rugby Football Club. This will enable the Club to complete its funding package and its project.
- 1.6 Members should note that the Duns Rugby Football Club project started in July despite full funding not being in place. While it is unusual to award funds after the project start date, this is allowable under the UKLCF.

2 RECOMMENDATIONS

- 2.1 I recommend that the Executive Committee approves a grant of £25,536 to BCCF Environmental – Duns Rugby Football Club.**

3 BACKGROUND

- 3.1 Tax on landfill waste was introduced in 1996 as a means to reduce the amount of landfill waste and to promote a shift to more environmentally sustainable methods of waste management. The tax credit scheme enables operators of landfill sites (the Council) to contribute money to enrolled Environmental Bodies (such as BCCF Environmental) to carry out projects that meet the environmental objects contained in the Landfill Tax Regulations.
- 3.2 The UK Government saw the UKLCF as a way for Landfill Operators and Environmental Bodies to work in partnership to create significant environmental benefits and jobs, to promote sustainable waste management and/or to undertake projects which improve the lives of communities living near landfill sites.
- 3.3 Landfill Operators can contribute up to 5.1% of their landfill tax liability to Environmental Bodies and reclaim 90% of this contribution as a tax credit. The Council contributes the remaining 10% contribution from identified budgets within the Place Directorate - Neighbourhood Services. The UKLCF budget is notified quarterly based on waste tonnage returns submitted by Place Directorate – Neighbourhood Services to the Chief Executive’s Department – Financial Services. The returns and budget figures within this report include the Council’s 10% contribution.
- 3.4 As a condition of the UKLCF, enrolled Environmental Bodies submitting applications must firstly obtain the approval of ENTRUST for the works associated with individual projects. This is to ensure compliance with all the conditions of the National Scheme and to confirm eligibility of the projects being recommended for funding. (ENTRUST is the Regulatory Body of the UK Landfill Tax Credit Scheme).
- 3.5 Members should note that the Revenue Scotland and Tax Powers Act 2014 were given Royal Assent in September 2014. This, together with the Landfill (Scotland) Act 2014, gives Scotland the framework to collect and manage Scottish Landfill Tax (SLFT) and to operate a Scottish Landfill Communities Fund (SLCF) scheme.
- 3.6 The SLCF will continue to allow landfill operators (the Council) to contribute a capped proportion of their tax liability to be used for environmental and community projects. This rate is expected to be 10% higher than the UKLCF rate at introduction (UKLCF rate currently 5.6%). The SLCF will be regulated by SEPA (rather than ENTRUST).
- 3.7 A two year UKLCF transitions period will run from 1 April 2015 to 31 March 2017 during which time the Council will continue to monitor all project awards to ensure full spend of allocated funds has been achieved by 31 March 2017, or where necessary reallocated to other projects. This report fulfils this element of this transitional responsibility by reallocating unused funds.
- 3.8 Members should note that the SLCF processes are still being developed. In addition to the regulator changing from ENTRUST to SEPA, the Approved Distributive Body for the Scottish Borders has been confirmed as BCCF Environmental. A SLCF process and budget is expected to be available by December 2015.

4 UK LCF APPLICATIONS

4.1 One application is recommended for approval as follows:

4.2 Project 1

Applicant: BCCF Environmental
Project: Duns Rugby Football Club – Clubhouse and Community Facilities
ENTRUST No: 711138.072
Project Costs: £264,087
LCF Request: £25,536

- (a) Duns Rugby Football Club was founded in 1887 and is a fully constituted voluntary sports group. It is a full member of the SRU and plays in East League 1. The Club runs mini sections for 8 to 12 years and runs S1, S2, S3 and under 16s teams from both Eyemouth and Berwickshire High Schools. It employs a Development Officer who works in the Primary and Secondary School in the Berwickshire area. The Club has a 40 year lease from SBC and have extensively redeveloped the playing fields.
- (b) This project will result in all aspects of the Duns Rugby Football Club being pulled together, on one site, for the first time in its history. The project will redevelop the old High School gymnasium block which the Club now owns following transfer from SBC. The project will create two large changing rooms with showers, match official changing room (with separate shower and WC), a dedicated medical room, new entrance with disabled access, new toilet facilities (ladies, gents and disabled), kitchen and dining area, education and learning suite, function room to hold 200 people.
- (c) The project links in very well with the overall conversion of the former Berwickshire High School site and contributes to securing the future of this category B listed structure. A grant will allow the construction work to be completed before the primary school relocation to the site.
- (d) The total project cost is £264,087. Match funding will come from own funds (£72k secured), In-kind (£39K secured), sportscotland (£58k secured), SRU (£53K secured), Rank Foundation (£4k secured). The project has already started but has a shortfall of £38,087. £25,536 is requested from the UKLCF and the remaining shortfall will be covered by the project contingency. BCCF Environmental and ENTRUST fees have been paid as part of the original award to the Earlston Community Development Trust project. The project contributes to Corporate Priorities 2, 4, 5, 7 and 8.

5 IMPLICATIONS

5.1 Financial

- (a) Funds of £25,536 have been identified following the grant termination of the BCCF Environmental – Earlston Community Development Trust project.
- (b) No balance will remain in the UKLCF.

5.2 Risk and Mitigations

- (a) The Club was advised by its main funder to start the project despite the full funding package not being in place. There is a risk that if Executive does not approve the recommendation of this report that the Duns Rugby Club project will not be completed or the Club will end up in financial difficulty.
- (b) There is a funding shortfall of £38,087. The recommendation of this report will mitigate the risk by approving the award of the full UKLCF balance of £25,536 with the remaining shortfall being covered by part of the project contingency.

5.3 Equalities

There are no apparent equality impacts on the Council. The UKLCF is operated by Customs and Excise and regulated by ENTRUST. The applicant, BCCF Environmental, is responsible for ensuring that funded projects are fully compliant with Landfill Tax Regulations, including equality of access. SBC holds BCCF Environmental Equal Opportunities Policy.

5.4 Acting Sustainably

The project impacts positively on the built heritage or local environment by enabling the reuse of key community building.

5.5 Carbon Management

The project will make use of renewable energy and its insulation will be improved. The reuse of the building will prevent any potential of demolition and possible increase in landfill tonnage.

5.6 Rural Proofing

N/A.

5.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals contained in this report.

6 CONSULTATION

- 6.1 The Chief Financial Officer, the Service Director Regulatory Services as Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and their comments have been incorporated into the final report.

Approved by

Tracey Logan
Chief Executive

Signature

Author(s)

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Background Papers:

Previous Minute Reference: Executive minute 10th March 2015

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jean Robertson can also give information on other language translations as well as providing additional copies.

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