



GUIDANCE MANUAL





Front Cover:

1. **Cameron House “Enchanted Wood” Project.**
Funded by Angus Environmental Trust (SLCF/AB/014/001), South Ayrshire Waste and Environment Trust (SLCF/AB/003/D1) and South West Environmental Action Trust (Dumfries) (SLCF/AB/011/003). Total SLCF funding: £2,014.53. Object C – Public Amenity and Object D – Biodiversity.
 2. **Insh Marshes Habitat Restoration and Conservation**
Funded by Viridor Credits Environmental Company (SLCF/AB/004/0466) and Waste Recycling Environmental Ltd (SLCF/AB/006/049). Total SLCF funding: £42,915. Object D – Biodiversity.
 3. **Langloch Outdoor Learning Centre**
Funded by The Levenseat Trust (SLCF/AB/007/001). Total SLCF funding: £24,900. Object C – Public Amenity.
 4. **West Links Play Park**
Funded by Fife Environment Trust (SLCF/AB/013/PR001). Total SLCF funding: £41,621. Object C – Public Amenity.
 5. **Fife Pilgrim Way**
Funded by SUEZ Communities Trust Ltd (SLCF/AB/002/053), Third Sector Hebrides (SLCF/AB/015/010) and Waste Recycling Environmental Ltd (SLCF/AB/006/045). Total SLCF funding: £48,895.50. Object C – Public Amenity.
 6. **Beecraigs Visitor Centre**
Funded by LandTrust (SLCF/AB/008/5555). Total SLCF funding: £30,000. Object C – Public Amenity.
 7. **Restoration and repair of HM Frigate Unicorn**
Funded by SUEZ Communities Trust Ltd (SLCF/AB/002/007). Total SLCF funding: £44,993. Object E - Religious / historic / architectural building.
 8. **Angus Cycle Hub**
Funded by Angus Environmental Trust (SLCF/AB/014/009 and 028). Total SLCF funding: £103,719.97. Object B - Recycling / re-use / waste prevention.
 9. **Froglife Riverside Pond**
Funded by Angus Environmental Trust (SLCF/AB/014/012). Total SLCF funding: £10,903. Object A - Reclamation / remediation / restoration, Object C - Public amenity and Object D – Biodiversity.
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Contents

1	INTRODUCTION	4
1.1	The Scottish Landfill Communities Fund	4
1.2	Who does what?	5
2	WHAT IS FUNDING AVAILABLE FOR?	8
2.1	General Requirements	8
2.1.1	Project Location	8
2.1.2	Project requirement.....	9
2.1.3	Project spend.....	9
2.1.4	Resource efficiency.....	10
2.2	Specific Requirements	11
	OBJECT A: Land restoration projects.....	11
	OBJECT B: Community waste prevention, reuse & recycling projects.....	14
	OBJECT C: Public Amenity Projects	17
	OBJECT D: Biodiversity projects	21
	OBJECT E: Buildings projects	25
	OBJECT F: Services projects	29
2.3	Specific exclusions.....	31
2.4	Who can apply for SLCF Funding?	38
2.5	Promoting the SLCF	38
3	APPROVED BODIES.....	39
3.1	Who can be an Approved body?.....	39
3.2	Getting Approval	40
3.2.1	Application process.....	40
3.2.2	Conditions of approval	40
3.2.3	Appeal	41
3.2.4	Retaining approved status	42
3.2.5	Revocation.....	42
3.3	Attracting Contributions.....	43

3.3.1	Links to Landfill Operators	43
3.3.2	Qualifying Contributions.....	43
3.3.3	Derived Income.....	44
3.3.4	Generating income from running projects	45
3.4	Attracting Applications	45
3.4.1	Promoting your Approved Body	45
3.4.2	Accepting applications from all over Scotland	46
3.4.3	Application process.....	46
3.5	Assessing Applications	47
3.5.1	Project cost estimates.....	47
3.5.2	Length of a project	48
3.5.3	Making funding decisions.....	48
3.5.4	Recording	49
3.5.5	Ensuring no bias in application assessment.....	49
3.6	Enrolling Projects.....	50
3.6.1	Timescale for using SLCF funds	50
3.6.2	Making changes to enrolled projects.....	50
3.7	Contributing Third Party (CTP).....	51
3.7.1	CTP reporting requirements.....	51
3.7.2	Who can be a CTP?.....	51
3.8	Transfer of Funds.....	53
3.8.1	Invoices	53
3.8.2	Unspent SLCF Monies.....	53
3.9	Monitoring.....	54
3.9.1	Protection of assets	54
3.10	Reporting	55
3.10.1	Record keeping.....	55
3.10.2	Record Retention Policy	56
3.10.3	Forms	56
4	FINANCIAL CONTROLS	58

4.1	Introduction	58
4.2	Spending Qualifying Contributions	58
4.3	Accounts	58
4.3.1	Why do we need financial reports?	59
4.4	Running costs	59
4.4.1	How we calculate compliance with 10% limit on running costs.....	60
4.5	Wind up costs	60
5	COMPLIANCE	62
5.1	Inspections	63
5.2	Help & Guidance.....	63
6	GLOSSARY	64
7	ABBREVIATIONS	71
8	APPENDIX 1 - Further information on resource efficiency	72
8.1	Resource Efficient Scotland	72
8.2	Wrap.....	72
8.3	Recyclenow	73
8.4	Love Food Hate Waste	73
8.5	What is your duty of care?	73
8.6	Re-use line	73
8.7	NetRegs – Resource efficiency good practice checklist	73

1 INTRODUCTION

1.1 The Scottish Landfill Communities Fund

The Scottish Landfill Communities Fund (SLCF) provides funding for community and environmental projects in Scotland. It is linked to Scottish Landfill Tax. Landfill operators are given a tax credit for contributions they make to the fund. The SLCF replaced the UK scheme in Scotland on 1 April 2015.

Landfill Operators must pay landfill tax for every tonne of waste disposed of at their landfill. This tax is collected by Revenue Scotland. Landfill Operators can choose to pay a proportion of their tax liability into the SLCF. Landfill Operators receive a 90% tax credit on each contribution made to the SLCF (up to a maximum contribution of 5.6% of their annual tax liability). These contributions are paid to Approved Bodies who distribute it to projects supporting community and environmental improvements. The Approved Bodies are responsible for making funding decisions and ensuring that their awards are spent. The Scottish Environment Protection Agency (SEPA) approves and regulates the Approved Bodies.

Funding must be passed from a [landfill operator](#) via Approved Bodies to a project as illustrated below (Figure 1). Landfill operators cannot directly fund projects and cannot [control](#) how SLCF funding is spent.



Figure 1 - SLCF money flow

1.2 Who does what?

The following organisations /groups all have a role to play in the SLCF:

- a. SEPA
- b. Revenue Scotland
- c. Scottish Government
- d. Landfill Operators
- e. Approved Bodies
- f. Projects

a. SEPA

The [Scottish Environment Protection Agency](#) (SEPA) is Scotland's principal environmental regulator, protecting and improving Scotland's environment. Our purpose is to protect and improve the environment in ways that help create health and well-being benefits and economic success.

[One Planet Prosperity – Our Regulatory Strategy](#), defines our changing approach to regulation and highlights the changes we are making to the way we regulate. We are also the regulator of the Scottish Landfill Communities Fund (SLCF). As the SLCF regulator, we are responsible for:

- approving organisations to distribute the funds to eligible projects (Approved Bodies);
- maintaining and publishing the Register of Approved Bodies;
- ensuring Approved Bodies and projects follow the rules of the fund;
- deregistering Approved Bodies; and
- Following direction from Revenue Scotland.

b. Revenue Scotland

[Revenue Scotland](#) is the tax authority responsible for the administration and collection of Scotland's devolved taxes. It has overall responsibility for the regulation of the SLCF. Its SLCF functions are set out in [Regulation 32](#) of the Scottish Landfill Tax (Administration) Regulations 2015.

Revenue Scotland is responsible for the following:

- approving the fund regulator (We have been approved to carry out this function since 1 April 2015);
- imposing conditions on the regulator (Revenue Scotland has directed SEPA to charge Approved Bodies 1.82% of contributions as a regulatory fee);

- disclosing tax information;
- arranging repayment of tax credit claimed for contributions made to SLCF where necessary;
- Enforced revocation of Approved Bodies.

c. Scottish Government

The [Scottish Government](#) retains overall policy responsibility for the SCLF. They are also responsible for:

- any changes to the [Scottish Landfill Tax \(Administration\) Regulations 2015](#);
- any changes to the minimum percentage of Scottish Landfill Tax liability, which credit can be claimed for under this scheme;
- Setting up an independent panel to hear appeals from any organisation that is not successful in their application to become an Approved body or Approved Bodies that have had their approval revoked.

d. Landfill Operators

Landfill operators carry out a taxable activity (landfilling) so must be registered with Revenue Scotland. [Scottish Landfill Tax](#) is self-assessed and landfill operators may claim credit on contributions made to the Fund, up to 5.6% of their tax liability. Contributions can only be given to an [Approved body](#). Landfill operators can claim a tax credit equal to 90% of any [qualifying contribution](#) made. Once a contribution is made, landfill operators have no [control](#) over how the contribution is spent.

e. Approved Bodies

“Approved Bodies” are organisations, approved by us, that distribute SLCF funding. They receive contributions from landfill operators and consider applications for funding. Each Approved Body has its own application process and will enroll projects that are eligible for funding.

[Regulation 30](#) of the Scottish Landfill Tax (Administration) Regulations 2015 sets out the obligations of Approved Bodies. To remain approved, Approved Bodies must be able to demonstrate to us that they continue to meet these objectives. Further information on Approved Bodies is given in [Section 3](#) of this manual.

f. Projects

“Projects” are individuals or organisations that have been awarded funding (enrolled) by one or more Approved Bodies. The grant of funding is to carry out a specific project that meets the criteria of the SLCF.

Projects will arrange for their project to be delivered and will comply with the requirements of the Approved body funding them. These requirements will include reporting on project progress and money spent.

2 WHAT IS FUNDING AVAILABLE FOR?

Approved Bodies must ensure that [qualifying contributions](#), and any derived [income](#) (e.g. bank interest) are only spent on supporting the “[Approved Objects](#)” of the SLCF. The approved objects are defined by Regulation 29(5), (11) and (12) of the SLCF Regulations¹, and can be summarised as:

1. Income may be used to fund projects that support at least one of the six objects (project types) and which fulfil the general requirements for eligibility.
2. Income may be used to pay for the [running costs](#) of the Approved body up to a maximum of 10% of the value of total income.
3. Income may be used to pay the regulatory charges levied by SEPA.

Using SLCF income for any other purpose is forbidden. Failure to comply could result in us taking enforcement action against the Approved body.

2.1 General Requirements

Every project must be able to meet the following “general requirements” to be eligible for funding:

2.1.1 Project Location

The project must be in Scotland.

Projects under objects C, D and E must take place in the [vicinity](#) of a [landfill site](#) or [transfer station](#). This means within a 10-mile radius of a licenced landfill site or transfer station. You can check how close your project site is to a landfill or transfer station using the [SLCF Vicinity Checker](#). All you need is the National Grid Reference or postcode of your project site.

Each project should be for a single identifiable site.

The organisation(s) delivering the project must have appropriate tenure or permissions to access and carry out the physical works at the project site. This permission does not necessarily need to be in the form of a lease / ownership but should be proportionate to the type and length of works being carried out and the lifespan of the delivered project.

¹ <http://www.legislation.gov.uk/ssi/2015/3/regulation/29/made>

2.1.2 Project requirement

Funding should not be sought or granted for projects that are required to be carried out by another authority. This includes works required by a notice, order, agreement or condition. The specific requirements can be found in [Regulation 29](#) of the regulations. (see [Specific Exclusions](#) below).

2.1.3 Project spend

The project must involve physical works needed to fulfil one or more of the objects. Costs can include:

- the costs of contractors/staff (including support staff – admin/finance),
- the costs of managing the contractors and/or volunteers, and
- the purchase/hire of materials and equipment.

