Finance Committee
Consultation: Landfill Disposals Tax (Wales) Bill
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Evidence Session: Thursday 19 January

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

SUMMARY
- Wildlife Trusts Wales support the development of a Landfill Disposals Tax Communities Scheme as a continuation of, replacement for, the Landfill Community Fund.
- We strongly support a scheme that hypothecates tax raised from an environmentally damaging activity for projects that benefit the environment, including biodiversity.
- As is widely reported, we are in a state of major and continuing decline in wildlife and ecosystem resilience.
- The current Landfill Community Fund is excellent value for money as wildlife projects deliver multiple benefits and thus the LCF punches far above its weight.
- Landfill Disposals Tax Communities Scheme like its predecessor is one of the only pure biodiversity funds as such it is an important mechanism for Wales to meet the its moral and legal obligations to halt the loss of biodiversity (i.e. Section 6 and 7 of the Environment (Wales) Act 2016).
- It is vital for the success of conservation projects to have funders who can commit to funding long term projects (3-5 years).
- The Bill requires greater clarity and transparency in relation to how LDT revenues are apportioned to the LDT CS in order to safeguard this important funding mechanism e.g. how will funding levels for the new fund be determined and protected?
- We recommend the Bill highlights that there should be an even spread of resources targeted at the three key areas to avoid being monopolized by one theme.
- There also should be expert advice given by the EDB to maximize the multiple benefits e.g. environmental enhancements must use volunteers and creation of biodiverse green spaces.
- Given the multiple benefits that the Landfill Disposals Tax Communities Scheme will achieve, and the current progressive agenda in Wales, we would welcome a higher percentage of tax returns be diverted towards this scheme. We believe that at least 15-20% would be suitable. This figure would help Wales achieve the vision set out in the Well-being of Future Generations (Wales) Act 2016 and lead the rest of the UK e.g. as England’s current rate is 4.2% and Scotland’s is 10%.
- We support the aim to simplify the administration of the scheme and maximise the amount of funding reaching community projects.
- Given our extensive experience, Wildlife Trusts Wales will put ourselves forward as the Environmental Distributive Body.

1 - INTRODUCTION
1. Wildlife Trusts Wales (WTW) represents the six Wildlife Trusts in Wales – Brecknock, Gwent, Montgomeryshire, North Wales, Radnorshire and South and West Wales (hereafter referred to as the ‘Wildlife Trusts’) working together in partnership to achieve common aims. The Wildlife Trusts collectively speak on behalf of more than 24,000 members and manage over 200 nature reserves, covering more than 8,000 hectares of prime wildlife habitat, from rugged coastline to urban wildlife havens.

2. Nature is fundamental to everyday life; it provides the air we breathe, the food we eat, the fuel we use for warmth, and the resources we consume for shelter and modern life. Nature and people are not separate; nor
is nature separate from our economy. Without a healthy environment, society cannot be resilient – but for nature to look after us, we need to look after nature.

3. The Wildlife Trusts in Wales strive for Living Landscapes and Living Seas, recognising these as inspirational ends point where our environment, society, and economy coexist for the benefit of wildlife and people.

4. Wildlife Trusts Wales took an active part of the consultation on the Landfill Disposal Tax (LDT) consultation. Specifically, we were supported the development of a Landfill Disposals Tax Communities Scheme (LDT CS) as a continuation of, replacement for, the Landfill Community Fund (LCF).

5. We strongly support a scheme that hypothecates tax raised from an environmentally damaging activity for projects that benefit the environment, including biodiversity.

6. Many of our members took an active part of the consultation as well as our ambassador, Iolo Williams. More than half the 279 respondents provided views about LCF, including 138 letters from Wildlife Trusts Wales members calling for the continuation of the LCF to support biodiversity projects.

7. However, the Bill requires greater clarity and transparency in relation to how LDT revenues are apportioned to the LDT CS in order to safeguard this important funding mechanism.

8. We support the aim to simplify the administration of the scheme and maximise the amount of funding reaching community projects. We are currently working with Welsh Government and other stakeholders including landfill site operators and the third sector to develop the scheme.

9. We will also put ourselves forward as the streamlined and cost effective Environmental Distributive Body (EDB), given our extensive experience as

1. an EDB for the LCF (i.e. BIFFA and the Ulster Landfill Community Scheme) and similar funds (i.e. Co-operative carrier bag levy, Peoples Postcode Lottery).
2. advisor to other Environmental Distributive Bodies (i.e. WREN, SITA)
3. Local sector knowledge including communities, environment, volunteering).

