

Scottish Environment Protection Agency Scottish Landfill Communities Fund: End-of-year Report 2015-16

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1. INTRODUCTION

2015-16 was the first year of the Scottish Landfill Communities Fund. SEPA was appointed as the Regulator of the fund from 1 April 2015. Overall, the SLCF has functioned largely as was expected. SEPA approved 15 organisations as Approved Bodies, who are now eligible to receive funds from Landfill Operators registered for Scottish Landfill Tax and distribute the funds to eligible projects. Qualifying Contributions exceeding £7.9m were made to the fund and funds have been committed to 74 projects (total value £1.8m). 57% of eligible taxpayers contributed to the fund.

SEPA has built up good relationships with the Approved Bodies and has assessed their compliance with the rules of the scheme. Of the 15 Approved Bodies, only one was found to be non-compliant. This non-compliance was due to the potential to show geographical bias in funding decisions.

There are three members of SEPA's SLCF team who were all in post by end August 2015. The team has worked hard to establish the procedures necessary to process applications and notifications from Approved Bodies. We have responded to over 200 queries from Approved Bodies, projects and landfill operators on the SLCF. The team has designed a prototype SLCF database to hold the information notified to SEPA, this allows us to monitor spend and report on the fund.

This report discusses the information SEPA has collected on the fund over 2015-16.

2. DATES USED

The data for Qualifying Contributions made to the fund, funds committed to projects and SEPA Regulatory Fees has been reported over the "reporting timeframe" for year one. This "reporting timeframe" spans from 1 April 2015 to 14 May 2016. This time lag from the usual annual tax year is due to the 44 days at the end of each quarter that is permitted to Scottish Landfill Tax payers to make their tax return. As Qualifying Contributions must be made to an Approved Body before tax credit can be claimed, most Qualifying Contributions for each quarter are made during the 44 days following the closure of the usual tax quarter. Therefore, to understand the complete picture of Qualifying Contributions made to the fund, the 44 days must be taken into account.

Three measures: Qualifying Contributions made to the fund, funds committed to projects and SEPA Regulatory Fees have been reported in this way so that they are directly comparable. SEPA Regulatory Fees are invoiced once Qualifying Contributions have been notified to SEPA and therefore also have this time lag. Funds committed to projects have been reported using the same timeframe so that a true picture can be built of income and expenditure from the fund.

The four "reporting" quarters are as follows:

- Q1: 15 May to 13 August;
- Q2: 14 August to 13 November;
- Q3: 14 November to 13 February and
- Q4: 14 February to 14 May.

Year 2 will be reported from 15 May 2016 to 14 May 2017 for these three measures.

All other data has been reported using the traditional quarters and year from 1 April to 31 March. Ideally, we would have reported the running costs of Approved Bodies using the “reporting year”, however the regulations require ABs to submit their running costs to 31 March by 28th April. To change this reporting period to the “reporting year” detailed above would require legislative change and additional accountancy tasks for ABs therefore is not recommended at this time. To allow the ABs running costs to be interpreted, income and expenditure have been adjusted to the financial year 1 April to 31 March so values are directly comparable.

3. KEY PERFORMANCE INDICATOR DISCUSSION

Revenue Scotland and SEPA agreed a set of key performance indicators (KPIs) to monitor and evaluate the performance of the SLCF. The key performance indicators are listed in Appendix 1, which shows the relevant data collated by SEPA for the two reporting timeframes described in Section 2. The detail of each measure is discussed below.

i. Approved Body Applications

	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	Total 2015-16 ¹
a. Number of applications received	13	5	1	1	20
b. Number of applications approved	6	5	3	1	15
c. Number of applications withdrawn	1	1	2	0	4
d. Number of applications rejected	0	0	0	0	0
e. Number of applications ongoing	5	5	1	1	1

Applications were received from 20 organisations wishing to become Approved Bodies (ABs) to distribute SLCF funds. This was almost three times as many as expected. As predicted, most applications were made in Q1 and Q2. Of the 20, four organisations chose to withdraw their applications and continue as projects and one application is on hold. There appears to have been some initial confusion as to the differences between the UK Landfill Communities Fund, where both distributing bodies and projects have to register with the regulator, and the SLCF where only those organisations wishing to distribute funds need approval. This confusion may have contributed to SEPA receiving four applications from organisations wishing to use funds (project) rather than distribute funds (Approved Body). SEPA is currently looking at the content on SEPA and Revenue Scotland websites to determine if the role of Approved Bodies and projects need to be more clearly explained to assist future applicants.

¹ All information reported to 31/3/16

Figure 1 – Location of Approved Bodies



In year one, 15 approvals were granted. There is a good spread of ABs throughout Scotland, from the Western Isles to the Borders. Three SLCF ABs have their offices based in England and will administer their projects remotely (see Figure 1 – Location of Approved Bodies).

Of the 15 ABs, only one organisation has not been involved to some extent in the UK LCF. The AB's familiarity with the UK LCF has brought both positives and negatives to the regulation of the SLCF. On one hand, the ABs are generally already set up with a structure to facilitate the consideration of funding applications. On the other hand, SEPA has had to work closely with ABs to help them to understand the important differences between the two schemes and how the SLCF is not just a continuation of the UK LCF. One such difference is in the prevention of bias by project location or project type in the SLCF.

For some ABs, this has meant a significant change to their approach to assessing and funding projects. This issue is discussed in further detail below (Section iii. Compliance Inspections, and Section v. Number of complaints and compliments).

Of the 20 applications received, only one application was still outstanding at year end. The quality of this application has not been sufficient to make a determination. The applicant has been contacted for further information but has been unresponsive. SEPA is minded to refuse the application if the additional information is not forthcoming.

No ABs applied to revoke their approval this year, neither were any revocations required for enforcement purposes.

ii. Register of Approved Bodies

	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	Total 2015-16 ²
a. Number of changes made to the Register including time taken to make the change ³	6 (completed within 24hrs)	5 (completed within 24hrs)	3 (completed within 24hrs)	5 (completed within 24hrs)	19

SEPA has maintained the Register of Approved Bodies since 21 April 2015 when the first approval was granted. It is published on [SEPA's website](#)⁴. The register has been updated each time a new approval was made and occasionally to correct typos etc. Updates are typically made within 24 hours of a change and well within the 7 day target.

iii. Compliance Inspections

	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	Total 2015-16 ²
a. Number of compliance inspections completed by the SLCF team	0	0	1	10	11
b. Number of Approved Bodies deemed compliant	N/A	N/A	1	9	10

SEPA has carried out 11 compliance inspections of Approved Bodies during the year. Only four ABs were not inspected, as they had not received any qualifying contributions at the time of the planned inspection. These four ABs will be inspected early in 2016-17.

In addition to the 11 compliance inspections, the SLCF team has processed 234 notifications received from ABs and landfill operators, comprising:

- 69 Qualifying Contributions;
- 74 project enrolments;
- 35 transfers of funds;
- 41 contributing third party payments and
- 15 annual reports.

Processing each notification includes a desk based assessment of various aspects of the AB's compliance and data checks.

