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## **Finance and Constitution Committee Comataidh Ionmhais is Bun-reachd**

# **Subordinate legislation considered by the Committee on 10 March 2021**



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# Finance and Constitution Committee

To consider and report on the following (and any additional matter added under Rule 6.1.5A)—

- (a) any report or other document laid before the Parliament by members of the Scottish Government containing proposals for, or budgets of, public revenue or expenditure or proposals for the making of a Scottish rate resolution, taking into account any report or recommendations concerning such documents made to them by any other committee with power to consider such documents or any part of them;
- (b) any report made by a committee setting out proposals concerning public revenue or expenditure;
- (c) Budget Bills; and
- (d) any other matter relating to or affecting the revenue or expenditure of the Scottish Administration or other monies payable into or expenditure payable out of the Scottish Consolidated Fund.
- (e) Constitutional matters falling within the responsibility of the Cabinet Secretary for the Constitution, Europe and External Affairs.



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and Unionist Party



**Fulton MacGregor**  
Scottish National Party



**John Mason**  
Scottish National Party



**Anas Sarwar**  
Scottish Labour

# Introduction

1. At its meeting on 10 March 2021, the Committee took evidence from the Cabinet Secretary for Finance on —
  - [The Budget \(Scotland\) Act 2020 Amendment Regulations 2021](#)
2. At the same meeting, the Committee also took evidence from the Minister for Trade, Innovation and Public Finance on —
  - [The Scottish Landfill Tax \(Standard Rate and Lower Rate\) Order 2021 \(SSI 2021/89\)](#)
3. The Official Report of the Committee's evidence sessions is available on the Committee's [website](#).

# The Budget (Scotland) Act 2020 Amendment Regulations 2021

4. The Regulations were laid on 25 February and amend the Budget (Scotland) Act 2020 which authorised the Scottish Government's spending plans for the current financial year. [The Spring Budget Revision \(SBR\) supporting document](#) provides supporting information on the revised spending plans for which the Scottish Government sought Parliamentary approval.
5. [Briefings on the Regulations and SBR](#) were prepared by the Financial Scrutiny Unit in SPICe and the Scottish Government.
6. The Delegated Powers and Law Reform Committee considered the Regulations on 9 March 2021 and determined that it did not need to draw the attention of the Parliament to the instrument.
7. Following evidence, the Cabinet Secretary moved motion S5M-24254—  
  
That the Finance and Constitution Committee recommends that the Budget (Scotland) Act 2020 Amendment Regulations 2021 [draft] be approved.

8. The Finance and Constitution Committee agreed motion S5M-24254.

# Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2021 (SSI 2021/89)

9. The Order was laid on 19 February 2021 and is subject to the provisional affirmative procedure. Section 41(3)b of the Landfill Tax (Scotland) Act 2014 states that such an order—
  - ” ceases to have effect at the expiry of the period of 28 days beginning with the date on which it was made unless, before the expiry of that period, the order has been approved by resolution of the Parliament.
10. The current rates for the Scottish Landfill Tax are—
  - Standard rate: £94.15 per tonne; and
  - Lower rate: £3 per tonne (for less polluting materials).
11. The Order proposes the following rates will apply on or after 1 April 2021—
  - Standard rate: £96.70 per tonne; and
  - Lower rate is £3.10 per tonne.
12. The [Policy Note](#) states that these rates will “provide appropriate financial incentive to support the policy aim of reducing the amount of material sent to landfill and supporting a more circular economy.” It then explains that “The increase will mean that rates and bands remain consistent with those in place in the rest of the UK, addressing the risk of waste tourism.”
13. The UK Budget was published on 3 March and confirmed that the landfill tax rates in England would also increase to £96.70 and £3.10 from 1 April 2021. <sup>1</sup>
14. The Policy Note states that the Scottish Fiscal Commission (SFC) estimated in January 2021 that the Scottish Landfill Tax would generate revenues of £88 million in 2021-22. The SFC stated in the January forecasts that it expected revenues “to gradually decline over the next five years as more waste is diverted to alternatives other than landfill.” <sup>2</sup>
15. The Delegated Powers and Law Reform Committee considered the Order on 2 March 2021 and determined that it did not need to draw the attention of the Parliament to the instrument.
16. Following evidence, Ivan McKee, Minister for Trade, Innovation and Public Finance moved motion S5M-24234—

That the Finance and Constitution Committee recommends that the Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2021 be approved.

17. The Finance and Constitution Committee agreed motion S5M-24234.



- 1 <https://www.gov.uk/government/publications/budget-2021-overview-of-tax-legislation-and-rates-ootlar/annexa-rates-and-allowances>
- 2 <https://www.fiscalcommission.scot/wp-content/uploads/2021/01/Scotlands-Economic-and-Fiscal-ForecastsJanuary-2021.pdf>

