



Woodland Trust response to the Inquiry of the Finance Committee into the general principles of the Landfill Disposals Tax (Wales) Bill

About the Woodland Trust (Coed Cadw)

Further to the recent publication of the general principles of the Landfill Disposals Tax (Wales) Bill the Woodland Trust appreciates the opportunity to respond to the inquiry. The Trust is the UK's leading woodland conservation charity. We have three aims: to protect native woods, trees and their wildlife for the future; to enable the creation of more native woods and places rich in trees; and to inspire everyone to enjoy and value woods and trees. We have over 500,000 members and supporters across the United Kingdom. We manage over 1,000 sites, over 100 of them in Wales covering 1,580 hectares (3,900 acres). Wales is one of the least wooded countries in Europe, with woodland making up just 14% of the landscape and less than half of this is native.

For the purposes of this call for evidence, we are only commenting on the annexe questions that are of direct or associated relevance to our organisation.

Q1.The general principles of the Bill and the need for legislation

- a) The Woodland Trust welcomes the Landfill Disposals Tax (Wales) Bill. We support the drive through Wales's Towards Zero Waste Strategy (2010) towards an environmentally sustainable Wales where waste use is minimised.
- b) We welcome the confirmation of a Landfill Disposals Tax Communities Scheme as we feel that this will help the Government to deliver on the legal obligations within the Well-being of Future Generations (Wales) Act 2015 (WFGA)¹ and Environment Acts². 'A bio diverse natural environment with healthy, functioning ecosystems' is one of the Wellbeing Goals that public bodies, including the Welsh Government, must contribute to achieving in line with their WFGA sustainable development duty. In addition, the Environment (Wales) Act 2016 places a duty on public bodies, including the Welsh Government, to maintain and enhance biodiversity and in so doing promote the resilience of ecosystems. This is intended to place biodiversity as a natural and integral part of policy and decision making.

¹ <http://www.legislation.gov.uk/anaw/2015/2/contents/enacted>

² Biodiversity and resilience of ecosystems duty, section 6 of Environment (Wales) Act 2016.



- c) Within the Bill, we would like to see greater clarity, particularly in relation to how Landfill Disposals Tax revenues are apportioned to the Landfill Disposals Tax Communities Scheme. We believe that if Landfill Disposals Tax is to fund this scheme, that it should be clearly referenced for transparency and to safeguard this funding mechanism.
- d) Whilst accepting the need for a coherent Bill, we are concerned that, whilst there is provision for tax credits to be applied, there is currently no specific reference or link between the entitlement to credit and their use. This is in contrast to the existing UK Landfill Tax regulations of 1996 (Part VII Credit: Bodies Concerned with the Environment).
- e) The Woodland Trust welcomes the intention to set tax rates to help deter waste tourism and reduce carbon footprint and emissions generated by the unnecessary transportation of waste.

Q3. Whether there are any unintended consequences arising from the Bill

We note that The Cabinet Secretary for Finance and Local Government has confirmed that for Landfill Disposals Tax the Landfill Communities (Environmental Bodies) Credit arrangements will not be delivered as a tax credit and therefore will not be required to be made in legislation. We raise concerns that this detachment could lead to less transparency regarding the grant scheme and levels of funding within it.

Q5. The appropriateness of the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Chapter 5 of the Explanatory Memorandum)

We note that there is now no link between the Landfill Disposals Tax and the Landfill Disposals Tax Communities Scheme. As Welsh Government will be able to vary tax rates to determine the amount of revenue to be raised to invest in public services, we would ask how will funding levels for the new fund be determined and protected.

Q12. The inclusion of unauthorised disposals of waste at places other than authorised landfill sites

Woodland Trust welcomes the proposed introduction of charging of landfill tax on unauthorised disposals. We agree that charging tax on unauthorised disposals is desirable and would help deter environmental pollution and reduce the significant costs associated with managing waste crime.

Q13. The inspection of premises for the purposes of ascertaining a person's liability to LDT and the sharing of information between the Welsh Revenue Authority, Natural Resources Wales and local authorities



With reference to the intention to keep a register of those persons responsible for paying tax on taxable disposals; we would like to ensure postcodes are also included and, in addition to this, eligible sites are clearly defined within the NRW mapping system: <http://naturalresources.wales/our-evidence-and-reports/maps/find-details-of-permitted-waste-sites-in-wales-1/?lang=en> to ensure easy checking of eligibility.

Q.16 Establishing the Landfill Communities Scheme as a grant scheme rather than a tax credit and developing it outside of the Bill

- a) The Woodland Trust supports and welcomes the confirmation that there will be arrangements for a Landfill Disposals Tax Communities Scheme to replace the current UK Landfill Communities Fund. In the last 10 years this valuable source of funding has supported over 25 Woodland Trust community and biodiversity projects providing funding in excess of £1m. This also enabled us to leverage an additional £1m from other funding sources following the confidence shown by the support of the landfill funders.
- b) However, we are concerned that as the Landfill Disposals Tax Communities Scheme will not be delivered as a voluntary tax credit and made into legislation within this Bill, that the link between the two will not be transparent. For example - how will the fund value be determined e.g. at present UK HMT set % rate at Budget as part of Finance Bill?
- c) The Woodland Trust feels this is an important fund that has played a vital role in funding a wide range of community and biodiversity projects. Given our long term experience, we would welcome the opportunity to continue to be part of the stakeholder discussions and look forward to receiving appropriate development updates.
- d) While landfill still exists, and the tax is 'driving down' quantities, the continued existence of a Landfill Disposals Tax Communities Scheme, to give operators credits for dispersing funds to environmental projects, is important.
- e) We feel that the Landfill Disposals Tax Communities Scheme must continue to allow multiyear projects. Reducing the length of projects means increased administration costs for both applicants and the Distributive Environmental Body. In addition, the majority of environmental projects need several seasons to be implemented and to carry out effective monitoring.