Of the 11 compliance inspections carried out, only one non-compliance was recorded. This non-compliance was due to the way in which the AB was scoring projects during the assessment phase. Most ABs provide a score for each application to aid in funding decisions with the higher scoring projects being allocated funding. This is helpful when there are more applications than funds available. The non-compliant AB was using a "location" score

² All information reported to 31/3/16

³ The target for updating any changes to the register of approved bodies on the SEPA website is within 7 days of the change taking effect

⁴ <http://www.sepa.org.uk/media/219057/160405-register-of-approved-bodies.pdf>

resulting in a potential geographical bias in funding decisions. We have had good discussions with the AB and they have taken steps to bring themselves into compliance. The non-compliance was rectified by the end of May 2016 (shortly after the end of the reporting period). This potential for geographic bias was also found during early discussions with other ABs regarding their scoring systems. However as these were rectified before the scoring system was implemented, they were not recorded as a non-compliance for these ABs.

All ABs appear to be notifying SEPA of required information within the time limits stated in the regulations. The good relationship that SEPA has built with the ABs has assisted in this timely submission of information.

iv. Enforcement

	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	Total 2015-16 ⁵
a. Number of enforcement actions started	0	0	0	1	0
b. Number of enforcement actions concluded and outcome	N/A	N/A	N/A	0 Actions ongoing	0

Of the 11 full compliance inspections carried out, only one AB had a non-compliance. The non-compliance is detailed in section iii above.

v. Written Communication Response Times

	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	Total 2015-16 ⁶
a. Total number of queries responded to	Not recorded	22	79	100	201
b. Number of queries responded to from Approved Bodies including response period (10 and 25 days)	Not recorded	7 (6<10 days) (1<25 days) (0>25 days)	32 (30<10 days) (1<25 days) (0>25 days)	70 (69<10 days) (1<25 days) (0 >25 days)	109
c. Number of queries responded to from Projects including response period (10 and 25 days)	Not recorded	15 (15<10 days) (0<25 days) (0>25 days)	35 (34<10 days) (1<25 days) (0>25 days)	24 (24<10 days) (0<25 days) (0>25 days)	74
d. Number of queries responded to from others ⁷ including response period (10 and 25 days)	Not recorded	0	12 (12<10 days) (0<25 days) (0>25 days)	6 (6<10 days) (0<25 days) (0>25 days)	18

⁵ All information reported to 31/3/16

⁶ All information reported to 31/3/16

⁷ Includes Landfill Operators and any other people, not linked to projects or Approved Bodies.

The SLCF team has responded to over 200 queries from ABs, projects, landfill operators and members of the public about the SLCF. No records were kept of queries received in Q1 as the SLCF team had not been recruited (therefore Revenue Scotland were answering many queries) and there was not a recording mechanism in place. All enquiries and correspondence from Q2 onwards has been recorded by the SEPA SLCF team.

All queries were responded to within the overall target of 25 days, with the majority being responded to within 10 days. Four queries took more than 10 days to respond to. These were more complex questions that required input from out with the SLCF team.

vi. Number of Complaints and Compliments

	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	Total 2015-16 ⁸
a. Number of complaints considered under the SEPA Complaints Handling Procedure ⁹	0	0	0	0	0
b. Number of complaints concluded	N/A	N/A	N/A	N/A	N/A
c. Number of complements received and general source	0	4 From projects	4 From projects	1 From AB	9

No complaints on SEPA's regulation of the fund have been reported to SEPA or Revenue Scotland.

The SLCF team has received several compliments. These mostly relate to quick and comprehensive responses to queries but also included one compliment on the tone and content of an AB's compliance report.

vii. Number of Data Security Breaches

	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	Total 2015-16 ⁷
a. Total number of security breaches as defined by the Revenue Scotland Security Breach and Incident Management Policy	0	0	0	0	0

There have been no data security breaches.

All SLCF data is recorded in the SLCF database or spreadsheets. This is maintained and backed up on SEPA servers. The SLCF database is being updated in-house by SEPA

⁸ All information reported to 31/3/16

⁹ <http://www.sepa.org.uk/about-us/complaints-handling-procedure/>

Information Services (IS) staff from a Microsoft Access platform to Oracle Database. This database will then be supported by SEPA IS for any updates or required changes going forward. The change to an Oracle database will improve analysis, presentation and reporting of the data.

SLCF data is not considered to be Protected Taxpayer Information (PTI) until it is extracted for tax purposes. Details of qualifying contributions received are passed to Revenue Scotland for compliance checking via "Huddle" (an online secure cloud collaboration for government and enterprise). Only relevant personnel within SEPA and Revenue Scotland have access to the SLCF area of Huddle. Huddle is provided by Revenue Scotland.

Although SEPA SLCF staff are trained in PTI and have signed confidentiality declarations, PTI is not a feature of day-to-day SLCF work.

viii. Qualifying Contributions made to the Fund

	Q1 (15 May-13 Aug)	Q2 (14 Aug-13 Nov)	Q3 (14 Nov-13 Feb)	Q4 (14 Feb-14 May)	Total 2015-16¹⁰
a. Total value of qualifying contributions notified by Approved Bodies as having been made to the fund	£1,096,168.97 ██████████	£1,428,313.82 ██████████	£3,244,466.08 ██████████	£2,224,579.63 ██████████	£7,993,528.50 ██████████ ██████████

During year one, 69 qualifying contributions were notified to SEPA with a total of £7,993,528.50. This is more than the £7.4m estimated at the beginning of the compliance year.

There does not appear to be any great seasonality to the contributions being made, other than a general cluster around the end of each tax reporting period. This can be seen in Figure 2 below.

¹⁰ All information reported to 14/5/16 – see Section 2 – Dates Used for explanation.