2 - LANDFILL COMMUNITIES SCHEME

10. As is widely reported\(^1\), we are in a state of major and continuing decline in wildlife and ecosystem resilience, such as

- 60% of the species in the UK having declined over recent decades.
- More than one in ten of all the species in the UK are under threat of disappearing from our shores altogether.
- The diversity is declining in Wales, which is shown by loss of habitats and species.
- The ‘extent’ of some habitats in Wales has also declined significantly.
- ‘Condition’ shows mixed results, while ‘connectivity’ has greatly reduced in Wales
- All ecosystems in Wales have problems with one or more attributes of resilience. This means that their capacity to provide ecosystem services and benefits may be at risk.
- No ecosystem in Wales can be said to have all the features needed for resilience

11. The LCF is one of the few funding streams for ‘pure’ biodiversity projects. Biodiversity funding as a whole is significantly underfunded\(^2\): a key factor in Wales failing to hit the 2010 target to halt the loss of biodiversity).


12. LDT CS, like the current the Landfill Communities Fund (LCF), will be an important mechanism for Wales to meet the challenges above and moral, legal and policy obligations, for example;

- **Wildlife and Countryside Act 1981** (as amended) - Section 28G states that Welsh Government has a: "duty ... to take reasonable steps, consistent with the proper exercise of the authority’s functions, to further the conservation and enhancement of the flora, fauna or geological or physiographical features by reason of which the site is of special scientific interest”

- **EU Habitats Directive** - Article 6(1) makes provision for the establishment of necessary conservation measures, and is focused on positive and proactive interventions (including designating and managing SACs). Article 6(2) makes provision for avoidance of habitat deterioration and significant species disturbance.

- **Environment (Wales) Act 2016**
  i. **Section 6 - Biodiversity and resilience of ecosystems duty** places a duty on public authorities to ‘seek to maintain and enhance biodiversity’ so far as it is consistent with the proper exercise of those functions. In so doing, public authorities must also seek to ‘promote the resilience of ecosystems’.
  ii. **Section 7 - Biodiversity lists and duty to take steps to maintain and enhance biodiversity** “The Welsh Ministers will publish, review and revise lists of living organisms and types of habitat in Wales, which they consider are of key significance to sustain and improve biodiversity in relation to Wales...The Welsh Ministers must also take all reasonable steps to maintain and enhance the living organisms and types of habitat included in any list published under this section, and encourage others to take such steps”.

- **Well-being of Future Generations (Wales) Act 2015** goal, a Resilient Wales, which states “A nation which maintains and enhances a biodiverse natural environment with healthy, functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change)”.

- **Environment Strategy for Wales** – states that we should have all statutory designated sites (such as Sites of Special Scientific Interest (SSSIs) and Special Areas for Conservation (SACs)) in **favourable condition** by 2026.

- **EU Biodiversity Strategy** aims to **halt the loss of biodiversity and ecosystem services** in the EU and help stop global biodiversity loss by 2020. It reflects the commitments taken by the EU in 2010, within the international Convention on Biological Diversity.

13. Much of LCF is currently used to fund the restoration of nationally and internationally important sites and species (see section 5) (and with it the multiple benefits that brings as highlighted below). Thus, helping the Welsh Government meet its legal and moral duties to conserve and enhance biodiversity.

14. As such, WTW responded to the consultation and advocated that

- Welsh Government should continue using the Landfill Disposals Tax to maintain the LCF
- The specific focus of the fund should be dedicated to biodiversity delivery,

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3 Environmental causes receive just 3% of public charity donations compared to Medical research (20%) and Children (15%) - CAF/NCVO 2009.
- Given the multiple benefits that the LCF achieves, and the current progressive agenda in Wales, we would welcome a higher percentage of tax returns be diverted towards this scheme. We believe that at least 15-20% would be suitable. This figure would help Wales achieve the vision set out in the Well-being of Future Generations (Wales) Act 2016 and lead the rest of the UK e.g. as England’s current rate is 4.2% and Scotland’s is 10%.

3 - ADMINISTRATIVE MODEL
Distributive Environmental Body
15. Considering the number of landfill sites in Wales is reducing to 10, and thus contributions to the LDT CF will significantly reduce, the Wildlife Trusts Wales agree that there should be one Distributive Environmental Body (DEB) in Wales. This will help cut down administration and therefore more money should be directed at good causes.