All project management and staff costs must be clearly related to the project.

The majority of the funding must be for capital expenditure. For example, to buy or upgrade fixed assets, such as property, plant, or equipment.

Costs directly related to the delivery of the main physical works are allowable. These could include interpretation panels, publicity materials, and information resources (guides/leaflets) whether physical or electronic.

SLCF funds shouldn't be used for investigatory surveys, due-diligence reports, planning permission applications or other such requirements prior to physical works.

SLCF funds shouldn't be used to fund aspects of a project that have taken place before formal approval of the funding. (i.e. no retrospective funding).

The project works should have a clear start and end date. The start date may be delayed due to seasonal requirements of the project (e.g. planting/breeding season) or while securing other funding sources. Approved bodies must update us on any changes to the expected start or end date of their enrolled projects. There is no requirement for projects to start works immediately after enrolment.

The project should be self-sustaining beyond the funding period agreed with the Approved body.

The Approved body should consider the project to represent value for money and be a good use of SLCF funds.

[Income](#) can be generated from running projects as part of its operation, for example:

- venue or equipment hire revenue;
- admission charges; and
- sale of products.

Projects should include their intention to generate income from the completed project at the application stage. Projects should keep records of the income derived from that project and report to their funding AB if requested.

2.1.4 Resource efficiency

Every project should be able to show that it has considered resource efficiency in the design of their project. This might include:

- Considering the impact of the resources used during the build phase of the project, as well as the life of the delivered asset. For example, using recycled / recovered materials in place of virgin material,
- Minimising the effects of project work on surrounding environment and habitat,
- Using low energy technologies where appropriate,
- Ensuring waste produced is minimised, stored and disposed of correctly.

We have developed a [Resource Efficiency – Good Practice Checklist](#) with [NetRegs](#). This checklist can be used by projects to highlight resource efficient options in the design of their projects. It can also be used by projects as part of their application to Approved Bodies for funding.

The project must be compliant with their duty of care for waste. Every organisation and business has a legal responsibility for the waste they generate. This means that waste must be stored, transported and disposed of without harming the environment. For more information on your duty of care see the [Zero waste guidance note: what is your duty of care](#).

For example, a project applying for funding for a community café would need to show that they had considered how they will meet the [duty of care placed on businesses](#) to segregate recyclable waste (including food waste) for collection.

Further help on resource efficiency can be found in [Appendix 1](#) of this manual.

2.2 Specific Requirements

Every project must be able to meet at least one of the 6 “objects” given in regulation 29. Regulation 29(5)(a)-(f) describes each of the project types that may be awarded funding. The objects are as follows:

OBJECT A: Land restoration projects

“In relation to any land in Scotland the use of which for any economic, social or environmental purpose has been prevented or restricted because of the carrying on of an activity on the land which has ceased-

- (i) reclamation, remediation or restoration; or*
- (ii) any other operation intended to facilitate economic, social or environmental use”²*

Funding is available for projects that aim to improve the economic, social or environmental use of land. Improvements must take place on a single site where an activity once took place that stopped the land being used. The project must include reclamation, remediation, restoration or "other operation" of the land.

Projects are likely to be on sites used for manufacturing, waste disposal, mining, agriculture or other such activities in the past. The project could include one or many activities to bring the land back to use. For example; drainage, soil improvements, removing physical objects or infrastructure to allow use of the land.

Any person who contaminated the land or knowingly permitted the contamination must not benefit from the project.

Regulation 29(9) lists a number of restrictions on the use of this object. If the project is delivering works required by another authority (e.g. by notice, requirement or order), the project is not eligible for funding. Further information on these restrictions can be found in the Specific exclusions section of this guidance.

²[The Scottish Landfill Tax \(Administration\) Regulations 2015 \(as amended\) Regulation 29\(5\)\(a\)](#)

Examples of projects which have received SLCF funding under object A:

Clearing land for environmental/social use

Funds were awarded to clear rubble, brick and discarded metal from an area of land used previously for military activities. The reclamation works included removing waste, levelling the land and reseeded. The use of the land was restricted because of the abandonment of the site. The project allowed the land to be used again as part of an unrestricted coastal walk, bringing social and environmental benefits.

Remediation of former steel works

A project to demolish and reclaim land at a former old steel rolling works was given funding by the SLCF. Works involved demolishing redundant buildings and remediating the land. Shops and office space were built on the land, bringing social and economic benefits.

Resource Efficiency

Storing, sorting and separation of waste materials generated by the project should have been part of the project design. This allows waste material to be re-used on site or recycled for further use, either on-site or at other locations. Any non-suitable materials should be disposed of correctly and in compliance with current waste management legislation.

OBJECT A: Summary

Projects that facilitate economic, social or environmental use by reclaiming, remediating or restoring land.

The project must be:

- in Scotland;
- on a site where there was an activity (now ceased), which prevents or restricts the current use of the land (e.g. the site may have been contaminated / damaged);
- The person who permitted or carried out the ceased activity must not benefit from the project;
- not be required (e.g. by statutory notice, order, agreement or planning permission or consent).

The project application to the Approved body will need to provide details of:

- The affected site;
- The ceased activity;
- Who carried out the ceased activity;
- When the activity ceased;
- How the person who damaged the land will not benefit (financially or through obligations being met) from the work proposed;
- Works are not required by any statutory notice or condition,
- How the proposed works will bring the land back into use,
- The intended economic, social or environmental use for the land.

OBJECT B: Community waste prevention, reuse & recycling projects

“Where it is for the protection of the environment, any community based recycling in Scotland or community based re-use and waste prevention projects in Scotland”³

Funding is available for community based waste prevention, re-use or recycling projects. The projects must protect the environment and must be non-profit making. Projects should have community involvement and community connection.

SLCF funds aren't for projects where the delivery lies with the local authority or other responsible statutory organisation. For example, a local authority can't apply to the SLCF to fund their waste prevention, re-use or recycling service.

Regulation 29(8) lists a number of restrictions on the use of this object. If the project is delivering works required by another authority (e.g. by notice, requirement or order) or is carried out with a view to profit, the project is not eligible for funding. Further information on these restrictions can be found in the Specific exclusions section of this guidance.

Project expenditure must be mostly for physical works or facilities. This can include the purchase or rent of premises or equipment needed to carry out the project. Associated publicity costs to guide the community and promote the facilities are also acceptable costs providing they are not the main costs of the project. For example, the production and publication of guides/leaflets etc. (electronic or hard copy).

Funding staff salaries during the start-up of the project is also acceptable. These costs must be shown to be necessary for the project to go ahead. Salaries may be paid for the first 12 months of the project, but projects should aim to be self-funding after the initial start-up period. Funding applications should not be made for on-going salary costs.

Where funding is granted to buy premises, machinery or equipment, the Approved body should make sure it protects the asset. Approved bodies should include adequate legal protections as part of their funding criteria for deciding which projects to fund.

³ [The Scottish Landfill Tax \(Administration\) Regulations 2015 \(as amended\) Regulation 29\(5\)\(b\)](#)

Further information on assets can be found in the [Protection of Assets](#) section of this document.

Any [income](#) made as a result of the SLCF funded works (such as from hire or admission fees) must be reinvested in the delivered project. For example, this could include spending on ongoing maintenance or operation.

Examples of projects which have received SLCF funding under object B:

Bike recycling hub

SLCF funding was awarded to a project that cleaned, repaired and brought bicycles back to use for onward sale. Funding allowed the project to rent premises, purchase equipment to repair the bikes, initial staff costs and promotion material to publicise the recycling scheme. The project allowed the donation of unwanted bikes. Keeping them out of landfill and allowing reuse. The sale of refurbished bikes has allowed the project to be self-sustaining after initial start-up.

Textile Recycling

SLCF funding was awarded to buy recycling textile banks to allow the local community to deposit old clothes and unwanted fabrics. This material may otherwise have ended up in landfill. A resource which could be collected and recycled was kept within the economy. Purchase of the banks were a key component in getting the textile recycling scheme up and running and were seen as necessary start-up costs. The applicant also spent a portion of the funds on promoting and advertising the scheme.

Resource Efficiency

All Object B projects will be able to apply [resource efficiency](#) by implementing prevention, re-use and recycling schemes. Where machinery or premises is funded by the SLCF, the applicant should look to show how efficient or low energy solutions have been chosen. For example low energy heating and lighting and low carbon fuel sources used for machinery and vehicles. Waste that can't be fully used on site should sent for re-use / recycling off-site or disposed of correctly.

OBJECT B: Summary

Community based recycling, re-use and waste prevention projects that protect the environment.

The project must:

- be community based and not for profit;
- encourage recycling, re-use and / or waste prevention;
- protect the environment;
- be located in Scotland;
- must not be required (e.g. by statutory notice, order, agreement, planning permission or consent, Nature Reserve agreement, management scheme, notice or agreement).

The project application to the Approved body will need to provide details of:

- the community connection/ involvement;
- how the project encourages recycling, re-use and waste prevention;
- how the project protects the environment; and
- evidence that the project is not otherwise required to be undertaken.

OBJECT C: Public Amenity Projects

“Where it is for the protection of the environment, the provision, maintenance or improvement of-
(i) a public park in Scotland; or
(ii) another public amenity in Scotland,
in the vicinity of a landfill site or transfer station”⁴

Funding is available for projects that aim to provide, maintain or improve a public park or other public amenity in Scotland.

An “[amenity](#)” is something that makes the environment more pleasant or comfortable and/or improves the aesthetic qualities of an area for the general public. Common examples of amenities include:

- Activity centres;
- Bridleways and cycle paths;
- Community centres;
- Village halls;
- Sporting facilities;
- Museums; and
- Libraries.

A park or amenity is ‘Public’ if it is for the public as a whole and there are no unreasonable limitations to the range of people who can use it. Limitations include buildings, structures, parks and amenities which are only accessible to specific user groups defined by age, sex, disability, race, etc. Yet, some parks and amenities by their nature may have certain restrictions placed upon their use. For example, use of the equipment in a play area may be restricted to an age range, but as the amenity as a whole can be used by the general public, the equipment would be eligible for funding.

⁴ [The Scottish Landfill Tax \(Administration\) Regulations 2015 \(as amended\) Regulation 29\(5\)\(c\)](#)

The site must be open to the general public. Ideally, the site will be open and available to the general public at all times. However some sites will have restrictions on when and how the general public can use them. Any park or amenity must be available for at least four evenings / two days a week / 104 days in any one year, to be eligible for SLCF funding.

The project must take place in the [vicinity](#) of a Landfill site or Transfer station. This means within a 10 mile radius of a licenced landfill site or transfer station. You can check how close a project site is to a landfill or transfer station using the [SLCF Vicinity Checker](#).

The project site does not have to be wholly contained within 10 miles of the landfill site or transfer station, but its ultimate reach must remain within a reasonable and relevant distance of the licensed landfill site or transfer station. SLCF projects must aim to not only create significant environmental benefits, but to improve the lives of communities living near landfill sites. Each project should be for a single identifiable site. A single application for funding covering multiple parks / amenities will not be accepted.

The focus of these projects must be to undertake physical works that lead to the provision, maintenance or improvement of a public park or amenity.

The bulk of project expenditure should be on physical works. Other costs necessary for the project to go ahead, and which relate to the park or amenity are also acceptable. Costs may include:

- the costs of contractors and/or volunteers carrying out the works on site,
- costs in managing the contractors or volunteers while on site, and
- the purchase of equipment and materials used on the project.
- project management costs (clearly and specifically related to the project)
- interpretation panels,
- publicity materials,
- information resources (electronic or hard copies)
- opening ceremony costs and
- educational materials.

All costs must be reasonable and relevant to the project.

Regulation 29(10) lists restrictions on the use of this object. If the project is delivering works required by a relevant condition or is carried out with a view to profit, the project is not eligible for funding. Further information on these restrictions can be found in the Specific exclusions section of this guidance.