¹¹ ██████████

Figure 2– Qualifying contributions received

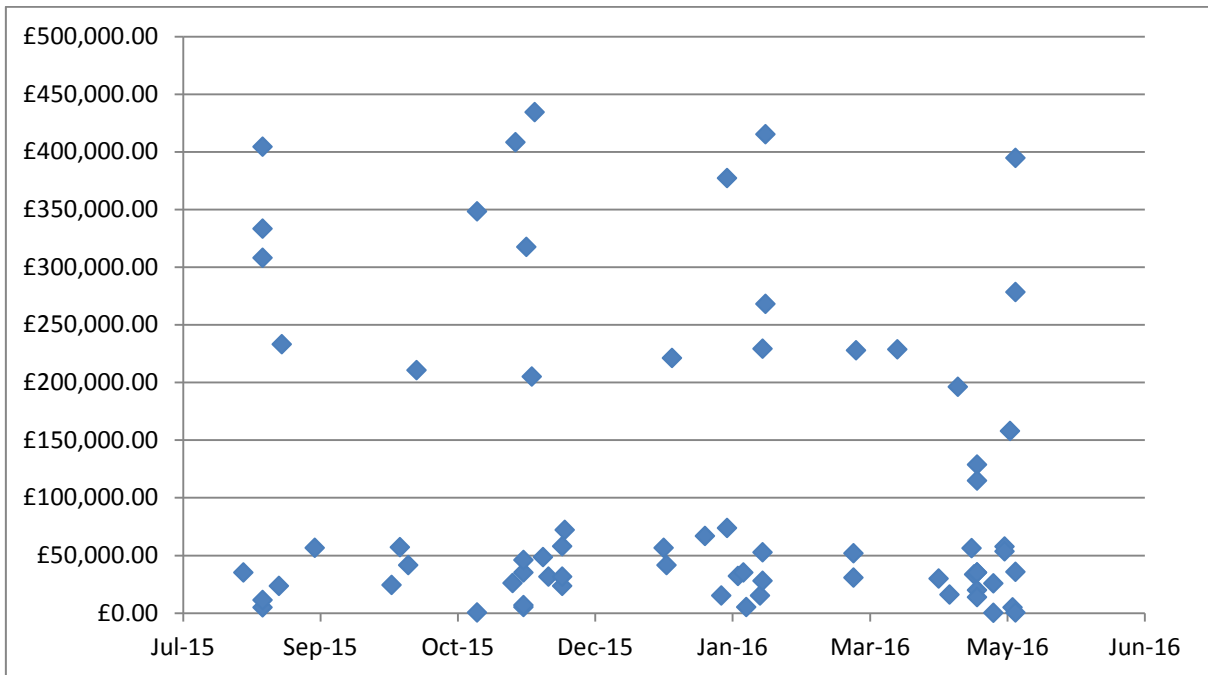
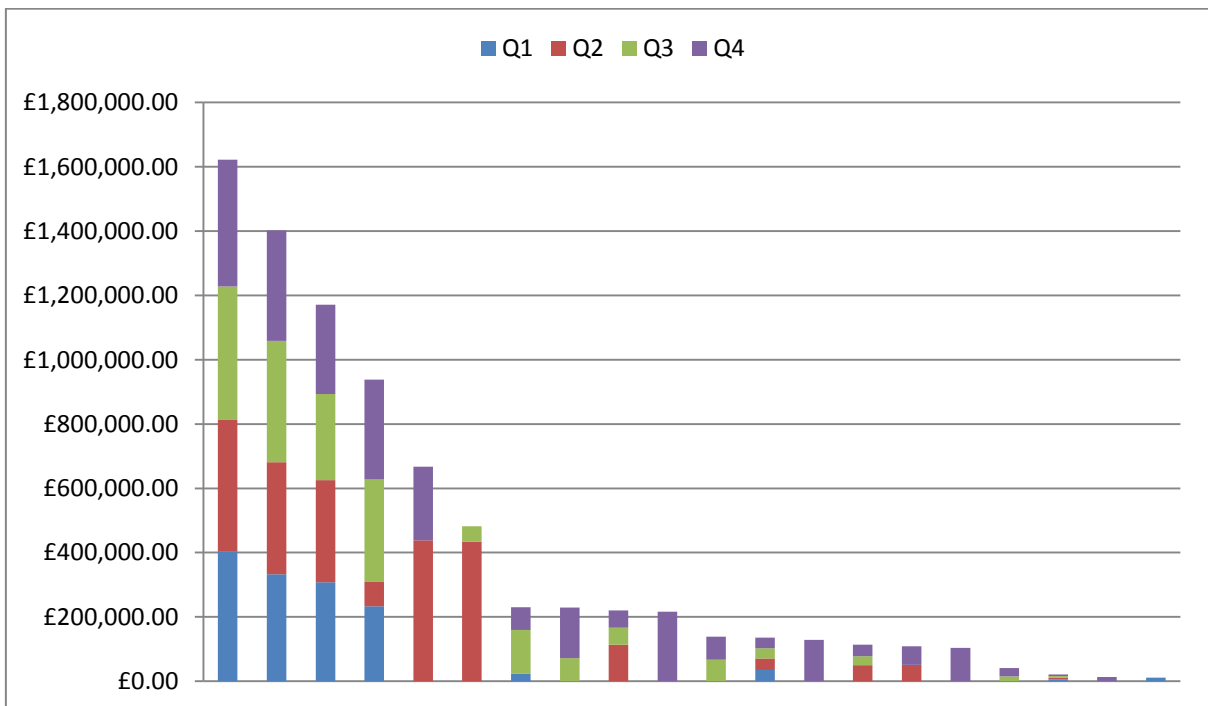
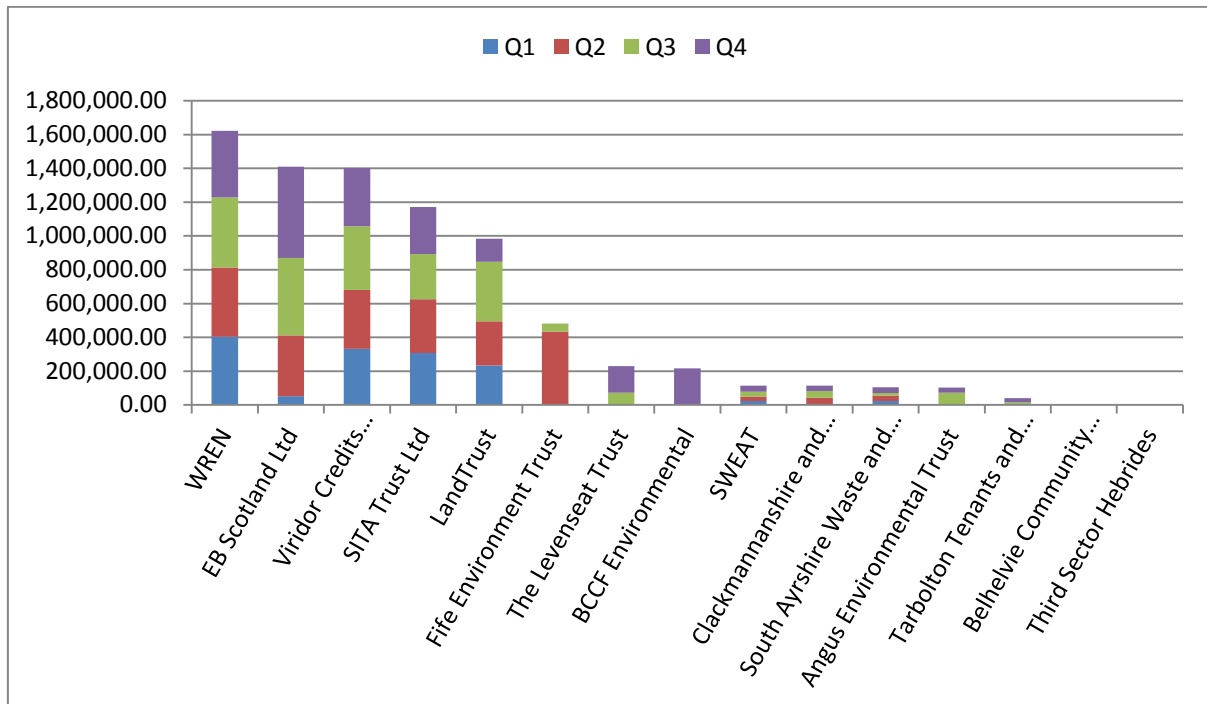


Figure 3 - Qualifying contributions made by each landfill operator (Taxpayers)



20 different tax payers contributed to the fund in year one. This equates to 57% of registered taxpayers making a contribution. Contribution to the scheme is voluntary, and the total contributed in year one was greater than expected. Revenue Scotland may wish to determine if there are any barriers to the other 43% of taxpayers contributing.

Figure 4 – Qualifying contributions received by each Approved Body



Most ABs have exclusive funding connections with one landfill operator meaning that they only receive contributions from a single landfill operator. Two ABs have funding connections with multiple landfill operators, receiving funding from four and eight separate landfill operators.

