
UK LANDFILL COMMUNITIES FUND

Report by Service Director Strategy and Policy

EXECUTIVE COMMITTEE

10 March 2015

1 PURPOSE AND SUMMARY

1.1 **This report recommends three projects for approval from the Landfill Communities Fund (UK LCF) for the funding period to December 2014 and that any balance of the UK LCF remaining at 31 March 2015 is allocated to BCCF Environmental, to be held for future approval to Borders projects in 2015/16.**

1.2 The report also informs Members of the new Scottish Landfill Communities Fund (SLCF) and the outcome of a deferred application from Executive of October 2014.

1.3 The following projects are recommended for approval:

	Applicant	Project	Award request (incl. fees)
1	BCCF Environmental	Liddesdale Heritage Association – Carbon Reduction Project	£9,675
2	BCCF Environmental	Smith Memorial Hall – Centenary Refurbishment Project	£14,195
3	BCCF Environmental	Earlston Community Development Trust – Construction of Adventure Play Park	£27,252

1.4 The confirmed UK LCF balance to 31 December 2014 is £96,551.89 and the projects recommended for approval total £51,122. A balance of £45,429.81 remains to 31 December 2014.

2 RECOMMENDATIONS

2.1 **I recommend that the Executive Committee:**

- (a) approves a grant of £9,675 to BCCF Environmental (Liddesdale Heritage Association – Carbon Reduction Project);**
- (b) approves a grant of £14,195 to BCCF Environmental (Smith Memorial Hall – Centenary Refurbishment Project);**
- (c) approves a grant of £27,252 to BCCF Environmental (Earlston Community Development Trust – Construction of Adventure Play Park);**

- (d) approves the allocation of any unspent balance at 31 March 2015 to BCCF Environmental, to be held for future approval to Borders projects;**
- (e) notes the change from the UK LCF to the SLCF from April 2015; and**
- (f) notes the outcome of the deferred application from the Executive of October 2014.**

3 BACKGROUND AND THE NEW SCOTTISH LANDFILL COMMUNITIES FUND

- 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 UK LCF 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 UK LCF 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 UK LCF, 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 was 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 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 UK LCF rate at introduction (UK LCF rate currently 5.1%). The SLCF will be regulated by SEPA (rather than ENTRUST).
- 3.7 There will be a two year transitions period from 1 April 2015 to 31 March 2017 during which time unspent funds held by environmental bodies on 31 March 2015 can be spent on projects located throughout the UK, including Scotland. This protects the balance referenced at Para 2.1(d), where the balance is recommended to be allocated to BCCF Environmental, to be held for future approval to Borders projects early in 2015/16.

4 UK LCF APPLICATIONS

- 4.1 Three ENTRUST approved projects are awaiting a decision on their UK LCF applications and a budget of £96,552.89 is confirmed.

4.2 **Project 1**

Applicant: BCCF Environmental
Project: Liddesdale Heritage Association – Carbon Reduction Project
ENTRUST No: 711138.082
Project Costs: £10,350
LCF Request: £9,675

- (a) Liddesdale Heritage Centre & Museum is situated in the small rural village of Newcastleton and is owned and run by a community-led charitable association. The building is a converted church dating from 1804 and is not listed. In addition to the heritage centre and museum, the building also accommodates the SBC Registrar for births, deaths and marriages. The building and has been undergoing phased development in recent years. Developments undertaken include a new heating system, double glazing, redecoration both internally and externally, replacement of WC and washbasin (currently being undertaken), new cabinets, a series of themed rooms, reception desk, office space for the Scottish Borders Council Registrar, installation of computer and telephone facilities and improved gardens.
- (b) The project will install solar panels on the south facing roof of the building along with electronic controls to maximise power generated. The project will reduce heating costs, keeping the building warm for users and volunteers and improve environmental conditions for the storage collections and artefacts.
- (c) The total project cost is £10,350. £675 is being contributed by Liddesdale Heritage Association. £9,000 is requested from the UK LCF plus ENTRUST/BCCF Environmental fees of £675 following an unsuccessful approach to the Heritage Lottery Fund. The project contributes to Corporate Priorities 4, 5 and 7.

4.3 **Project 2**

Applicant: BCCF Environmental
Project: Smith Memorial Hall – Centenary Refurbishment Project
ENTRUST No: 711138.083
Project Costs: £35,247
LCF Request: £14,195

- (a) The Smith Memorial Hall was gifted to the village of Darnick in 1914 by an Australian benefactor in the timber trade and is run by a Village Committee. The building is of fine stone with a timber interior.
- (b) The Village Hall now requires some refurbishment to bring it up to modern standards, improve the internal environment for its users and reduce its running costs and environmental impact. The project will improve insulation in the roof space, fit secondary double glazing, undertake draught proofing, ground work, wall pointing and redecoration.
- (c) The total project cost is £35,247 and the centenary year provided the opportunity to raise funding in Australia if matched by local sources. The Village Hall Committee has securing funding from the Central Borders Federation of Village Halls (£3,000), Helen MacPherson Smith Trust Australia (£6,500), Awards for All (£9,952) and has raised a further £1,600 in local fundraising. £13,205 is

requested from the UK LCF plus £990 ENTRUST/BCCF Environmental fees as the final part of the funding package. The project contributes to Corporate Priorities 4, 5 and 7.