16. We recommend that the one DEB is Wildlife Trusts Wales. The Wildlife Trusts have a lot of expertise in delivering such grants including LCF, for example,

- BiffaAward is managed by the Royal Society of Wildlife Trusts (RSWT);
- Ulster Wildlife Trust is the DEB for several local councils and independent landfill operators.
- WTW is a member of, and advisor to, the SITA and WREN Wales LCF funding panels.
- WTW currently distributes the Co-operative single use carrier bag levy, and the Peoples Postcode Lottery contributions to the 6 regional Wildlife Trusts in Wales.

17. We also have local sector knowledge including communities, environment, volunteering i.e. we have over 2000 active volunteers in Wales working on community environmental well-being projects.

18. We believe this model will provide Welsh Government and stakeholders with

- clear assurance
- a proper governance framework (as we are subject to both company and charity law),
- reduced and streamlined administrative costs.

19. We recommend that administrative costs are the same for the current EDBs which is 7.5%. It will also ensure there is an easier application process, providing applicants with a single point of contact.

Definition from landfill sites
20. We agree with the widening of the definition from landfill sites to ‘landfill sites and related activities (such as depots and transfer stations)’.

Grant timescales
21. It is vital for the success of conservation projects to have funders who can commit to funding long term projects (3-5 years). This is to allow

- time for habitats to mature,
- species to breed
- allow project officers and volunteers the flexibility to work with appropriate seasons.

4 - THE BILL
22. Transparency - The Bill requires greater clarity and transparency in relation to how LDT revenues are apportioned to the LDT CS in order to safeguard this important funding mechanism.
23. As there is now no link between the LDT and the LDT CS – we would like to know how will funding levels for the new fund be determined and protected?

24. **Equity** – We recommend the Bill highlights that there should be an even spread of resources targeted at the three key areas
   - Biodiversity
   - Waste Minimization
   - Environmental Enhancements

25. This is so that the fund is not monopolised by one theme or totally taken up by expensive activities such
   - maintaining or improving community facilities, for example community halls roofs which can be very expensive
   - recycling of waste

26. **Maximized Benefits** - There should be also be expert advice given by the EDB to maximize the multiple benefits e.g. environmental enhancements must use volunteers and create biodiverse green spaces.

5 - **MULTIPLE BENEFITS**

27. The LCF is **excellent value for money** as wildlife projects deliver multiple benefits as such it **punches far above its weight**.

28. By targeting biodiversity and create wildlife friendly community green spaces and supporting green infrastructure, it delivers against all the goals of the **Well-being of Future Generations Act**.

**A Prosperous Wales**

29. **Match Funding** - Wildlife Trusts and other conservation organisations are able to use the current LCF to **unlock significant match funding** from other sources (e.g. WREN funding for North Wales Wildlife Trust’s Anglesey Grazing Animals Partnership unlocked over £100,000 pounds from other sources).

30. **Poverty alleviation** - The LCF also helps to relieve poverty. Poverty is not simply the result of low income, but also reflects a deprivation of basic human requirements for well-being including access to high-quality greenspace. The poorest populations are the most dependent on the ‘ecosystem services’ we get from nature (e.g. flood alleviation, mental and physical health benefits) and therefore suffer first and most severely from its degradation.

31. LCF wildlife projects also **address additional root causes of poverty** through **training and job creation**. For example, many of the biodiversity projects funded by the LCF are delivered through a combination of
   - newly employed conservation staff,
   - local contractors
   - locally recruited volunteers - thousands of hours of volunteer time, helping people gain valuable skills, confidence, and health and well-being benefits

32. For example, the Biffa Funded Pentwyn Meadows Project spent approximately £20,000 on local contractors over 2 years (roughly about half the project costs). Many of the contractors are also small farmers who rely on contract work to supplement their income.

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33. Many of the volunteers are not in education or employment (NEETS) but have receive training through the biodiversity projects, thus making them more employable. Volunteering on nature reserves also instils confidence and a sense of pride.

34. **Address the symptoms of poverty** – The LCF wildlife projects use volunteers to help restore and enhance nature reserves and greenspace close to where people live such as Silent Valley Nature Reserve near Ebbw Vale. **Volunteering on nature reserves brings proven health and wellbeing benefits which can help to arrest or reverse ailments that are shown to be more common in deprived communities.** The long-term conditions of obesity, diabetes, heart disease and dementia are much more prevalent in deprived communities which often have the least access to green space.

35. **House prices** - It has been proven that, due to the effect of the “dis-amenities” of living near to landfill sites (noise and air pollution, litter, smell), local house prices experience a reduction in value of up to 2.6% against average market value. This is partly due to the “stigma” of having a landfill site nearby. This stigma “appears to endure over periods in excess of 20 years”. By contrast, high-quality green space has been shown to uplift property values by up to 34%.