A number of ABs have received regular quarterly qualifying contributions, however some received qualifying contributions bi-annually or annually. It is too early to say whether this is likely to be the pattern qualifying contributions will fall into in the future. This distribution may be due to year one being a set-up year with both ABs and landfill operators familiarising themselves with the new fund.

Of the 15 ABs, only two did not receive any qualifying contributions. One AB was only approved in Q4 and was not in a position to accept qualifying contributions in year one. The other AB has yet to establish a relationship with a contributing landfill operator although it is understood by SEPA that discussions to arrange this have taken place. This will be followed up at their next compliance inspection.

ix. Funds Committed to Projects

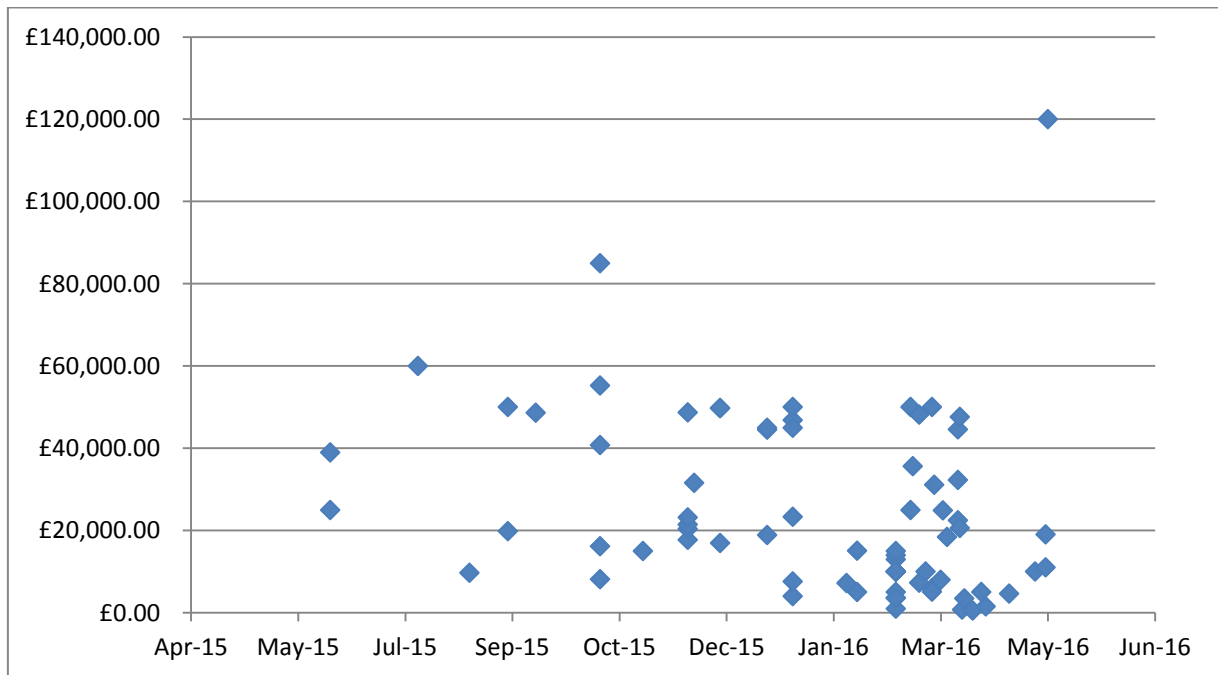
	Q1 (15 May-13 Aug)	Q2 (14 Aug-13 Nov)	Q3 (14 Nov-13 Feb)	Q4 (14 Feb-14 May)	Total 2015-16 ¹²
a. Total value of funds notified by Approved Bodies as having been committed to projects (spent)	£133,680.00 (4 projects)	£370,302.18 (9 projects)	£638,940.86 (21 projects)	£689,745.06 (40 projects)	£1,832,668.10 (74 projects)

¹² All information reported to 14/5/16 – see Section 2 – Dates Used for explanation.

In total, £1,832,668.10 was committed to projects (“spent”) in year one. This is a measure of the value of funds that have been legally committed to a project and is not a measure of the full value of projects delivered in year one. Actual transfers of money from ABs to projects amounted to £385,505.42. The reason for the difference is because projects will not always get underway as soon as funds have been committed. A legal commitment from the SLCF may be used by the project as leverage to attract other funding for the project or the seasonality of projects may mean that works are not started until sometime after funds are committed.

£1.8m committed from a pot of £7.9m may initially seem as though ABs are not enrolling as many projects as would be expected. However, most ABs were not in a position to either receive or assess applications from projects until Q3 or Q4. Most funding commitments were made in Q4. Now that ABs have their systems in place, we are starting to see regular notifications of project enrolment and expect this to continue.

Figure 5– Funds committed to enrolled projects



The 74 projects that were enrolled in year one are well distributed around Scotland. As can be seen from the distribution map (Figure 6), projects have been funded from Caithness to the Borders with the majority of projects being enrolled in the concentrations of populations in the central belt, as could be expected.

The lack of projects being enrolled in the wider Cairngorm area is as would be expected and may be explained by the small number of landfill sites and transfer stations in that area. Most enrolled projects were for objects C and E (see Figure 7), which require projects to be located within 10 miles of an eligible landfill or transfer station.

Figure 6 - Distribution of funded projects



Figure 8– Number of enrolled projects by type (object)