4.4 **Project 3**

Applicant: BCCF Environmental
Project: Earlston Community Development Trust (ECDT) –
Adventure Play Park

ENTRUST No: 711138.075

Project Costs: £307,005

LCF Request: £27,452

- (a) ECDT is a local community development trust and a charity registered in Scotland. It has delivered a range of local community projects including the Orchard Town Project and various community days.
- (b) The project will develop an area of amenity land at the Cauldie in the village of Earlston and will provide an adventure play park for children up to age 18 and for all sectors of the community. The area of land is owned by the Council who agreed to lease part of the land to ECDT at Executive in June 2013. The project will create the adventure play park using timber materials in keeping with its natural setting. The project includes sensory paths, play areas for differing age groups, specialist multi-ability equipment, outdoor classroom/shelter, seating, picnic areas, stepping stones, fencing and planting.
- (c) Total project cost is £307,005. ECDT has been successful in securing funding from the Big Lottery Fund (£250,000) and local in-kind contributions (£17,600). £13,869 is awaited from Trusts and Foundations. £25,536 is requested from the UK LCF plus £1,916 ENTRUST/BCCF Environmental fees. The project contributes to Corporate Priorities 4, 5 and 7.

5 **END OF YEAR BALANCE**

- 5.1 £96,551.89 is the available budget to 31 December 2014. If the recommendations of this report are approved this will reduce to £45,429.8. In addition, it is estimated that approximately £35,000 will accrue between January to March 2015 leaving an approximate balance of £80,000 at 31 March 2015.
- 5.2 SBC is not permitted to carry forward any unallocated balance of landfill funds from one accounting period (year end) to another. In line with ENTRUST regulations and to safeguard the final end of year balance for future allocation by SBC to Borders projects in 2015/16, it is recommended that any unallocated balance at 31 March 2015 is allocated to BCCF Environmental to be held for future approval to Borders projects early in 2015/16. This approach to the end of year balance was previously agreed by Executive on 30 March 2010.
- 5.3 Members should note that, although a balance remains at 31 March 2015, four applications requesting approximately £84,000 are currently at the development stage. A further report is expected early in 2015/16.
- 5.4 BCCF Environmental will hold the balance and projects will be approved by Executive in the normal way, irrespective of which registered environmental body makes the application.

6 DEFERRED APPLICATION

- 6.1 At Executive in October 2014, an application was recommended for approval to BCCF Environmental - Our Lady & St Andrews Catholic Church. The application was to undertake window restoration to reinstate original leaded glass in line with the original architectural structure of the building. The total project cost was £36,170 and the grant request was for £15,050. A decision was deferred until further detail and alternative solutions were explored.
- 6.2 Following various conversations with the Church and the Council's Conservation Officer, a cheaper solution has been identified the cost of which can be met by the Church's existing funds. The application has now been withdrawn.

7 IMPLICATIONS

7.1 Financial

- (a) A budget of £96,551.89 is identified and available.
- (b) Approval of the recommendations in this report total £51,122 and a balance of £45,429.81 will remain to December 2014.
- (c) It is estimated that by 31 March 2015 a balance of approximately £80,000 will remain. Para 5.2 recommends its allocation to BCCF Environmental for future allocation to Borders projects early in 2015/16.

7.2 Risk and Mitigations

- (a) There is a risk that if Executive does not approve the project recommendations, the projects may be delayed or may not be able to proceed and the benefits in their communities will not be realised. This is mitigated through ensuring all three projects are ENTRUST approved, all have sound project planning and the majority of match funding in place. All have been assessed and recommended for funding by the UK LCF Working Group.
- (b) There is risk that if Executive does not approve the recommendation to allocate the end of year balance to BCCF Environmental, these unallocated funds will revert to the UK Treasury. This is mitigated by the Executive of March 2010 having approved the approach to the end of year balance.

7.3 Equalities

There are no apparent equality impacts on the Council. The UK LCF 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.

7.4 Acting Sustainably

- (a) All three projects impact positively on the built heritage or local environment.
- (b) Project 1 will install solar panels, reducing the dependence on traditional heating and reducing the carbon emissions and energy costs. The electronic control system will ensure the maximum amount of PV generation is used within the building.

- (c) Project 2 is targeted on the sustainability of the building overall and retaining its use as community space. The works will also contribute to reducing energy consumption and energy costs.
- (d) Project 3 is designed to be sensitive to the existing natural surroundings. It will incorporate natural materials such as timber and bark . Native plants, bushes and fruit trees will increase biodiversity, help protect the environment and further enhance the area.

7.5 Carbon Management

Projects 1 and 2 have a specific aim of reducing carbon emissions and reducing heating costs as detailed at Para 7.4

7.6 Rural Proofing

Not applicable.

7.7 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.

8 CONSULTATION

- 8.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, 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.
- 8.2 Officers comprising the UK LCF Working Group, drawn from the Chief Executive’s Department (Financial Services and Strategic Policy Unit) and Place-Neighbourhood Services and Regulatory Services (Legal Services) have been consulted and have agreed the recommendations.

Approved by

David Cressey
Service Director Strategy & Policy

Signature

Author(s)

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Background Papers: None.

Previous Minute Reference: Executive 30 March 2010; Executive 21 October 2014

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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