The amenity can't be operated for profit. Any [income](#) made as a result of the SLCF funded works (such as from hire or admission fees) must be reinvested in the delivered project. For example, this could include spending on ongoing maintenance or operation.

Examples of projects which have received SLCF funding under object C:

Upgrade of tennis courts

Old tennis court surfaces and floodlighting were replaced to allow a tennis club to remain open. Club facilities are available for the public to use and are also regularly used by a wide range of the community. The club was eligible as funding as the facilities are a public amenity. SLCF funds paid for the supply of materials and labour.

Nature reserve path

The SLCF funded a project to create a new surface path within a nature reserve. Improvements to the path allowed it to be connected to an existing forestry commission track. This provided a continuous loop of 2km of pathway in a scenic location. The path made the area more accessible to the general public and protected the natural environment. SLCF funds paid for the supply of materials and labour. Associated project costs included; the provision and installation of interpretation and information boards and leaflets detailing areas of natural and historic interest.

Resource Efficiency

Both projects included [resource efficiency](#) in their design to some extent. Recycled aggregates were used in the nature reserve path in place of virgin materials. The re-use of old materials was considered. Waste generated by the works was sorted and segregated to allow collection and recycling for use off-site. Waste that couldn't be reused or recycled was stored securely before being disposed of correctly. We can provide advice to projects on their obligations on segregating, storing and disposing of their waste.

OBJECT C: Summary

Projects to provide, maintain or improve a public park or other public [amenity](#).

The amenity must:

- be open and accessible to the general public;
- be in Scotland;
- be in the [vicinity](#) of a [landfill site](#) or [transfer station](#);
- be [not-for-profit](#)
- must not be required (e.g. by statutory notice, order, agreement or planning permission or consent).

The project application to the Approved body will need to provide details of:

- the project site;
- the proposed works;
- how the works will provide, maintain or improve a public park or other public amenity;
- how the amenity is accessible to the public and how they have use of it;
- how the amenity will protect the environment;
- how far the project site is from a landfill site or transfer station; and
- how the proposed works are not required by a relevant condition.

OBJECT D: Biodiversity projects

“Where it is for the protection of the environment...the conservation or promotion of biological diversity through-

(i) the provision, conservation, restoration or enhancement of a natural habitat in Scotland; or

(ii) the maintenance or recovery of a species in its natural habitat in Scotland, on land or in water situated in the vicinity of a landfill site or transfer station”⁵

Funding is available for projects, in Scotland that aim to conserve or promote [biological diversity](#). The project must relate to a natural habitat or a species in its natural habitat. The project must protect the environment.

“Biological diversity” means the variability among living organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes they are part of. It includes diversity within species, between species and of ecosystems.

Biodiversity is important as it sustains the natural systems that provide vital goods and services to society, supporting tourism, farming, forestry, aquaculture and fishing industries. It adds variety to our urban green spaces and contributes to improving the health and wellbeing of the people of Scotland. Along with climate change, biodiversity loss is regarded as the most critical environmental threat facing the world.

The focus of these projects must be to undertake physical works that lead to the provision, conservation, restoration or enhancement of a natural habitat or the maintenance or recovery of a species in its natural habitat.

⁵[The Scottish Landfill Tax \(Administration\) Regulations 2015 \(as amended\) Regulation 29\(5\)\(d\)](#)

The bulk of project expenditure should be on physical works. Other costs necessary for the project to go ahead, and which relate to the habitat or species are also acceptable. Costs may include:

- the costs of contractors and/or volunteers carrying out the works on site,
- costs in managing the contractors or volunteers while on site, and
- the purchase of equipment and materials used on the project,
- project management costs (clearly and specifically related to the project),
- interpretation panels,
- publicity materials,
- information resources (electronic or hard copies),
- opening ceremony costs and
- educational materials.

All costs must be reasonable and relevant to the project.

The project must take place in the [vicinity](#) of a Landfill site or [transfer station](#). This means within a 10 mile radius of a licenced landfill site or transfer station. You can check how close a project site is to a landfill or transfer station using the [SLCF Vicinity Checker](#).

Each project should be for a single identifiable site. However, a project site could be defined ecologically i.e. a river catchment with work taking place at multiple locations. In such cases the project site must still intersect within 10 miles of a licensed landfill or transfer station. The project site does not have to be wholly contained within 10 miles of the landfill site but its ultimate reach must remain within a reasonable and relevant distance of the licensed landfill site or transfer station. SLCF projects must aim to not only create significant environmental benefits, but to improve the lives of communities living near landfill sites.

Approved bodies are required to monitor projects beyond the completion of the physical works to ensure SLCF funded assets are being used for the stated purpose of the project. In the case of object D projects, the monitoring obligation will only extend to the actual physical works required to provide for the conservation, restoration or enhancement of a natural habitat and not to the maintenance or recovery of the species. There is no expectation that an Approved body would be required, for example, to monitor a project to increase the number of amphibians beyond the completion of the works to create the necessary habitat. It can be assumed that if the project was designed to benefit amphibians and was built as designed, the recovery of the species will happen over time.

Regulation 29(8) lists a number of restrictions on the use of this object. If the project is delivering works required by another authority (e.g. by notice, requirement or order) or is carried out with a view to profit, the project is not eligible for funding. Further information on these restrictions can be found in the Specific exclusions section of this guidance.

Any [income](#) made as a result of the SLCF funded works (such as from hire or admission fees) must be reinvested in the delivered project. For example, this could include spending on ongoing maintenance or operation.

Examples of projects which have received SLCF funding under object D:

Species enhancement

In 2008, curlews were deemed of global conservation concern and became listed as Near Threatened on the IUCN Red List of Threatened Species. Between 1995 and 2012, the breeding populations in Scotland declined by 55 per cent. SLCF funding was awarded in support of a [Curlew Recovery](#) project in Orkney. The site is being used to test habitat management and predator control interventions. This project supports the recovery of a species (curlew) in its natural habitat.

Habitat enhancement

SLCF funds supported a habitat creation and water quality improvement scheme to be delivered in [Seven Lochs Wetland Park](#), Glasgow. The project involved the provision of natural habitats in the form of “BioHaven” floating islands on 3 lochs around Glasgow.

Invasive non-native species (INNS) control

Non-native species, such as Japanese Knotweed and North American Signal Crayfish, have the ability to spread rapidly and become dominant in an area or ecosystem, causing adverse ecological environmental and economic impacts. SLCF funds have been awarded to several programs to control INNS around Scotland. The control of INNS allows native species to recover in their natural habitat.

OBJECT D: Summary

Projects that conserve or promote biodiversity of natural habitats or species.

The project must:

- conserve or promote biological diversity;
- involve the provision, conservation, restoration or enhancement of a natural habitat, or the maintenance or recovery of a species in its natural habitat;
- be in Scotland;
- be in the [vicinity](#) of a [landfill site](#) or [transfer station](#);
- protect the environment;
- must not be required (e.g. by statutory notice, order, agreement, planning permission or consent, Nature Reserve agreement, management scheme, notice or agreement);
- be [not-for-profit](#).

The project application to the Approved body will need to provide details of:

- the project site;
- the proposed works;
- the species or habitats involved;
- how the project will conserve or promote biodiversity;
- how the project will protect the environment;
- how far the project site is from a landfill site or transfer station; and
- how the proposed works are not required by a relevant condition.

OBJECT E: Buildings projects

“Where it is for the protection of the environment, the maintenance, repair or restoration of a building or other structure or a site of archaeological interest (including their landscape context) in Scotland which-

(i) is a place of religious worship or of historic, archaeological or architectural interest;

(ii) is open to the public; and

(iii) is situated in the vicinity of a landfill site or transfer station”⁶

Funding is available for projects that will maintain, repair or restore buildings, structures or archaeological sites (site). The site must be a [place of religious worship](#) or of [historic, archaeological](#) or [architectural interest](#). They must be [open to the public](#) and [not-for-profit](#). The project must protect the environment and be in the vicinity of a [landfill site](#) or [transfer station](#). The focus of the project must be to undertake physical works.

A place of religious worship is a building or structure that is exempt from business rates by virtue of Schedule 5 Case 11 of the [Local Government Finance Act 1988](#) or has a certificate issued under the Places of Religious Worship Act 1855 to confirm it is a place of worship.

A building or structure is of historical or architectural interest if it is worthy of national designation as a site of historic or special architectural interest (listed) or worthy of recording on the local Sites and Monuments Record as being of local interest. This includes sites which are already listed / recorded but also includes sites which may be of sufficient merit but which have not yet been listed / recorded. For sites that are not listed / recorded, applicants are advised to seek views from [Historic Environment Scotland](#) (national designations) or your local authority conservation officer (local records) on whether they are of sufficient merit for future inclusion.

Works must be carried out on a specific building, structure or site of archaeological interest. A project application covering multiple sites can't be approved as a single project.

⁶ [The Scottish Landfill Tax \(Administration\) Regulations 2015 \(as amended\) Regulation 29\(5\)\(e\)](#)

The site must be open to the general public. Ideally, the site will be open and available to the general public at all times. However some sites will have restrictions on when and how the general public can use them. Buildings, structures or sites of archaeological interest should be open an appropriate amount of time as would be expected from similar buildings or structures. For example, a place of religious worship should be open on its primary day of worship.

The project must take place in the [vicinity](#) of a Landfill site or Transfer station. This means within a 10 mile radius of a licenced landfill site or transfer station. You can check how close a project site is to a landfill or transfer station using the [SLCF Vicinity Checker](#).

Regulation 29(10) lists restrictions on the use of this object. If the project is carried out with a view to profit, the project is not eligible for funding. Further information on these restrictions can be found in the Specific exclusions section of this guidance.

The bulk of project expenditure should be on physical works. Costs may include:

- the costs of contractors and/or volunteers carrying out the works on site,
- costs in managing the contractors or volunteers while on site, and
- the purchase of equipment and materials used on the project.
- project management costs (clearly and specifically related to the project)
- interpretation panels,
- publicity materials,
- information resources (electronic or hard copies)
- opening ceremony costs and
- educational materials.

All costs must be reasonable and relevant to the project.

Any [income](#) made as a result of the SLCF funded works (such as from hire or admission fees) must be reinvested in the delivered project. For example, this could include spending on ongoing maintenance or operation.

Examples of projects which have received SLCF funding under Object E:

Falkirk Town Heritage Initiative

Restoration of war memorials and interpretation slabs

St. Athernaise Church, Leuchars. Fife

The conservation and renovation of an [A-listed Romanesque Church](#)

Clachtoll Broch, Assynt

The excavation and consolidation of an [historic structure](#)

HM Frigate Unicorn, Dundee

Restoration and repair of a historical vessel [HM Frigate Unicorn](#)

Other potential sources of funding for Building projects

Several other bodies besides the SLCF may be able to offer funding for activities related to the historic environment. [Historic Environment Scotland](#) have a useful list.

OBJECT E: Summary

Projects to maintain, repair or restore buildings, other structures or sites of [archaeological interest](#).

The project must:

- be physical works to maintain, repair or restore a building, structure or site;
- be in Scotland;
- be a place of religious worship, or historic, archaeological or architectural interest;
- be [open to the public](#);
- be in the [vicinity](#) of a [landfill site](#) or [transfer station](#); and
- must be [not-for-profit](#).

The project application to the Approved body will need to provide details of:

- the project site;
- the proposed works;
- how the works will maintain, repair or restore the building, structure or site;
- how the building, structure or site is a place of religious worship, or is of historic, archaeological or architectural interest;
- how the project protects the environment;
- how the building, structure or site is [open to the public](#) and when they will have access to it;
- how the building, structure or site is not operated with a view to profit; and
- how far the project site is from a landfill site or transfer station.

OBJECT F: Services projects

“The provision of financial, administration and other similar services to bodies which are enrolled with an approved body which is registered with the regulatory body”⁷

Only projects already awarded SLCF funding (enrolled projects) can apply for funding under Object F.