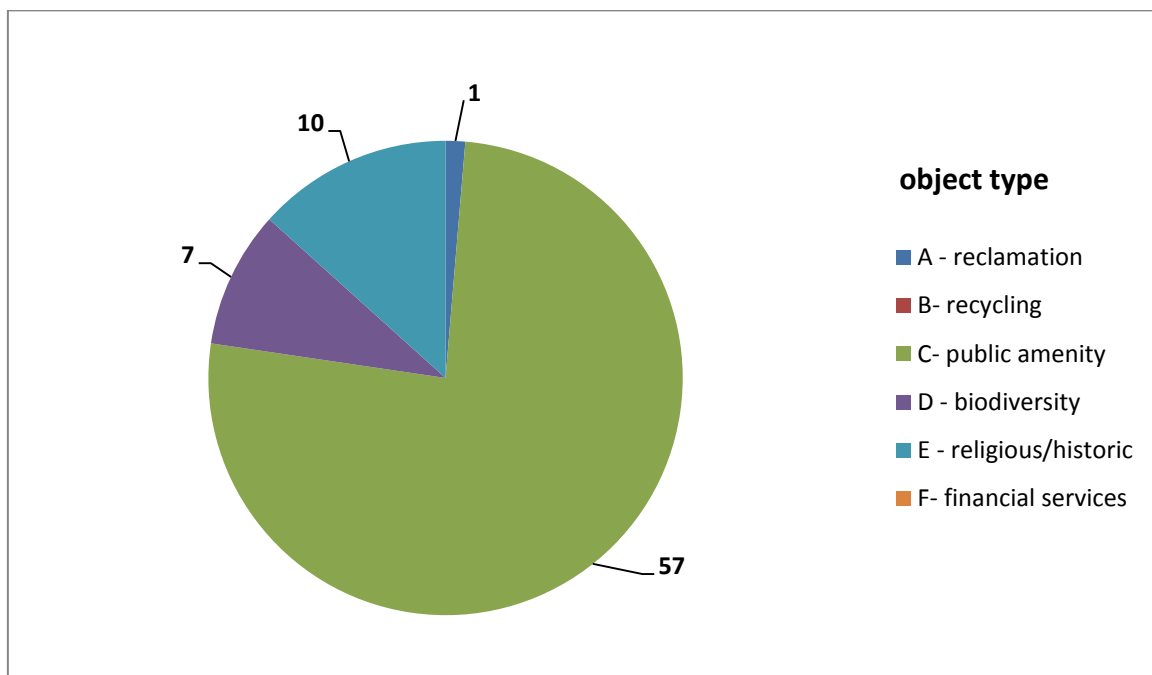
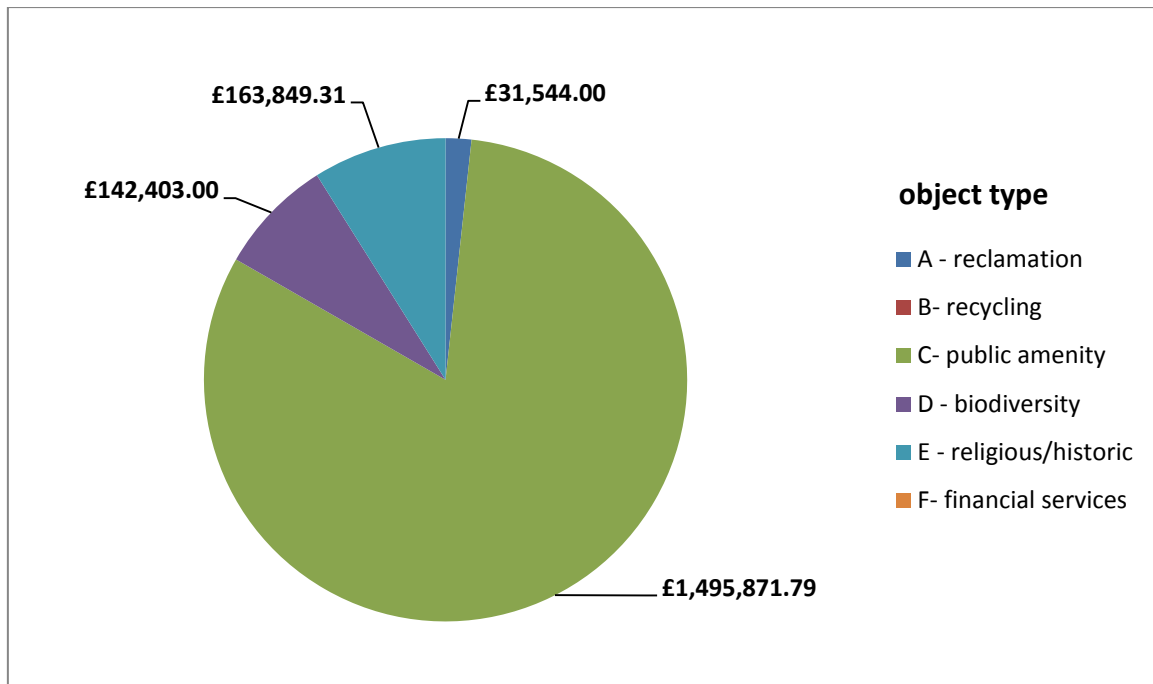


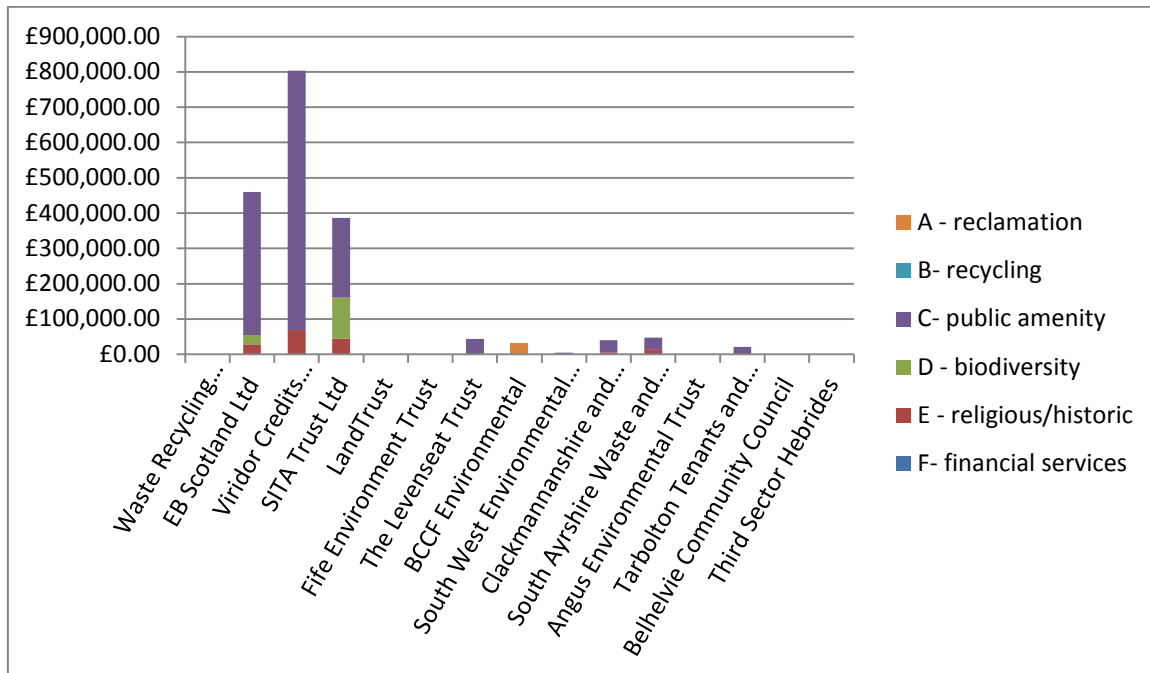
Figure 9 – Value of enrolled projects by type (object)



The majority of projects funded this year were for object C – public amenity (76%: £1,5m). Projects range from the restoration of public halls to the creation of skate parks and play areas. The second most funded project type was object E – religious or historic sites (13%: £163k). These included restoration works to churches and one project to help restore HM Frigate Unicorn. These two objects have consistently attracted the most funds in the UK LCF and so were expected to be the most widely applied for and funded project type in the SLCF.

Biodiversity projects (9%: £142k) were mostly for the control of non-native invasive species. One project was enrolled for object A – restoration / reclamation (1%: £31k) for the rebuilding of a community petrol station. No projects were enrolled for object B – reuse/ recycling or for object F – the provision of financial services from an AB to a project.

Figure 10 – Value of enrolled projects by type (object) and Approved Body



If we look at the value of projects each AB enrolled by project type (object), there aren't any particular trends that can be picked out other than objects C, D and E being the most funded. ABs submit data on projects they have enrolled (committed funds to) but not on all applications they received, therefore we cannot determine whether there has been any bias according to project type. This will be assessed during compliance inspections by examining a sub set of successful and unsuccessful funding applications.