36. **Economic catalyst** - Improvements in biodiversity and green space have been proven to be a catalyst for economic activity. It has been proven that high quality parks, green spaces and nature reserves contribute to the economic vitality of, and confidence in, a locality. The LCF helps to maintain, restore and enhance these greenspaces.

37. **Tourism** - The Wales Visitor Survey 2013 (GB Staying Visitors) showed that the natural environment is the major attraction for visitors to Wales, with 69% stating that their main reason for visiting was to enjoy the landscape, countryside and/or beach. The LCF helps protects Wales’s £6.2billion tourist industry by protecting, restoring and enhancing our most precious and protected landscapes and wildlife.

**A Resilient Wales**

38. The Wildlife Trusts have been able to protect, restore and enhance some of Wales’s most precious and statutory protected landscapes and wildlife, such as:

a) **North Wales Wildlife Trust** used funding from
   - Tir-a-Môr Cyf to restore and enhance Eithinog SSSI and funding. Eithinog became a nature reserve only following 16 hard years of work by local residents, who valued both its specific wildlife attractions and role as community green space.

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14 Green Infrastructure’s contribution to economic growth: a review A research paper, commissioned by DEFRA and Natural England undertaken by Sheffield Hallam University Centre For Regional Economic And Social Research [http://www4.shu.ac.uk/research/cress/sites/shu.ac.uk/files/green-infrastructures-contribution-growth.pdf](http://www4.shu.ac.uk/research/cress/sites/shu.ac.uk/files/green-infrastructures-contribution-growth.pdf)

15 ibid

- SITA to contribute to the favourable conservation status of the Meirionnydd Oakwoods and Bat Sites SAC. Based on the site of the former Cooke’s explosives works (latterly ICI), Gwaith Powdwr forms a vital part of the cultural heritage of the 2,000-strong community of Penrhynedduerath. Countless village residents either worked at the site or had family members who did, and the transformation both of its buildings into habitat for lesser horseshoe bats and the wider site into accessible wild play space has been publicly welcomed.

b) **Radnorshire Wildlife Trust** secured funding from BIFFA to employ a project officer to oversee restoration of Beacon Hill Common SSSI, home to many rare species including the iconic red grouse.

c) **Wildlife Trust of South and West Wales** used WREN funding to restore and enhance the Carmel National Nature Reserve (NNR), SAC and SSSI as part of the WREN funded Gwendraeth Grasslands Project.

d) **Gwent Wildlife Trust** used funding from the Silent Valley Environmental Trust to care for the habitats and species of the Silent Valley Woodland SSSI and funding from the Veolia Environmental Trust to improve the Great Traston Meadows SSSI for the nationally rare Shrill Carder Bee.

39. Such work could not go ahead without this fund. **Without the LCF, Welsh Government will lose one of the few funding sources it has to help Wales achieve its legal biodiversity duties.**

40. **Waste** - The way that society deals with waste, and our behaviours related to resource consumption, can have a direct and indirect impact upon wildlife. The waste that goes to landfill sites is a mixture of discarded materials/products usually constructed out of natural resources such as wood, oil or other organic material. The production and disposal of these products and materials has a significant negative impact on the environment and increases Wales’s carbon footprint. Landfill sites, waste depots and transfer stations themselves have a significant environmental impact (e.g. land-take from the site as well as noise, air, odour pollution and windblown litter).

41. However, the LCF is a ‘green tax’ similar to the carrier bag charge under the Environment (Wales) Act 2016. The LCF and carrier bag charge are both aligned with the Welsh Government ethos that the **polluter pays** and **biodiversity offsetting** principles. For example, the ecological footprint of waste/landfill sites is currently compensated by funding of environmental improvements within a 10-mile radius of landfill sites. This local compensation is a form of **environment justice**.

**A Healthy, more equal Wales and Cohesive Communities**

42. The LCF is fundamental to **social justice** of local communities that live within 10 miles of a landfill site. As a result of LCF-funded projects, local communities benefit from enhanced green space – this can make up for the dis-amenities of living near a landfill site.

43. The biodiversity improvements undertaken by LCF projects to enhance or create high quality parks, green spaces and nature reserves contributes to the attractiveness of the area and the confidence and sense of place of communities.