Funding must be for services connected with the enrolled project. Projects can't apply for service funding once the enrolled project has finished. Funding can't be for retrospective costs.

Enrolled projects can apply to any AB for service funding. The application does not need to be with the AB with which the current project is enrolled.

Funding is available for support services that the enrolled project is unable to provide. For example, a project may not have any staff / volunteers able to manage the financial aspects of the project (book-keeping etc.). An application can be made to any AB to fund support services. The support can be provided by the AB staff or can be contracted out. Where an AB provides the services themselves, the cost of the service must be accounted for as additional [income](#).

Applications for funding under this object are likely to be a “last resort” for unexpected support costs. For example, where admin/financial staff have left the project and are unable to be replaced.

Enrolled projects should contact an AB before applying for funding under this category.

⁷ [The Scottish Landfill Tax \(Administration\) Regulations 2015 \(as amended\) Regulation 29\(5\)\(f\)](#)

OBJECT F: Summary

Funding to provide financial, administration and other similar services to enrolled projects.

An enrolled project can apply for additional funds for:

- financial, administrative and similar services;
- the services can be provided by the AB or contracted out.

An enrolled project may apply to any AB for additional services.

The project application to the Approved body will need to provide details of:

- the service that the project would like the AB to provide
- why this service needs to be provided.

2.3 Specific exclusions

Regulation 29(7-10) lists restrictions on the use of objects A-E. If the project is delivering works required by a relevant condition or (for objects B-E) is carried out with a view to profit, the project is not eligible for funding. This section describes these restrictions in more detail.

Restriction	Explanation	Applies to...
A remediation notice served under section 78E of the Environmental Protection Act 1990	This relates to designated contaminated land. The enforcing authority (SEPA or Local Authority) can serve a remediation notice requiring works to be carried out on the contaminated land.	Object A Object B Object D
A requirement imposed by virtue of section 38(9) of the Environmental Protection Act 1990	SEPA may require a waste licence holder to take steps to deal with or avert pollution or harm caused by their activity while a suspension notice is in force.	Object A Object B Object D
An enforcement notice served under section 42 of the Environmental Protection Act 1990	SEPA may serve a notice on a non-compliant waste licence holder. The notice will detail the steps that must be taken. This could include physical works.	Object A Object B Object D
Any order granted following proceedings brought under section 42(6A)(8) of the Environmental Protection Act 1990 for the purpose of securing compliance	SEPA may serve a notice on a non-compliant waste licence holder. The notice will detail the steps that must be taken. This could include physical works.	Object A Object B Object D
A notice served under section 59 of the Environmental Protection Act 1990	SEPA may serve a notice on the occupier of land requiring illegally deposited waste to be removed or works to eliminate or reduce the consequences of the deposit to be carried out.	Object A Object B Object D

Restriction	Explanation	Applies to...
<p>A notice of surrender issued under regulation 28 of the Water Environment (Controlled Activities) (Scotland) Regulations 2011</p>	<p>On issuing a surrender notice to a person carrying out a controlled activity, SEPA may specify necessary steps that must be taken for the authorisation to be surrendered.</p>	<p>Object A Object B Object D</p>
<p>An enforcement notice served under regulation 32(2) of the Water Environment (Controlled Activities) (Scotland) Regulations 2011</p>	<p>SEPA can serve an enforcement notice on a person carrying out a controlled activity. The notice will specify the steps to be taken by the person responsible or the operator which SEPA considers to be necessary or appropriate to prevent, mitigate or remedy the contravention of the authorisation, the adverse impacts on the water environment or the direct or indirect discharge into groundwater.</p>	<p>Object A Object B Object D</p>
<p>An order under regulation 49 of the Water Environment (Controlled Activities) (Scotland) Regulations 2011</p>	<p>Where a court convicts a person of an offence under regulation 44(1)(a) to (d), (j) or (o), it may issue an order to require the person to remedy or mitigate the adverse impact.</p>	<p>Object A Object B Object D</p>
<p>An enforcement notice served under regulation 55 of Pollution Prevention and Control (Scotland) Regulations 2012</p>	<p>SEPA can issue an enforcement notice to an operator of an installation or mobile plant regulated under these regulations.</p> <p>The notice will detail the steps that must be taken. This could include physical works.</p>	<p>Object A Object B Object D</p>

Restriction	Explanation	Applies to...
<p>A revocation notice served under regulation 50 of the Pollution Prevention and Control (Scotland) Regulations 2012</p>	<p>SEPA can issue a revocation notice to an operator of an installation or mobile plant regulated under these regulations.</p> <p>The notice may require the operator to carry out works including returning the site to a satisfactory state or remove, control, contain or reduce any relevant hazardous substance in soil or groundwater.</p>	<p>Object A Object B Object D</p>
<p>A suspension notice given under regulation 56 of the Pollution Prevention and Control (Scotland) Regulations 2012</p>	<p>SEPA can issue a suspension notice to an operator of an installation or mobile plant regulated under these regulations.</p> <p>The notice will detail the steps that must be taken to remedy the harm or remove a risk.</p>	<p>Object A Object B Object D</p>
<p>An order under regulation 70 of the Pollution Prevention and Control (Scotland) Regulations 2012</p>	<p>Where a court convicts a person of an offence under regulation 67(1)(a), (b) or (d), it may issue an order to require the person to remedy the cause of the offence.</p>	<p>Object A Object B Object D</p>
<p>A notice under sections 21 and 22 of the Radioactive Substances Act 1993</p>	<p>Includes enforcement and prohibition notices served on person authorised to keep, use, store or dispose of radioactive waste.</p> <p>Notices may require the authorisation holder to carry out works.</p>	<p>Object A Object B Object D</p>

Restriction	Explanation	Applies to...
Any other notice, requirement or order by or under statute (whether by a court or other authority or otherwise) requiring the carrying out of measures or refraining from carrying out measures for the conservation or promotion of Biological diversity	Wide ranging. Includes any other notice, requirement or order served by any authority to conserve or promote biodiversity.	Object A Object B Object D
Any remedial action required to be carried out under the Environmental Liability (Scotland) Regulations 2009	These regulations require operators to take remedial action on environmental damage caused by their activities. Action may be entered into voluntarily or may be imposed by the competent authority. Competent Authorities include SEPA, SNH and Scottish Ministers.	Object A Object B Object D
Any remedial action required to be carried out under section 41 of the Regulatory Reform (Scotland) Act 2014	Where a court convicts a person of an offence under section 40(1), it may issue a “remediation order” to require the person to remedy or mitigate the significant environmental harm the conviction relates to.	Object A Object B Object D
An agreement made under section 16 of the National Parks and Access to the Countryside Act 1949	Scottish Natural Heritage may enter into an agreement with every owner, lessee and occupier of any land, managed as a nature reserve. Agreements may relate to the management of the land and to works to be carried out.	Object B Object D

Restriction	Explanation	Applies to...
<p>An agreement made under the section 15 of the Countryside Act 1968</p>	<p>Relates to designated areas of special scientific interest (SSSI).</p> <p>Agreements may relate to how the land is used and may require works to be carried out.</p>	<p>Object B Object D</p>
<p>Any provision of a management scheme under section 28J of the Wildlife and Countryside Act 1981</p> <p>(Note: Sections 28 to 28R were substituted by the Countryside and Rights of Way Act 2000, Schedule 9 paragraph 1)</p>	<p>Scottish Natural Heritage may issue a management scheme that relates to all or part of a site of special scientific interest (SSSI) to conserve and/or restore the flora, fauna, or geological or physiographical features that are of special interest.</p> <p>Management Schemes may relate to how the land is used and may require works to be carried out.</p>	<p>Object B Object D</p>
<p>A notice served under section 28K of the Wildlife and Countryside Act 1981</p> <p>(Note: Sections 28 to 28R were substituted by the Countryside and Rights of Way Act 2000, Schedule 9 paragraph 1)</p>	<p>A management notice may be served on an owner or occupier of land under a management scheme, who is inadequately conserving or restoring the SSSI under the terms of the management scheme.</p> <p>Management Notices require the owner / occupier to carry out work on the land, and do such other things with respect to it necessary to manage the land in accordance with the management scheme.</p>	<p>Object B Object D</p>
<p>A relevant condition</p>	<p>Any legal requirement to carry out the works or activities that form the project.</p>	<p>Object A Object B Object C</p>

Restriction	Explanation	Applies to...
For profit	If the project is to be operated for profit.	Object B Object C Object D Object E

2.4 Who can apply for SLCF Funding?

Any organisation or group which is properly constituted can apply to any AB for funding for a project. These include, community groups, parish councils, charities, community interest companies, sports clubs, community associations, local authorities and voluntary organisations.

The applicant will need to be able to demonstrate to the AB(s) applied to that they are able to deliver the project and find match funding (where necessary).

Applications can be made to any or all Approved bodies listed on the [Register of Approved Bodies](#). Each AB has their own application form, procedures and timescales for assessing project applications so it is best to contact them first to see if the AB is the correct fit for your project and timeframe.

Every AB must accept applications from anywhere in Scotland and for any project type (object), they are not able to refuse an application based on the location or type of project.

2.5 Promoting the SLCF

The SLCF logo may be used on all materials connected with the Fund. We encourage Approved Bodies to “double badge” their documents / website with their organisational logo to show their connection to the scheme. Projects should also use the logo on any signage showing where their funding came from. Contributing Landfill Operators may wish to display the SLCF logo to show their connection and support of the SLCF.

Further information can be found on the [Brand Guidelines page](#) of our website. Print quality files can be supplied by emailing slcf@sepa.org.uk.

Only reasonable and relevant promotional activities may be funded by the SLCF. If you are considering promotional activities for your Approved body or as part of a project, please contact us.

3 APPROVED BODIES

“Approved body” is defined in [regulation 26\(1\)](#) of the Regulations. They are organisations approved and registered by us to distribute SLCF Funding to eligible projects. They receive contributions from landfill operators and pass these on to enrolled projects.

Approved Bodies (ABs) are the only organisations authorised to receive and distribute SCLF monies from landfill operators to projects. Any organisation that want to do this must first apply to us for approval.

[Regulation 30](#) of the Scottish Landfill Tax (Administration) Regulations 2015 sets out the ongoing obligations of Approved Bodies. We will inspect Approved bodies to check they have systems and procedures in place to manage their obligations. Approved bodies must:

- meet any conditions issued by us;
- assess applications for funding and enrol successful projects;
- spend SLCF monies only on approved projects;
- make and keep records;
- report to us as required;
- pay regulatory fees to us.

3.1 Who can be an Approved body?

[Regulation 29](#) of the Regulations sets out the criteria that organisations must meet to be approved. Prospective Approved Bodies must be:

- non-profit making, (but don't have to be a registered charity. Any profit or [income](#) generated by the organisation must be used in achieving its objects);
- a body corporate, trust, partnership or other unincorporated body, but must not be controlled or managed by any of the following:
 - a local authority;
 - a body corporate controlled by one or more local authority;
 - a registered person (i.e. registered landfill site operator); or
 - a person connected with any of the above
 - any person who controlled or managed an Approved body that had its approved status revoked by Revenue Scotland;
 - any person convicted of an indictable offence;
 - any person disqualified from being a charity trustee;

- any person connected with any of the above; or
 - any person who is incapable by reason of mental disorder.
-
- An Approved body must support all six objects (A-F) detailed in regulation 29(5) of the Regulations. Guidance on the objects is provided in paragraph 0 of this guidance.

We expect all Approved Bodies to operate under a written governing document. This document must be submitted as part of the Approved body application. The document should explain how your organisation is run and should provide detail on the governance structure which will enable it to receive and spend SLCF funds in accordance with the Regulations.

Examples of a governing document include a constitution, a trust deed or the memorandum and articles of association.

3.2 Getting Approval

3.2.1 Application process

Organisations wishing to apply for Approved body status are encouraged to [contact SEPA](#)⁸ to discuss their proposals before submitting an application.

Application forms are available on the [SEPA website](#)⁹.