Figure 9 shows that three ABs; EB Scotland Ltd, Viridor Credits and SITA Trust have funded a higher total value of projects than the other ABs. This is probably due to them being ready to receive and process funding applications earlier in the year than the other ABs. They also received amongst the most qualifying contributions and are well established funders with comprehensive websites so may have attracted more applications than other ABs.

x. Approved Body Running Costs

	Total 2015-16¹³
a. Number of Approved bodies with running costs <10% of contributions they received for the reporting period	12¹⁴
b. Number of Approved bodies with running costs >10% of contributions they received for the reporting period	3
c. Average % of running costs	6.31%
d. Total cost to fund of AB running costs	£612,701.15

Approved Bodies notify SEPA of their running costs once per year via the submission of their Annual Report. This is a requirement of Regulation 30(1)(i) and covers the timeframe from 1 April to 31 March. The annual report gives a summary of income, expenditure and balances held by the AB.

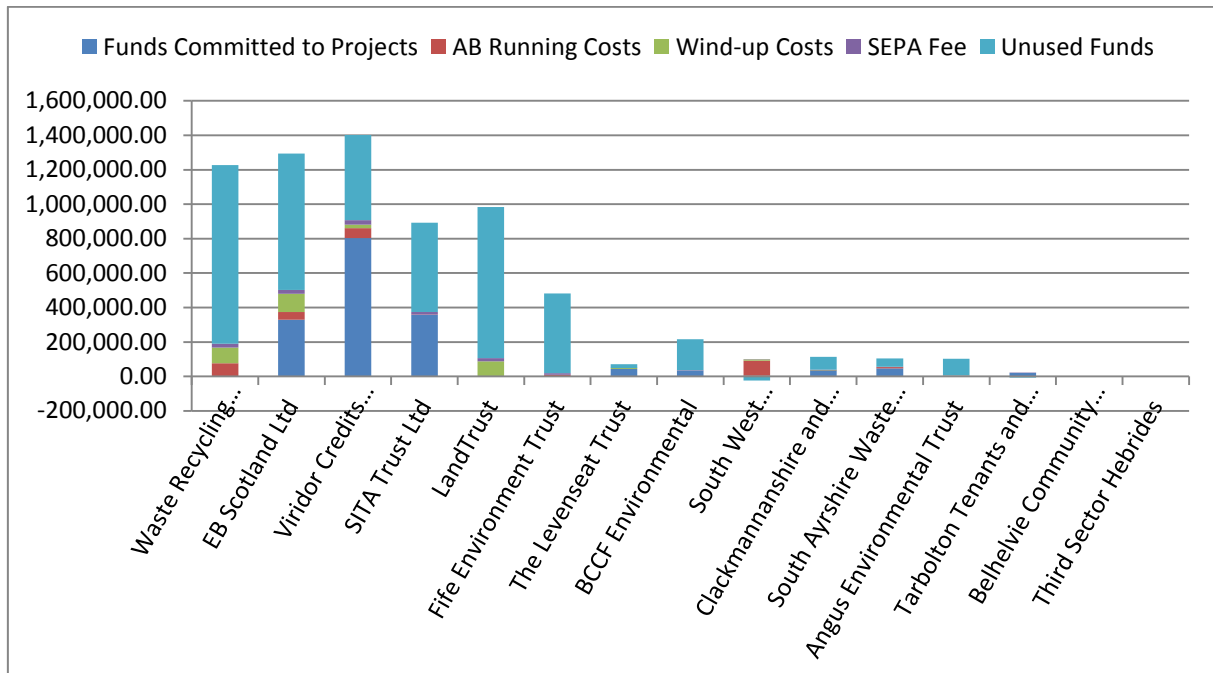
Qualifying contributions have been reported over the “reporting timeframe” for year one. This “reporting timeframe” spans from 1 April 2015 to 14 May 2016. All other data has been reported using the traditional quarters and year from 1 April to 31 March. Ideally, we would have reported the running costs of Approved Bodies using the “reporting year”, however the regulations require ABs to submit their running costs to 31 March by 28th April. To change this reporting period to the “reporting year” detailed above would require legislative change and additional accountancy tasks for ABs, therefore any changes are not recommended at this time. To allow the ABs running costs to be interpreted, income and expenditure, shown in figure 10 below, have been adjusted to the financial year 1 April to 31 March so that values are directly comparable.

All Approved Bodies submitted Annual Returns on time (including two nil-returns). The total value of funds used for AB running costs in year one was £612,701.15. This includes the value of running costs incurred and funds retained for wind-up up to 31st March. The wind-up costs are a one-off amount of funds that will be retained throughout the life of the AB to pay for the eventual wind-up of the organisation. The inclusion of wind-up expenses makes the running costs for year one artificially high and is expected to be much lower next year. When we look at the full running costs for year one, including wind-up, three ABs exceeded the 10% allowance with the average being 6.31% of funds received (total £612,701.15). If we discount funds retained for wind-up, only one AB exceeded the 10% allowance (12.05%) for running costs with the average running cost being 2.82% of funds received (total £288,649.79).

¹³ All information reported to 31/3/16

¹⁴ Compliance of administration costs will be carried out over a 2 year period (as qualifying contributions have to be spent within 2 years) therefore details are provided for information only.

Figure 11 – Funds used and remaining by Approved Body



As described above, three ABs have exceeded the 10% of contributions received limit on running costs. As agreed with Revenue Scotland, these exceedances have not been recorded as non-compliances this year as the timeframe used to calculate running costs as a proportion of qualifying contributions received will be two years. This corresponds with the time limit for a qualifying contribution to be spent or distributed. Compliance checks of running costs will be carried out annually for the previous two year period.

xi. Regulatory Fee Payments

	Q1 (15 May-13 Aug)	Q2 (14 Aug-13 Nov)	Q3 (14 Nov-13 Feb)	Q4 (14 Feb-14 May)	Total 2015-16 ¹⁵
a. 1.82% of Qualifying Contributions received	£19,950.28	£25,995.31	£59,049.28	£40,487.35	£145,482.22
b. Amount invoiced for	£19,950.28	£25,995.31	£59,049.28	£40,487.35	£145,482.22
c. Amount received	£19,950.28	£25,995.31	£59,049.28	£40,487.35	£145,482.22
d. Amount outstanding	£0.00	£0.00	£0.00	£0.00	£0.00
e. proportion of payments made within 14 days	50%	73%	66%	N/A	N/A
f. proportion of payments made within 30 days	100%	100%	86%	N/A	N/A

Once SEPA is notified of a qualifying contribution, SEPA raises an invoice for 1.82% of the contribution value. This is SEPA's regulatory fees as permitted by Regulation 30(1)(m).

¹⁵ All information reported to 14/5/16 – see Section 2 – Dates Used for explanation.

Payment is required within 14 days of invoicing (Regulation 30(1)(m)), however it was only discovered at year end that the standard SEPA invoice issued stated payment was due within 30 days. Around 86% of payments were made on time (within 30 days). Late paying ABs will be contacted to determine why we have received late payments and to reinforce the message that payment must be made within 14 days. This was reiterated to all Approved Bodies by email on 26 May 2016. All invoices have now been paid by Approved Bodies (ABs).

xii. SEPA Costs

	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	Total 2015-16 ¹⁵
a. Total costs of regulating the fund	£4,051	£19,702	£35,109	£38,314	£97,175

The majority of SEPAs regulatory costs are staff costs. The travel and subsistence costs of inspecting 11 ABs was £1,049. This included flights from Edinburgh to Bristol to inspect ABs located in the south west of the country. There was additional agreed spend of £1.5k for financial training. These values are illustrated in Figure 11 – SEPA Costs.