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17 Polluter Pays Principle


44. The Department of Health\textsuperscript{27} recognises that a poor physical environment is detrimental to the public's physical and mental health. Research\textsuperscript{28} has found that spending time in nature provides protection against a range of diseases, including depression, diabetes, obesity, ADHD, cardiovascular disease, cancer and many more. This research shows that this is due to nature's ability to enhance the functioning of the body's immune system\textsuperscript{29}. It states that nature doesn't just have one or two active ingredients but it is more like a multivitamin that provides us with all of the nutrients we need.

45. Evidence strongly suggests that high quality green spaces can help reduce health and social inequalities. It is worth noting that those with close access to green space lived longer than those with no green space, even when adjusted for social class, employment, smoking etc and the impact was significantly greater amongst the least affluent\textsuperscript{30}.

46. The Wildlife Trusts LCF projects have also been able to inspire and engage communities to care about nature on their doorstep (for example, North Wales Wildlife Trust's SITA-funded Community Orchard\textsuperscript{31}).

47. Time spent in nature has a hugely positive impact on key social indicators. For example, work undertaken by the LCF projects such as creating accessible high quality greenspace make neighbourhoods more attractive, relaxing, comfortable and welcoming places and thus help to\textsuperscript{32,33}:

\begin{itemize}
  \item increase levels of social contact and social integration\textsuperscript{34}
  \item create community cohesion and enhance social ties especially within disadvantaged communities\textsuperscript{35}
  \item provide a sense of community\textsuperscript{36}
  \item engage individuals from different social groupings
\end{itemize}

\textsuperscript{21} The research from Birmingham University, http://www.birminghammail.co.uk/incoming/blight-fears-for-homes-near-landfill-390538

\textsuperscript{23} http://www.espa.ac.uk/news-events/espa-blog/human-dependence-ecosystem-services-can-quantifying-it-help-fight-poverty

\textsuperscript{24} Environmental inequalities and their impact on the health outcomes of children and young people, https://www.ncb.org.uk/sites/default/files/field/attachment/Environmental%20Inequalities.pdf


\textsuperscript{27} Department of Health (2010) - Healthy Lives, Healthy People: our strategy for public health in England


\textsuperscript{29} ibid


\textsuperscript{31} Celebrating the Landfill Communities Fund, http://www.wildlifetrusts.org/LCFreport


\textsuperscript{33} Pretty, Peacock, Hine, Sellens, South and Griffin (2007) - Green exercise in the UK countryside: Effects on health and psychological well-being, and implications for policy and planning - Journal of Environmental Planning and Management 50(2): 211-231

\textsuperscript{34} Fredrickson and Anderson (1999) - A qualitative exploration of the wilderness experience as a source of spiritual inspiration - Journal of Environmental Psychology. 19. 21-40.


• create opportunities for community participation and volunteering. Improvements in greenspace are a cost effective way for people to transform their neighbourhoods and improve their quality of life.

A Wales of vibrant culture and thriving Welsh language

48. Biodiversity and linguistic and cultural diversity are linked with indigenous languages having elaborate and complex words and phrases for the natural world. This reflects a deep understanding of the local environment. This environmental knowledge can be lost when a community shifts to another language or when the environment is degraded.

49. The Welsh language is intimately connected with both the history and the natural history of Wales, with many wonderful descriptive names in Welsh such as:
   - ‘Eryri’ (Welsh for Snowdonia), means land of Eagles and harks back to the 16th century when eagles nested there
   - A farm near Cerrigydrudion called ‘Clust y Blaidd’ (Wolf’s Ear) which is said to date back 500 years to when wolves roamed the area rocky outcrops in the Welsh uplands.

50. Therefore the LCF, by helping to maintain and enhance biodiversity, is helping to maintain the Welsh language.

Globally Responsible Wales

51. Nature is a crucial part of our efforts to combat, mitigate and adapt to climate change and its effects. By conserving nature and restoring ecosystems we reduce our vulnerability and increase our resilience to climate change in a cost-effective manner – many of the LCF biodiversity projects can be seen as climate change mitigation and adaption projects.

52. Restoring and enhancing important habitats such as peatlands, wetlands, woodlands and unimproved grasslands help mitigate and adapt to climate change by storing and sequestering carbon dioxide from the atmosphere. They also and help to alleviate the effects of flooding (e.g. Montgomeryshire Wildlife Trusts Pumlumon Living Landscape and Coed Cymru Pontbren Project).

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37 Gorenflo Romaine Mittermeier and Walker-Painemilla (2012) - Co-occurrence of linguistic and biological diversity in biodiversity hotspots and high biodiversity wilderness areas- Proceedings of the National Academy of Sciences of the United States of America


39 Pumlumon Project http://www.montwt.co.uk/what-we-do/living-landscapes/pumlumon-project