We will check that applicants have an appropriate governance structure which will enable them to receive and spend SLCF funds in accordance with the Regulations. Applicants should ensure that they can comply with the eligibility criteria¹⁰ before submitting an application.

There is no statutory timeframe for assessing an application for approved status, however we aim to assess applications within 15 working days. Assessment may take longer if we need to ask applicants for further information.

Once registered and approved, an Approved body may receive contributions from landfill operators and fund eligible projects.

3.2.2 Conditions of approval

All Approved Bodies will be issued with Conditions of Approval along with their approval notice. The conditions of approval, along with the relevant requirements of the Regulations, detail the obligations of an Approved body.

The conditions of approval set out additional requirements that the Approved body must meet and include:

- Keeping records
- Retaining records of SLCF activities
- Reporting information to SEPA
- Applying funds to the Objects detailed in the Regulations
- Ensuring the appropriate monitoring is undertaken to ensure funds are spent on SLCF projects
- Paying SEPA the regulatory fee amount due within 14 days of receiving a demand for payment.

It is important to remember that Approved Bodies must comply with the relevant requirements of the Regulations as well as the conditions of the approval. Where there is any conflict between the conditions of the approval and the requirements of the regulations, the requirements of the regulations take precedence. If in any doubt about your obligations or requirements as an Approved body you should [contact the SEPA SLCF Team](#).

3.2.3 Appeal

Organisations may appeal our decision not to register them as an Approved body (Regulation 31(1)(a)) or the decision by Revenue Scotland to forcibly revoke an approved bodies' approval (Regulation 32(1)(i)). There is no right of appeal against the conditions of approval imposed on an Approved body on approval or a subsequent variation of conditions.

Appeals must be made in writing, stating the reasons for the appeal. The Appeal is made to an independent panel formed and supported by Scottish Government. The purpose of the Independent Panel is to ensure that that the final decision SEPA and Revenue Scotland take is in line with the regulations and that we have taken a fair and consistent approach when coming to that decision. The independent appeals panel decision is final.

The Panel's quorum is three members, drawn from Revenue Scotland, SEPA and Scottish Government:

1. a chair from the Scottish Government
2. a member from SEPA who is not in any way associated with Scottish Landfill Tax (including Scottish Landfill Community Fund)
3. a member from RS who is not in any way associated with Scottish Landfill Tax (including Scottish Landfill Community Fund)

Appeals should be made to the panel within six weeks of registration being revoked or refused. The contact details are:

SLCF.Independent.Panel@scotland.gsi.gov.uk.

SLCF Independent Panel
Fiscal Responsibility Division
Area 3D-North
Victoria Quay
EH6 6QQ

3.2.4 Retaining approved status

Once your organisation is approved, you will remain approved until you request in writing that you wish to voluntarily revoke from the Fund or your AB's status is forcibly revoked as a result of non-compliance with the Regulations.

Every Approved body must ensure that they continue to meet all the obligations of the Regulations. This includes regulation 29¹¹ (Eligibility criteria for approval) and regulation 30¹² (obligations of Approved Bodies).

Any failure to comply with these requirements will result in us taking [enforcement action](#) against the Approved body. We will impose additional controls, where necessary, by varying the conditions of approval. The ultimate sanction is for us to refer the non-compliance to Revenue Scotland recommending forceful revocation.

3.2.5 Revocation

Where an Approved body no longer wishes or is unable to distribute SLCF contributions, it can request voluntary revocation. Once an Approved body requests revocation, we will carry out checks to ensure that all regulatory requirements have been complied with and that all SLCF monies have been spent or transferred. For further information, please contact the SLCF team.

¹¹ [The Scottish Landfill \(Administration\) Regulations 2015 / Regulation 29](#)

¹² [The Scottish Landfill \(Administration\) Regulations 2015 / Regulation 30](#)

3.3 Attracting Contributions

3.3.1 Links to Landfill Operators

The Scottish Landfill Communities Fund (SLCF) is a tax credit scheme, linked to the Scottish Landfill Tax. It encourages landfill operators to provide funding for eligible community and environmental projects by making contributions to Approved Bodies. SLCF funding must be passed from a participating [landfill operator](#) via Approved Bodies to a project - they cannot directly fund a project and cannot [control](#) how SLCF funding is spent.

While many Landfill operators are regular contributors to the Scottish Landfill Communities Fund (SLCF), not all do. If you are an Approved body seeking funding from a landfill operator, Revenue Scotland maintains the contact details of all landfill operators registered¹³ for the purposes of Scottish Landfill Tax. You can approach any landfill operator to find out if they would be interested in contributing to the SLCF through your Approved body.

3.3.2 Qualifying Contributions

Money enters the SLCF by [landfill operators](#) paying funds to approved bodies. These contributions are "qualifying" and so eligible for tax credit only if:

- made to an Approved body,
- transferred to a project within 2 years of receipt (including any derived income),
- restricted to being spent on [Approved Objects](#),
- recorded and notified according to the regulations, and
- not repaid in the same accounting period as it was made.

If any of the above requirements aren't met, the contribution is not eligible for tax credit. The landfill operator may have to pay back the credit claimed to Revenue Scotland.

Approved bodies must notify us of each contribution that they receive, within 7 days of receiving it. We provide easy to use [forms](#) to allow Approved bodies to be able to do this.

A contribution has been "transferred" to a project once it is committed to an enrolled project. This means that a funding award contract is in place and the Approved body has notified us of the enrolment. Approved bodies should use the [project enrolment form](#) to notify us of an enrolled project within 7 days of the date of enrolment.

¹³ <https://www.revenue.scot/scottish-landfill-tax/scottish-landfill-tax-register>

Funds can only be spent on "[Approved Objects](#)". These are:

- enrolled project costs,
- AB's running costs and
- SEPA's regulatory fees.

The landfill operator must keep records of the payments they have made and any money received from contributing third parties in return. They must also notify us and the Approved body of the details of any contributing third parties that relate to their contributions.

An Approved body may receive other voluntary donations from non-landfill operator sources, but these are not considered qualifying contributions and do not need to follow the rules of the SLCF.

An Approved body can receive contributions from one or more landfill operators. Likewise, a landfill operator can contribute funds to one or more approved bodies.

3.3.3 Derived Income

Any [income](#) an AB receives from SLCF monies ("derived income") must be spent on [Approved Objects](#) as required by Regulation 30(1)(c)¹⁴.

Income generated from SLCF monies includes, but is not restricted to:

- all interest earned as a result of holding SLCF monies in bank accounts;
- the sale of assets purchased with SLCF monies; and
- any SLCF funds returned to, or reclaimed by, an AB.

Approved Bodies will notify us of derived income once a year in their Annual return.

Approved bodies should submit a completed [Annual Return Form](#) by 28 April each year, regardless of whether or not they have received and spent any SLCF monies during the reporting period. A "nil return" must be submitted if no funds have been received or spent during the reporting period.

¹⁴ [The Scottish Landfill \(Administration\) Regulations 2015 / Regulation 30](#)

3.3.4 Generating income from running projects

Income can be generated from running projects as part of its operation, for example:

- venue or equipment hire revenue;
- admission charges; and
- sale of products.

Projects should include their intention to generate income from the completed project at the application stage. Projects should keep records of the income derived from that project and report to their funding AB if requested.

3.4 Attracting Applications

3.4.1 Promoting your Approved Body

Approved Bodies may promote their activities and the SLCF as much as they are able, but this is not a regulatory requirement. Promotion is in the interest of the whole fund and will allow a wide range of projects to benefit from the SLCF. We are happy to discuss promotion strategies with Approved Bodies.

Most projects will display a plaque or signboard crediting the funders. Projects should use the SLCF logo wherever possible. The Approved body's logo and contributing landfill operator's logo can be displayed alongside if desired. Plaques can be funded as part of project costs. Print quality files of the SLCF logo are available from us in various formats (www.sepa.org.uk/contact/request-our-logo/).

Social media, website and newspaper adverts are great ways of promoting your Approved body. Participating in fundraising events, conferences and workshops may also assist in spreading the work of your Approved body and the SLCF. Reasonable advertising costs can be funded as part of an Approved body's [running costs](#).

We are open to as many suggestions as possible to promote Approved Bodies and the SLCF and we welcome any discussion which may benefit the fund. Please feel free to [contact the SLCF Team](#) if you need suitable wording for press releases and promotion releases about the SLCF.

3.4.2 Accepting applications from all over Scotland

Approved bodies must give equal consideration to applications from projects located anywhere in Scotland. Approved bodies can't give priority to applications from projects local to their offices or contributing landfill. Failure to follow this rule could result in us taking enforcement action.

The only part of the project's location that needs to be considered is for projects under objects C, D and E. These must take place within a 10 mile radius of a licenced [landfill site](#) or [transfer station](#) ("[vicinity rule](#)") to be eligible for funding.

Approved bodies must ensure that any promotion of the Fund doesn't give the impression that their funding is restricted to local projects. Any promotion should encourage applications Scotland-wide.

3.4.3 Application process

To apply for SLCF funds, projects must contact an AB directly and complete an application form. Projects may apply to one or more Approved bodies at one time.

Each AB may develop their own application form. The form must ask for the relevant information necessary to establish whether the project is eligible for funding and assess the application. Care should be taken to ensure that the application process is not overly onerous for applicants. Guidance should be provided as necessary.

Projects may apply to any AB and may apply to more than one AB at a time. Projects must keep approved bodies informed of any other funding applications made or awarded during the application process and duration of the project. This is also required if the project has applied to more than one AB. Most approved bodies require this information to be submitted when a project submits an application. Withholding such information on other funding applications and awards may affect the projects ability to receive SLCF funds.

Where projects are clearly not eligible for funding, their application should be refused.

3.5 Assessing Applications

All approved bodies must ensure that they only award funding to projects which fulfil one or more of the [objects](#) of the SLCF. An approved body's application procedure should help to determine which projects meet the objects of the fund and which projects do not. If an approved body awards funding to a project that does not fulfil at least one of the objects, the funding will not be considered compliant. In this situation, the Approved Body may be subject to enforcement action from us.

It is likely that the applications for funding will outweigh the contributions made by landfill operators, and so each approved body will decide which applications should receive funding and which applications should be rejected.

All Approved bodies must have policies and procedures in place to process all applications for funding. These policies and procedures must be followed without exception.

3.5.1 Project cost estimates

An important part of the application is the calculation of the funding needed to complete the project. Approved Bodies should ensure that the figure projects use in their application is as accurate as possible and is based on valid estimates or tenders.

It is the responsibility of the Approved body to demonstrate value for money has been achieved when spending SLCF funds. We recommend that Approved Bodies set an appropriate funding threshold for projects requiring competitive tendering and where "three quotes" are sufficient. Evidence of the competitive tender and quotes should be retained by the AB on the project file and be made available for us to inspect.

It is not necessary to select the supplier with the cheapest price if there are good reasons for selecting another supplier. However, where the chosen supplier has not offered the lowest price the Approved body should document as to why the preferred supplier was selected.

In some cases, it may not be possible for the project to obtain a sufficient number of quotations or tenders. For example, there may be only one specialist supplier who could be reasonably be used. If so, it is recommended that evidence is provided to show the price agreed is not higher than would be normally paid for similar goods or services.

3.5.2 Length of a project

There is no regulatory limit on the length of time a project may continue. However, the timescale must be appropriate and necessary. When notifying us of a project enrolment, the AB should give an estimated start date and a reasonable estimated end date for the project. This information is needed so that we can track spending on the project. Projects should be realistic, in their applications, as to the length of time it will take to complete their project and the spending of SLCF monies.

Spending should not start on the project until after it is enrolled. We will assess spending dates to ensure they lie between the estimated start date and after the estimated completion date.

Should the estimated dates shift, please [contact us](#) to let us know the new dates and the reason for the change.

3.5.3 Making funding decisions

The Board of the approved body will evaluate the applications they receive from eligible projects and then decide how much money, if any, is to be allocated to each project. These funding decisions will be made using pre-determined evaluation criteria and the details will be recorded. Projects will be advised of the outcome of these evaluations and funding decisions. It is the responsibility of each approved body to manage the funds they have and justify their spending decisions.