The regulatory costs for SEPA were approximately £52k less than expected. This was largely due to a £44k saving on staff costs since the full SLCF team (three posts) weren't in place until 31 August 2015.

Both SEPA regulatory fees and Approved Body running costs are funded as a result of contributions to the fund. The total administration cost to the fund in year one was £758,183.37. This is 9.5% of the fund as a whole. The major expenditure from the SLCF as a whole is illustrated in Figure 12.

Figure 12 – SEPA Costs

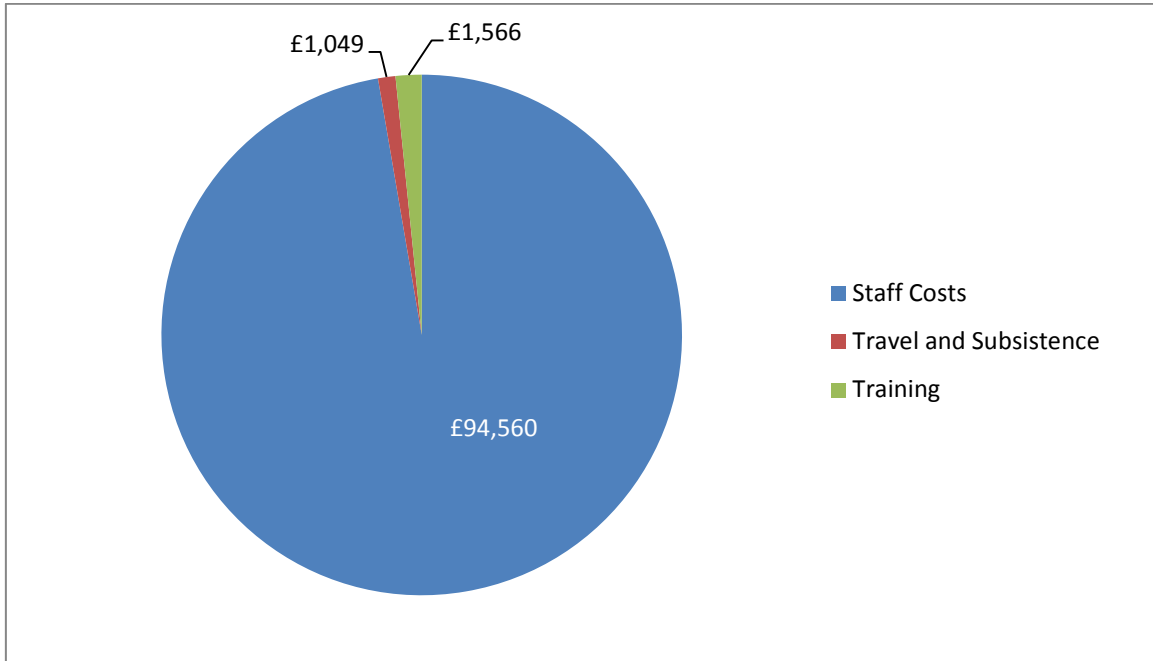
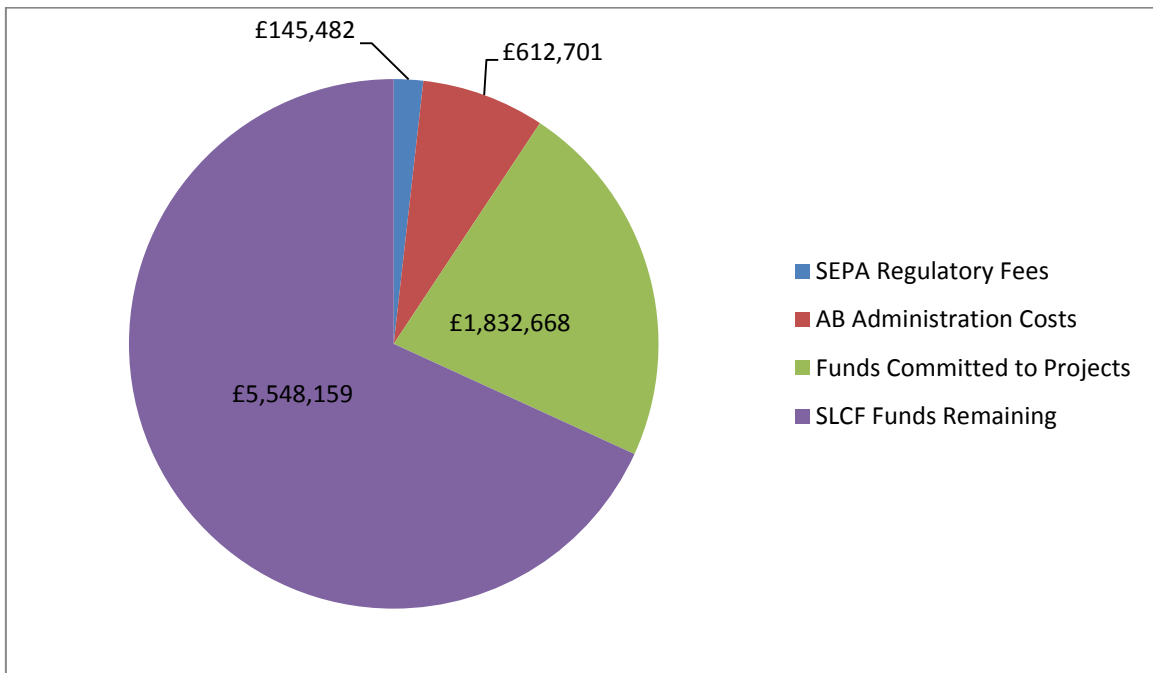


Figure 13 – Major expenditure from the SLCF



4. CONCLUSION

The SLCF appears to be functioning as would be expected for year one of a new fund. Qualifying contributions have been made to the fund by registered landfill operators in excess of those predicted. Approved Bodies have started to enrol projects, commit and transfer funds. The relatively low figure of funds committed compared to funds contributed can be explained by the time it has taken Approved Bodies to get systems and procedures in place to receive and assess applications. All Approved Bodies seem to understand the SLCF rules and have been able to work within these requirements. One non-compliance was identified during compliance inspections and this was quickly rectified by the Approved Body concerned.

Many Approved Bodies are members of the Scottish Landfill Communities Fund Forum (SLCFF). This is a group who “intend to bring together private and public sector organisations in Scotland with an interest in developing and enhancing best practice principles in the use of landfill tax credits in Scotland, and influence the strategic direction in the future”. SEPA is an honorary member of the forum and has attended all meetings held since 1 April 2015. Feedback from the forum shows that SEPA’s attendance at the meetings has been useful. We have used allocated time to give presentations on the SLCF and on AB reporting requirements.

Three Approved Bodies have approached SEPA with concerns about the mechanics of the SLCF. In particular, Regulation 29(15) which requires that ABs give equal consideration to projects regardless of their location relative to the Approved Body or project type (Object). This resulted in two meetings between SEPA (Lindsay Wells), Revenue Scotland (Erlend Greig and Donald Carvel) and Angela Constance MSP. At one meeting, representatives from an Approved Body were also present. One letter received from an AB raising this issue has been forwarded from SEPA to Revenue Scotland. This appears to be the only issue Approved Bodies have with the rules of the scheme.

APPENDIX 1 - SUMMARY OF KEY PERFORMANCE INDICATORS

Subject	Information to be reported	Q1 ¹⁶	Q2 ¹⁶	Q3 ¹⁶	Q4 ¹⁶	Total 2015-16
1. Approved Body Applications ¹⁷	a. Number of applications received (to 31/16)	13	5	1	1	20
	b. Number of applications approved (to 31/3/16)	6	5	3	1	15
	c. Number of applications withdrawn (to 31/3/16)	1	1	2	0	4
	d. Number of applications rejected (to 31/3/16)	0	0	0	0	0
	e. Number of applications ongoing (to 31/3/16)	5	5	1	1	1
2. Register of Approved Bodies	a. Number of changes made to the Register including time taken to make the change ¹⁸ (to 31/3/16)	6 (completed within 24hrs)	5 (completed within 24hrs)	3 (completed within 24hrs)	5 (completed within 24hrs)	19
3. Compliance Inspections	a. Number of compliance inspections completed by the SLCF team (to 31/4/16)	0	0	1	10	11
	b. Number of Approved Bodies deemed compliant (to 31/4/16)	N/A	N/A	1	9	10

¹⁶ Information is reported on the tax quarters: 1 April to 30 June; 1 July to 30 September; 1 October to 31 December and 1 January to 31 March except for 7. Qualifying Contributions made to the fund, 8. Funds committed to projects and 10. Regulatory Fee payments. These 3 measures are reported using the "reporting quarters" of: 15 May to 14 August; 15 August to 14 November; 15 November to 14 February and 15 February to 14 May. The reporting quarter allows for the 44 day reporting period after the end of the tax quarter. These 3 measures are reported in this way so that they can be compared over the same time frame.

¹⁷ "Applications" includes applications of each type: Approval and Voluntary Revocation

¹⁸ The target for updating any changes to the register of approved bodies on the SEPA website is within 7 days of the change taking effect

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4. Enforcement ¹⁹	a. Number of enforcement actions started (to 31/3/16)	0	0	0	1	0
	b. Number of enforcement actions concluded and outcome (to 31/3/16)	N/A	N/A	N/A	0 Actions ongoing	0
5. Written communication response times	a. Total number of queries responded to (to 31/4/16)	Not recorded	22	79	100	201
	b. Number of queries responded to from Approved Bodies (to 31/4/16) including response period (10 and 25 days)	Not recorded	7 (6<10 days) (1<25 days) (0>25 days)	32 (30<10 days) (1<25 days) (0>25 days)	70 (69<10 days) (1<25 days) (0 >25 days)	109
	c. Number of queries responded to from Projects (to 31/4/16) including response period (10 and 25 days)	Not recorded	15 (15<10 days) (0<25 days) (0>25 days)	35 (34<10 days) (1<25 days) (0>25 days)	24 (24<10 days) (0<25 days) (0>25 days)	74
	d. Number of queries responded to from others ²⁰ (to 31/4/16) including response period (10 and 25 days)	Not recorded	0	12 (12<10 days) (0<25 days) (0>25 days)	6 (6<10 days) (0<25 days) (0>25 days)	18
6. Number of complaints and compliments	a. Number of complaints considered under the SEPA Complaints Handling Procedure ²¹ (to 31/4/16)	0	0	0	0	0

¹⁹ Enforcement includes any action necessary to rectify non-compliances discovered by SEPA SLCF staff. It will include letters to Approved Bodies but will be deemed concluded once compliance is achieved or if passed to Revenue Scotland for forceful revocation of the Approval.

²⁰ Includes Landfill Operators and any other people, not linked to projects or Approved Bodies.

²¹ <http://www.sepa.org.uk/about-us/complaints-handling-procedure/>

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	b. Number of complaints concluded (to 31/4/16)	N/A	N/A	N/A	N/A	N/A
	c. Number of complements received and general source (to 31/4/16)	0	4 From projects	4 From projects	1 From AB	9
7. Number of security breaches	a. Total number of security breaches as defined by the Revenue Scotland Security Breach and Incident Management Policy (to 31/4/16)	0	0	0	0	0
8. Qualifying Contributions made to the fund	a. Total value of qualifying contributions notified by Approved Bodies as having been made to the fund (to 14/5/16)	£1,096,168.97 ██████████	£1,428,313.82 ██████████	£3,244,466.08 ██████████	£2,224,579.63 ██████████	£7,993,528.50 ██████████
9. Funds Committed to projects	a. Total value of funds notified by Approved Bodies as having been committed to projects (spent) (to 14/5/16)	£133,680.00 (4 projects)	£370,302.18 (9 projects)	£638,940.86 (21 projects)	£689,745.06 (40 projects)	£1,832,668.10 (74 projects)
10. Approved Body Running cost	a. Number of Approved bodies with running costs <10% of contributions they received for the reporting period (to 31/3/16)					12²³

²² ██████████

²³ Compliance of administration costs will be carried out over a 2 year period (as qualifying contributions have to be spent within 2 years) therefore details are provided for information only.

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	b. Number of Approved bodies with running costs >10% of contributions they received for the reporting period (to 31/3/16)					3
	c. Average % of running costs (to 31/3/16)					6.31%
	d. Total cost to fund of Approved Bodies running (to 31/3/16)					£612,701.15
11. Regulatory Fee Payments	a. 1.82% of Qualifying Contributions received (to 14/5/16)	£19,950.28	£25,995.31	£59,049.28	£40,487.35	£145,482.22
	b. Amount invoiced for (to 14/5/16)	£19,950.28	£25,995.31	£59,049.28	£40,487.35	£145,482.22
	c. Amount received (to 14/5/16)	£19,950.28	£25,995.31	£59,049.28	£40,487.35	£145,482.22
	d. Amount outstanding (to 14/5/16)	£0.00	£0.00	£0.00	£0.00	£0.00
	e. proportion of payments made within 14 days ²⁴ (to 14/5/16)	50%	73%	66%	N/A ²⁵	N/A ²⁴
	f. proportion of payments made within 30 days (to 14/5/16)	100%	100%	86%	N/A ²⁴	N/A ²⁴
12. SEPA Costs	a. Total costs of regulating the fund (to 31/3/16)	£4,051	£19,702	£35,109	£38,314	£97,175

²⁴ Payment is required within 14 days (Regulation 30(1)(m)), however it was only discovered at year end that the standard SEPA invoice stated payment should be made within 30 days.

²⁵ Report compiled before 30 day period elapsed.

APPENDIX 2 - END-OF-YEAR SUMMARY INFOGRAPHIC

SLCF end-of-year REPORT 2015-16

The Scottish Landfill Communities Fund (SLCF) is a tax credit scheme, linked to Scottish Landfill Tax. It allows Scottish landfill operators to provide contributions to Approved Bodies, to fund community and environmental projects in Scotland.



Approved Bodies distributing SLCF Funds are located throughout the UK.



Distribution of funded projects



Most projects funded this year were for public amenity. They ranged from the restoration of public halls to the creation of skate parks. The second most funded project type was religious / historic sites. These included restoration works to churches and one project to help restore HM Frigate Unicorn. Biodiversity projects were mostly for the control of invasive non-native species. No projects were registered this year for projects for recycling or financial services. Projects were funded over the whole of Scotland from Colihness to the Borders.



Funded projects by type