For successful applicants, the approved body will explain how much money has been allocated to your project and what you need to do to trigger payment (e.g. produce an invoice for works completed or arrange a contributing Third Party payment). The approved body will also explain any conditions that you must satisfy as part of the funding process.

For unsuccessful applications, the approved body will inform you, with an explanation of why your application did not succeed. The approved body may offer to retain your application and to consider it again at some point in the future. You may choose to seek funding elsewhere but you may also choose to apply again, to the same approved body and/or to a different approved body, in a further attempt to secure funding.

Projects deemed eligible for funding should be assessed against pre-determined evaluation criteria and are often given a score or rating. This allows the AB to justify funding decisions where applications outstrip funding available.

Criteria used for assessment are likely to include:

- Community need
- Value for money
- Project sustainability
- Dis-amenity
- Added value or match funding enhancement
- [Resource efficiency](#).

The Approved body may also conduct a site visit before making a funding decision.

Funding decisions are usually made at board meetings, however decisions at each AB should be taken in accordance with their governance policies and procedures.

3.5.4 Recording

Approved bodies should ensure that there is a clear record kept of all decisions made for all applications received. We will inspect records of both successful and unsuccessful applications during compliance inspections. These records should be kept for a minimum period of 5 years but personal information may be redacted in accordance with each AB's data retention policy.

3.5.5 Ensuring no bias in application assessment

Approved bodies must give equal consideration to every application, regardless of its applicant, location or type of project. Projects under objects C, D and E must take place within a 10 mile radius of a licenced [landfill site](#) or [transfer station](#) ("[vicinity rule](#)"). Approved bodies can't give priority to applications from projects local to their offices or contributing landfill. Equally, Approved Bodies can't favour a particular object or refuse an application based on the object type. AB's must accept and fairly assess any application they receive. Failure to follow this rule could result in us taking enforcement action.

To ensure there is no bias in decision making, Approved bodies may choose to anonymise the applicant, location and where possible the type of project at the final Board / Trustee decision.

3.6 Enrolling Projects

3.6.1 Timescale for using SLCF funds

Regulation 28(1)(a)¹⁵ requires [qualifying contributions](#) to be “transferred to a project...within 2 years of the Approved body having received it”. We interpret this as meaning that funds must be “committed” to enrolled projects within 2 years of receipt. This does not mean the funds have to be physically transferred to a project within 2 years, they must be assigned to an enrolled project and a legal contract must be in place showing the award and commitment of funds.

Qualifying contributions can also be spent on the Approved Bodies [running costs](#) and our regulatory costs. We consider these uses to fall under the definition of “transferred”. The whole of the contribution received plus any derived income must be transferred within 2 years of receipt.

If an Approved body fails to commit the contribution(s) it receives within 2 years then this will not be considered a “qualifying contribution”¹⁶. Any tax credit the [landfill operator](#) claimed on contributions will be lost and the Approved body may have to repay part or all of the contribution(s) to the landfill operator.

We track the spending of contributions over time and report to Revenue Scotland once a contribution has been spent in full. Any contributions not spent within 2 years will be notified to Revenue Scotland.

3.6.2 Making changes to enrolled projects

If project details change after enrolment notification, the AB must provide the details of the change to us. Changes may include increasing or decreasing the funding commitment, changes to project start and completion dates, changes to project works etc.

If a project is unable to go ahead after enrolment notification, we should be notified immediately. Any unspent award must be returned to the AB’s funding pot and used on [approved objects](#). This would have no relevance on the “[two year rule](#)” as once monies are committed to a specific project, they are considered “transferred”. Providing the cancelled

¹⁵ [The Scottish Landfill \(Administration\) Regulations 2015 / Regulation 28](#)

¹⁶ Qualifying contributions are defined in Regulation 28(1) of the Scottish Landfill (Administration) Regulations 2015. <http://www.legislation.gov.uk/ssi/2015/3/regulation/28/made>

project was a genuine project (and not created to satisfy the “two year rule”), we will consider the funds as spent for the purpose of the two year rule.

3.7 Contributing Third Party (CTP)

Having made a qualifying contribution to the SLCF, [landfill operators](#) can claim a tax credit of 90% of the money contributed. The contributing landfill operator does not receive tax credit for all of its contribution to the SLCF. In practice, this means that the landfill operator only receives tax credit for £90 out of every £100 they contribute to the SLCF. In some cases the landfill operator will absorb this cost themselves, being aware of the benefits that can be derived from participating in the fund. Alternatively, the landfill operator may require a third party to pay the 10% required to make their contribution to the SLCF cost neutral. This third party is known as the Contributing Third Party.

An approved body may require that projects arrange or secure a third party contribution before releasing the payment of agreed SLCF funds. In this case, the Contributing Third Party payment should not be taken into account when the approved body is deciding on which projects to fund in principle.

All Contributing Third Party payments must be made directly to the landfill operator(s) that made the qualifying contribution(s) and not to the Approved Body. The Third Party contribution should not exceed 10% of the qualifying contribution(s) that will be used to fund the project (to cover the 10% shortfall in tax credit the landfill operator is entitled to claim from a qualifying contribution).

3.7.1 CTP reporting requirements

[Landfill operators](#) and Approved bodies must [report](#) contributing third party information to us as soon as they know it. This can be done using the [Contributing Third Party](#)¹⁷ (CTP) form. This form may be used by both landfill operators and Approved bodies to notify us of contributing third party details. We track CTP payments to ensure that no more than the 10% shortfall is recovered. We also report this information to Revenue Scotland.

3.7.2 Who can be a CTP?

A Contributing Third Party is not allowed to benefit from their contribution or the project it is linked with, other than by being part of a group who generally benefits (e.g. because they are a member of the public that makes use of the project).

¹⁷ <https://www.sepa.org.uk/media/327198/slcf-f-006-notification-of-a-contributing-third-party-payment.pdf>

Multiple people / entities may combine to make the contributing third party payment. Each person / entity will be considered a contributing third party and the names and addresses of each must be recorded.

A Contributing Third Party may be:

- A private company,
- public sector organisation,
- charity,
- voluntary body or
- an individual.

A public sector organisation might make a contribution as part of their community relations strategy or because a specific project meets their own social or environmental objectives

The Contributing Third Party must be an entity which is entirely separate from the Approved Body which has received the original qualifying contribution

The Contributing Third Party should make the payment to the landfill operator with the intention of encouraging the landfill operator to make a contribution to the SLCF to reimburse them for all or part of their contribution

Approved Bodies cannot accept third party contributions

Although in practice a Contributing Third Party is likely to have links to a particular project, the Contributing Third Party cannot receive unique benefit from the project or from having made the Third Party Contribution.

3.8 Transfer of Funds

3.8.1 Invoices

Approved bodies must ensure that projects spend awarded funds only on that specified in their application and award contract. Approved bodies may transfer awarded funds to the project on receipt of invoices due or in one lump sum. Regardless of how money is transferred, approved bodies must ensure that they monitor the project's spending. Our preferred option is for approved bodies to release packets of funding once projects have invoices for payment. This allows the AB to check that works have been carried out as specified and are charged as detailed in project costings. Releasing fund transfers over a period of time and following submission of relevant invoices, ensures the AB retains control of the project award until completion is confirmed. This provides a better chance the project will be completed as detailed in the application, with completion dates and within the funding award agreement. The payment schedule should be agreed at the award stage of an application.

3.8.2 Unspent SLCF Monies

Where a project has not spent all funds allocated to them, the AB must ensure that they are returned to the AB (if already transferred) and reallocated to another [Approved Object](#).

Where an AB doesn't manage to allocate all contributions to enrolled projects within 2 years of receiving the contribution, it must be returned to the contributing [landfill operator](#) and notified to us (using the [Transfer of monies Form](#)¹⁸).

¹⁸ <https://www.sepa.org.uk/media/327159/slcf-f-003-transfer-of-slcf-monies-between-approved-bodies-or-from-an-approved-body-to-a-landfill-operator.pdf>

3.9 Monitoring

Regulation 30(1) requires Approved Bodies to ensure that projects only spend money from contributions (and any derived [income](#)) on “[Approved Objects](#)”.

The Notice of Approval requires Approved Bodies to monitor projects to ensure contributions are spent as agreed. Projects should report on works in sufficient detail and frequency to allow the Approved body to monitor the project correctly.

Approved Bodies can choose to undertake the level of monitoring they find suitable and appropriate to their needs. Some Approved Bodies include site inspections as part of their monitoring process. Inspections can be in person or can be via other means such as photographs / videos or a virtual tour (e.g. using skype or similar video chat). Each Approved body should follow a monitoring policy that ensures SLCF funds are protected and used for approved works only.

Although monitoring may differ between each Approved body, the following information should be requested and retained as a minimum:

- All invoices relating to expenditure
- Photographs during and after works
- Progress reports
- Written confirmation from the project that works have been completed

3.9.1 Protection of assets

The definition of “[income](#)” in the regulations¹⁹ includes contributions made to Approved Bodies, any derived income from the investment of the contribution (e.g. interest) and the proportion of any proceeds made from the sale of an asset bought using SLCF funds.

Approved Bodies must provide security or protection against a loss or other financial burden to the SLCF, in the event that an SLCF funded asset is disposed of. As such, we recommend that Approved bodies include adequate measures to protect SLCF funded assets as part of their funding criteria.

¹⁹ Regulation 26(1)

It is entirely at the discretion of each AB to decide the form such a funding policy might take; however, to ensure compliance with your conditions for approval we would expect you to demonstrate that your allocations policy has taken steps to:

- a. Mitigate the risk arising from the disposal of an asset (or part of an asset) purchased with a [qualifying contribution](#);
- b. Ensure that the asset purchased is still being used for the stated purpose, and remains compliant with all funding conditions, during the lifetime of the project.

The method to provide this protection could include any combination of the following and should be proportionate to the amount funded:

- Conduct physical or virtual compliance visits beyond the completion of the project to ensure that the asset purchased is still being used for the stated purpose.
- Making funding conditional on the project notifying the AB before any SLCF funded assets are sold, or the public access eligibility criteria is changed. Where the sale of the asset provides an income, that a proportion is returned to the SLCF or reinvested in the project.
- Include specific clauses in your funding terms and conditions granting you first legal charge over the project assets and establishing that (proportional) proceeds resulting from the sale of any SLCF funded asset project should be returned to you.
- Maintain an asset register showing all assets purchased with SLCF funds.
- Protect land or buildings assets through the land register by including a restriction in your favour.
- Making one of the conditions for funding that the organisation has the relevant insurance (Public Liability or Professional Indemnity Insurance) in place to undertake the project.

Whichever method of post-completion monitoring agreed upon, the AB should record all monitoring activities to show compliance with the requirement to protect SLCF funded assets.

3.10 Reporting

3.10.1 Record keeping

Approved Bodies must ensure that they keep sufficient records of their work to be able to show SEPA that they are complying with the requirements of their Conditions of Approval and the Regulations.

Some of these records need to be submitted to SEPA.

3.10.2 Record Retention Policy

Given the linkage between SLCF monies and Scottish Landfill Tax (SLfT) credits, retention of relevant SLCF documentation should mirror that which is required by law to comply with SLfT legislation:

- [Revenue Scotland and Tax Powers Act 2014](#), Part 6 (Tax returns, enquiries and assessments), Chapter 2 (Taxpayer duties to keep and preserve records), regs. 74 (3),(4) and (5)(a)

In short, the legislation requires records to be preserved for 5 years, or, if the tax return is amended, 5 years after the amendment.

Approved Bodies and landfill operators can keep records for as long as they want or are required by other legislation but we have the ability to check records that are up to 5 years old.

3.10.3 Forms

Approved Bodies must report the following information to us as required by Regulation 30(1) and in accordance with the Conditions of Approval. As well as these specific reporting requirements, Approved bodies must provide us with any information, or access to records being kept, within 14 days of the request.

Table 1 - Reporting requirements

Action:	Who is responsible for reporting?	Send report to:	Reporting form:	Submission Timeframe:	Required by:
Qualifying contribution received from LO	AB	SEPA	Contribution Received Form	7 days of receipt	Regulation 30(1)(f)
Project enrolled with AB	AB	SEPA	Project Enrolment Form	7 days of enrolment date ²⁰	Notice of Approval; Condition 7.2
Transfer of funds to an enrolled project or payment to a project supplier	AB	SEPA	Transfer to Project	7 days of transfer	Regulation 30(1)(g)
Transfer funds to another AB or back to contributing LO	AB	SEPA	Transfer of Monies	7 days of transfer	Regulation 30(1)(g)
Payment from Contributing Third Party to LO	LO	SEPA	CTP Form	No regulatory timeframe specified but expected within 7 days.	Regulations 28(3) and 28(4)
	AB	SEPA	CTP Form		Regulation 30(1)(f) and (g) Timeframe may be inserted into conditions of approval.
Summary of Income, Expenditure and balances	AB	SEPA	AB Annual Report	By 28 April each year	Regulation 30(1)(i)
Annual Accounts	AB	SEPA	Annual Accounts documents from accountant	14 days after SEPA request (will be 10 months following financial year end)	Regulation 30(1)(l)
AB wishing to leave the SLCF Scheme	AB	SEPA	Voluntary Revocation Form	N/A	Regulation 31(1)(d)

²⁰ The project enrolment date is the date that an Approved Body is in receipt of a funding agreement or contract signed by the project and the Approved Body.

4 FINANCIAL CONTROLS

4.1 Introduction

Each AB should have clear financial controls including policies and procedures that detail how SLCF monies are controlled and the mechanisms in place to authorise their spending.

SLCF monies should be held in a separate bank account so that they are kept apart from other monies that the AB may have.

Failure to spend SLCF monies in accordance with the Regulations may lead to “clawback”²¹ of tax credit from the [landfill operator](#). This could also lead to the approved body being forcibly revoked from the SLCF scheme by Revenue Scotland.

4.2 Spending Qualifying Contributions

[Qualifying contributions](#) may only be spent on [approved objects](#) and are therefore “restricted funds”. All SLCF contributions and derived [income](#) should be ring-fenced to operational expenditure and cannot be used for non-SLCF purposes such as supporting the organisation’s general financial liabilities.

4.3 Accounts

All approved bodies should keep clear records of their financial transactions. Regulation 30(1)(l)²² requires approved bodies to submit their annual accounts to us within 14 days of our request. The accounts submitted do not have to be independently audited if this scrutiny is not required by Companies House, OSCR or the ABs governing documents.

The type of accounts each approved body is required to submit will depend on the type of organisation it is (i.e. trust, limited company etc.) and the amount of financial return the organisation receives. The financial accounts submitted should meet the minimum requirements of your principal regulator. For Scottish Charities this is the [Office of the Scottish Charity Regulator](#). For English and Welsh Charities this is the [Charities Commission](#); and for companies, [Companies House](#).

²¹ Revenue Scotland Legislative Guidance: [SLfT7013 - Approved body not spending contribution on a project fulfilling approved fund object](#)

²² <http://www.legislation.gov.uk/ssi/2015/3/regulation/30/made>

We will ask to see your accounts at least once per year. We may look at your accounts and accounting practices during a routine compliance inspection. However, we will also request a copy of your accounts each year. We will ask for your accounts no earlier than 10 months after the end of your financial year. You must supply your accounts within 14 days of our request.

4.3.1 Why do we need financial reports?

Your annual return verifies your [income](#) and expenditure through the year. They also show us the balances you have remaining. We will use this information to compare with the data we hold on each approved body and to check that approved bodies are compliant with the legal requirements of the scheme.

4.4 Running costs

The running costs of approved bodies can be paid for from SLCF [income](#), providing it does not exceed 10% of the funds applied. We consider all funds contributed to an approved body as “applied” as the funds can only be used for SLCF purposes. Therefore, the 10% limit should be calculated on total income for the year ([qualifying contributions](#) received plus any derived income).

Running costs include any cost incurred in connection with the management and administration of the approved body or its assets. Therefore, SLCF funds may be used for normal business expenses, including:

- Salaries and remuneration (including Directors / Trustee fees and remuneration)
- Office rental
- Utilities (energy, telephones etc.)
- Travel costs
- Insurance
- Bank charges
- Accountancy
- Legal
- IT
- Meeting overheads (e.g. board meetings, project meetings etc.)
- Winding up costs (see 4.5)

Regulatory fees payable to us and transfers to enrolled projects are not part of the AB running costs.

Running costs are notified to us by approved bodies each year via the Annual Return (due 28 April each year). Running costs should be reasonable and relevant to the administration of the SLCF.

Where approved bodies receive income from other sources, SLCF monies can only pay the proportion of joint running costs that correspond to the proportion of SLCF income. For example, if 60% of an approved body's income comes from the SLCF, no more than 60% of the running costs should be met from SLCF monies.

4.4.1 How we calculate compliance with 10% limit on running costs

All running costs must be justified and open to scrutiny by us. All Approved bodies must keep records detailing how all SLCF funds have been spent (Regulation 30(1)(v)). We will inspect these records. From 2018, we will be assessing compliance with the 10% rule by comparing the total cumulative [income](#) of the AB since it was approved with the total cumulative running costs declared in annual reports since approval. This will give a measure of the percentage of funds used for running costs.

This method of assessing compliance gives Approved bodies an element of flexibility and future planning. Spending less than 10% in one year will give the ability to spend more than 10% in a future year, providing the overall spend remains less than 10%. This is illustrated in Table 2 below.

Table 2 - Running cost calculation

Year	2015-16	2016-17	2017-18
Annual income (QCs + derived income)	£250,000	£250,000	£250,000
Annual Expenditure (running costs)	£23,000	£26,500	£21,000
Annual % of funds applied	9.2%	10.6%	8.4%
Cumulative % of funds applied	9.2%	9.9%	9.4%

4.5 Wind up costs

Approved bodies may retain funds for the winding up of their business. The funds put aside each year for winding-up must be within the 10% running costs as funds retained for the winding-up of an approved body are considered to be a cost incurred in connection with the management and administration of a body or its assets.

An approved body should be able to justify and explain their reserves position and demonstrate why a particular level of reserve is retained at that point in time. Wind up costs are reported in the approved body's annual return, they should also be in the AB's annual accounts.

Allowable wind-up costs include:

- The cost of performing any tasks that are not part of the day to day running of the approved body, but are required to wind down the organisation;
- Contractual redundancy payments;
- Outplacement costs, such as costs relating to support given to individuals who are being made redundant;
- Pension liabilities, set at a reasonable level;
- Office rental payments which are required to the end of a lease period;
- Dilapidations due at the end of a lease period; and
- Legal and financial advice required when winding up.

Where approved bodies receive income from other sources, SLCF monies can only pay the proportion of joint wind-up costs that correspond to the proportion of SLCF income. For example, if 60% of an approved body's income comes from the SLCF, no more than 60% of the approved body's wind-up costs should be met from SLCF monies.

Part of winding-up the approved body will be discharging any obligations for any SLCF monies held and enrolled projects. Please contact us as soon as possible to discuss how any unspent funds should be dealt with and how to voluntarily revoke your approved body status.

5 COMPLIANCE

We regulate the SLCF in line with the Scottish Government’s [‘Better Regulation Agenda’](#) and our [Enforcement Policy](#). This means that our compliance work will be:

1. proportionate,
2. accountable,
3. consistent,
4. transparent and
5. targeted (only at cases that need action)

We want to make it as easy as possible for approved bodies to understand the requirements of the SLCF. Most approved bodies want to meet their obligations and do the right thing. So, our compliance approach focusses on enabling approved bodies to follow the law.

Where we suspect non-compliance, we will review the circumstances and take action. Action will be in line with our SLCF Enforcement Framework, detailed below.

Where we find non-compliance, we will investigate and take appropriate action. Each case is unique and will be considered on its own facts and merits. But, the following principles will apply in all circumstances:

1. Wherever possible, we will work with the approved body to try to remedy the breach and assist to compliance.
2. We will follow the escalation process detailed in the enforcement framework below. For more serious non-compliance or where funds may be at risk, we may start the process at any stage or progress to more serious sanctions.

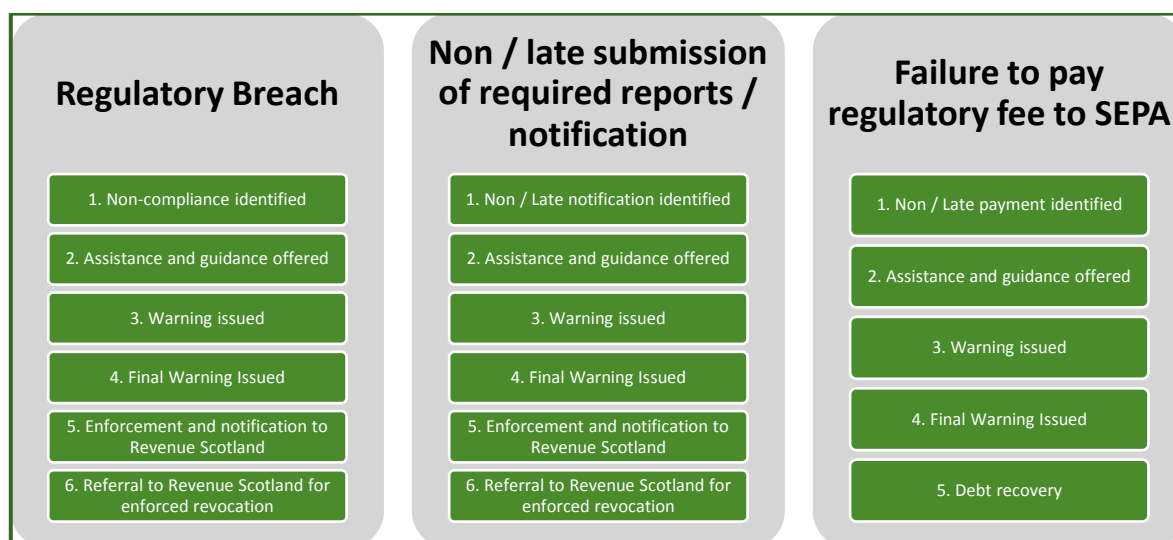


Figure 2 - SLCF Enforcement Framework

5.1 Inspections

We will inspect approved bodies to check that the rules of the SLCF are being met. Inspections include; physical visits to the approved body office to examine records and working practices. They can also be desk based assessments of notifications and reports submitted by approved bodies. We may examine the work carried out by projects to ensure the rules of the SLCF are being followed, however we can't apply any sanctions to projects.

5.2 Help & Guidance

We are keen to provide as much help and guidance needed for everyone to understand their role in the SLCF. Please contact us²³ with any questions you have.

²³ <https://www.sepa.org.uk/environment/waste/scottish-landfill-communities-fund/#Contact>

6 GLOSSARY

This glossary defines terms commonly used in the Regulations and guidance.

Amenity

An amenity is something that makes the environment more pleasant or comfortable and/or improves the aesthetic qualities of an area for the general public. Common examples of amenities include:

- Activity centres;
- Bridleways and cycle paths;
- Community centres;
- Village halls;
- Sporting facilities;
- Museums; and
- Libraries.

Approved Objects

The regulations restrict the spending of [qualifying contributions](#) and any derived income to “approved objects” of the SLCF. The objects are given in full in [Regulation 29](#) of the SLCF Regulations, and can be summarised as:

- any of the six project types (objects) of the SLCF (listed in regulation 29(5)(a)-(f));
- the running costs of the Approved body up to a maximum of 10% of the approved bodies total income (QCs received plus any derived income);
- the regulatory charges made by the Regulator (SEPA).

Using QCs for any other purpose is forbidden. Failure to comply with this requirement could result in us taking action against the Approved body.

Archaeological interest

For a site to be considered of “archaeological interest”, it must be worthy of national designation as a scheduled monument, or worthy of recording on the local Sites and Monuments Record as being of local interest. This includes sites which are already scheduled or recorded but also includes sites that may be of sufficient merit but have not yet been scheduled or recorded. For sites that are not yet scheduled or recorded, applicants are advised to seek views from Historic Scotland (national designations) or the local authority archaeologist (local records) on whether they are of sufficient merit for future inclusion.

Architectural interest

For a building or structure to be considered of “architectural interest”, it must be worthy of national designation as a site of historic or special architectural interest (listed), or worthy of recording on the local Sites and Monuments Record as being of local interest. This includes sites that are already listed or recorded but also includes sites that may be of sufficient merit, but have not yet been listed or recorded. For sites that are not listed or recorded, applicants are advised to seek views from Historic Scotland (national designations) or the local authority conservation officer (local records) on whether they are of sufficient merit for future inclusion.

Biological diversity

Biological diversity is defined in the United Nations Environmental Programme Convention on Biological Diversity of 1992. It means the variability among living organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part. It includes diversity within species, between species and of ecosystems.

Contributing Third Party (CTP)

Contributing third party is defined in regulation 26(1) as a person who has made or agrees to make a payment to a registered person to secure the payment of the [qualifying contribution](#) or to reimburse the registered person for any such contribution made.

A contributing third party (CTP) can make a payment to a registered [landfill operator](#) who has made a contribution to an Approved body. The CTP must pay the landfill operator directly. A CTP cannot contribute more than 10% of the qualifying contribution made by the landfill operator. A CTP cannot benefit from making their contribution other than in a general sense (regulation 30(1) (d)).

Control

“Control” is defined in regulation 29(13) of The Scottish Landfill Tax (Administration) Regulations 2015. What the Regulations mean in practice regarding organisational ‘control’ or the organisation being ‘controlled’ is that the body or person has control where it:

1. Is empowered by statute to control that body’s activities;
2. is that body’s holding company;
3. Can form a majority of the total number of trustees or partners; or
4. Has the power to appoint or remove any officer of the body, to determine the objects of the body or to determine how any of the body’s funds may be applied.

An organisation’s governing document must explain the voting procedures, any casting votes and the quorum for meetings of its governing body (the trustees, directors or management committee, for example). This enables us to establish who controls the organisation.

Environment

The term ‘environment’ is not restricted to the natural environment and may be applied in a wider sense, including to the physical and built environments.

Historic interest

For a building or structure to be considered of “historic interest”, it must be worthy of national designation as a site of historic or special [archaeological interest](#) (listed), or worthy of recording on the local Sites and Monuments Record as being of local interest. This includes sites that are already designated or recorded but also includes sites that may be of sufficient merit but have not yet been designated or recorded. For sites that are not listed or recorded, applicants are advised to seek views from Historic Scotland (national designations) or the local authority conservation officer (local records) on whether they are of sufficient merit for future inclusion.

Income

Income has the same meaning as in section 26(1) of the Regulations and includes interest and proceeds from assets purchased using [qualifying contributions](#).

Landfill operator

Landfill operator has the same meaning as in section 12(2) of the Landfill Tax (Scotland) Act 2014. This means the person who holds an authorisation from us to dispose of waste on or under the land of an authorised site.

Landfill site

Landfill site has the same meaning as in section 12(1) of the Landfill Tax (Scotland) Act 2014. This means a site authorised by us to dispose of waste in or on land.

For the SLCF, an authorised landfill is one with a current Waste Management Licence (WML) or Pollution Prevention and Control (PPC) permit. The landfill may be open, closed or inactive but will remain eligible under the vicinity rules until the WML or PPC permit is surrendered.

Our online [vicinity checking tool](#) has maps detailing the location of eligible landfill sites and transfer stations in Scotland, for the vicinity rules that apply to objects C, D and E.

Not-for-profit

An organisation's governing document must state that the organisation is not allowed to distribute income or profit. In practice, this means no bonus, shares, profit or dividends may be issued. Any organisation with charitable status will be taken to have met this requirement.

Object

"Approved object" has the meaning given in regulation 29 of the Regulations. [Approved Objects](#) include the project descriptions given in regulation 29 (5)(a)-(f), the use of [qualifying contributions](#) to pay the [running costs](#) of the Approved body and regulatory fees.

Open to the public

Ideally, the building, structure, park or [amenity](#) will be open and available to the general public at all times. However some types of amenity will have restrictions on when and how the general public can use them. In general, any park or amenity that is not available more than four evenings or two days a week, or less than 104 days in any one year would not be considered sufficiently open to the general public. Buildings or structures should be open an appropriate amount of time as would be expected from similar buildings or structures.

Place of religious worship

A place of religious worship is defined as a building or structure that is exempt from business rates by virtue of Schedule 5 Case 11 of the [Local Government Finance Act 1988](#) or has a certificate issued under the Places of Religious Worship Act 1855 to confirm it is a place of worship.

Project

Project has the meaning in regulation 26(1) of the Regulations. That is a body or organisation that is enrolled with an Approved body to receive [qualifying contributions](#), which is furthering the progress of a project that meets at least one of the objects of the Approved body. An Approved body may not also be a project.

Public

A building, structure, park or amenity is 'public' if it is for the public as a whole and there are no unreasonable limitations to the people who can use it. Limitations would include buildings, structures, parks and amenities which are only accessible to specific user groups defined by age, sex, disability, race, etc. However, some buildings, structures, parks and amenities, by their nature may have certain restrictions placed upon their use. For example, the equipment in a play area may be restricted to a certain age range due to health and safety reasons, but the amenity as a whole can be used by the general public as they can access the play area.

Qualifying contribution

Qualifying contribution has the same meaning as in regulation 28(1) of the Regulations. This means a payment made to an Approved body by a registered [landfill operator](#) that is transferred to a project, within two years of its receipt, to spend in the course or furtherance of its [approved objects](#). Further detail on qualifying contributions can be found Section 1 of this guidance, regulation 28 of the Regulations and Section SLfT7003 of Scottish Landfill Tax guidance on the Revenue Scotland website.

Running costs

An Approved body can use qualifying contributions to pay its running costs, provided the value of SLCF monies being attributed to running costs does not exceed 10% of the SLCF monies allocated by that Approved body to enrolled projects (regulation 29(12)). The 10% is to include VAT where applicable.

Spent or transferred

We consider money to be “spent” or “transferred to a project” once monies are committed to a specific project (whether or not the money has actually transferred accounts). The term committed means that there is a contractual agreement that the funds will be spent on a particular enrolled project.

Transfer station

A “transfer station” is a facility authorised by us for the storage and/or treatment of waste, or both, and which sends more than 2,500 tonnes of waste per annum offsite for the purpose of landfill, with a destination either inside Scotland or to the rest of the UK.

Our online [vicinity checking tool](#) has maps detailing the location of eligible landfill sites and transfer stations in Scotland, for the vicinity rules that apply to objects C, D and E.

Two years

Regulation 28(1) of the Regulations states that for a contribution to be a qualifying contribution, it must be transferred to a project within two years of the Approved body having received it.

We consider money to be “spent” or “transferred to a project” once monies are committed to a specific project (whether or not the money has actually transferred accounts). The term committed means that there is a contractual agreement that the funds will be spent on a particular enrolled project.

Unspent

We consider qualifying contributions to be unspent if they have not been contractually committed to an enrolled project within two years of receipt by the Approved body.

Vicinity

Projects fulfilling objects C, D or E must take place in the vicinity of an authorised [landfill site](#) or eligible [transfer station](#). This means within a 10 mile radius of a landfill or transfer station.

Our online [vicinity checking tool](#) has maps detailing the location of eligible landfill sites and transfer stations in Scotland, for the vicinity rules that apply to objects C, D and E.

7 ABBREVIATIONS

The following is a list of abbreviations used throughout this guidance or in relation to the Scottish Landfill Communities Fund.

AB	Approved body
CTP	Contributing Third Party
LCF	Landfill Communities Fund (UK-wide, minus Scotland after April 2017)
LO	landfill operator
RS	Revenue Scotland
SEPA	Scottish Environment Protection Agency
SLCF	Scottish Landfill Communities Fund
SLfT	Scottish Landfill Tax
the Regulations	the Scottish Landfill Tax (Administration) Regulations 2015
QC	qualifying contribution
UK LCF	Landfill Communities Fund (UK-wide, minus Scotland after April 2017)

8 APPENDIX 1 - Further information on resource efficiency

8.1 Resource Efficient Scotland

[Resource Efficient Scotland](#), launched in 2013, is a programme delivered by [Zero Waste Scotland](#), our funding comes from the [Scottish Government](#) and the [European Regional Development Fund](#). The programme offers free advice and technical support as well as the sharing of best practices and new technologies.

Resource Efficient Scotland helps organisations reduce costs by saving energy and water, reducing raw materials use and managing waste efficiently.

Embedding resource efficiency within Scottish organisations makes a significant contribution to the achievement of the Scottish Government's strategic economic objectives, climate change, energy efficiency and zero waste targets.

Each year over 34,000 individuals from a range of organisations access the programme for support from the Resource Efficient Scotland Advice and Support Service. A free online and telephone advice and information service is on offer to all businesses in Scotland. Call the service on [0808 808 2268](tel:0808 808 2268) to start saving.

Some practical tools available include:

- [Directory of suppliers of resource efficient solutions](#)
- [Construction Material Exchange](#) - Search for surplus materials in your area
- [Boiler replacement tool](#)
- [Green Network for Businesses](#) - Just types in your postcode to find a local network of like-minded organisations and see resource efficiency in action.
- Guide to managing food waste

8.2 Wrap

[Wrap](#) is a catalyst for positive economic and environmental action. Working uniquely, and by design, in the space between governments, businesses, communities, thinkers and individuals – forging powerful partnerships and delivering ground-breaking initiatives to support more sustainable economies and society. Wrap are world leaders in establishing the facts, getting the right people working together, then converting ideas into action and delivery on the ground.

Driving change in areas where we can make the biggest difference, Wrap's priority sectors include:

- [Food and drink](#)
- [Clothing and textiles](#)
- [Electricals and electronics](#)
- [Plastics](#)

Underpinning WRAP's priority sectors is [resource management](#), with a focus on maximising the value of waste by increasing the quantity and quality of materials collected for re-use and recycling.

8.3 Recyclenow

[Recyclenow](#) is the national recycling campaign for England, supported and funded by Government, managed by WRAP and used locally by over 90% of English authorities. The website provides resources and advice to help people to recycle more things, more often.

8.4 Love Food Hate Waste

[Love Food, Hate Waste](#) has a number of resources, recipes and advice to help you reduce food waste

8.5 What is your duty of care?

We published guidance called "[What is your Duty of Care?](#)" It provides guidance on your organisation's legal responsibility for the waste which it generates. This is called your Duty of Care for waste.

8.6 Re-use line

Calling the [Re-Use Line](#) can help reduce the amount of large, bulky items being dumped needlessly in landfill – things like washing machines and sofas that could go to a good home elsewhere.

8.7 NetRegs – Resource efficiency good practice checklist

[NetRegs](#) is a partnership between the Northern Ireland Environment Agency (NIEA) and SEPA. Providing free information to help SMEs understand what, and how to, comply with sector specific environmental legislation.

We have developed a [Resource Efficiency – Good Practice Checklist](#) with [NetRegs](#). This checklist can be used by projects to highlight resource efficient options in the design of their projects. It can also be used by projects as part of their application to Approved Bodies for funding.

For information on accessing this document in an alternative format or language please either contact us by telephone on 03000 99 66 99 or by email to equalities@sepa.org.uk

If you are a user of British Sign Language (BSL) the Contact Scotland BSL service gives you access to an online interpreter enabling you to communicate with us using sign language.

<http://contactscotland-bsl.org/>

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