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Finance and Public Administration Committee

Report on the Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2024 (SSI 2024/60)



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Finance and Public Administration Committee

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

(a) any report or other document 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 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) matters relating to public service reform and the National Performance Framework within the responsibilities of the Deputy First Minister and public administration.

2. The Committee may also consider and, where it sees fit, report to the Parliament on the timetable for the Stages of Budget Bills and on the handling of financial business.

3. In these Rules, “public expenditure” means expenditure of the Scottish Administration, other expenditure payable out of the Scottish Consolidated Fund and any other expenditure met out of taxes, charges and other public revenue.



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Introduction

1. Scottish Landfill Tax (SLfT) is a tax on the disposal of waste to landfill, paid by site operators and charged by weight. It is charged based on two rates: a standard rate and a lower rate for 'less polluting' materials. The Scottish Government announces these rates as part of the annual Scottish Budget.
2. The rates are subsequently set with the approval of the Parliament by way of a statutory instrument (the Order). 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".
3. The [Scottish Budget 2024-25](#) published on 19 December 2024 sets out the proposed Scottish Landfill Tax rates for 2024 to 2025. The Order, which was laid before the Parliament on 21 February 2024, specifies that the standard and lower rates for disposals will be increased from 1 April 2024 as follows—
 - standard rate - £103.70 per tonne (currently £102.10), and
 - lower rate - £3.30 per tonne (currently £3.25).
4. Inert waste is subject to the lower rate (for less polluting materials). Inert wastes are types of waste that are unreactive (biologically and chemically). When inert waste is disposed of, it either takes an extremely long time to decompose or doesn't decompose at all. Inert waste can include sand and concrete waste, other examples include: clay, sub soil, chalk and rubble.
5. Typical examples of non-inert waste are largely household waste, including black bin bag waste, but also include cardboard, drywall, gypsum, metals, paper, and wood.
6. The Scottish Budget explains that the rises will provide "a stable tax environment, whilst addressing concerns over the potential for waste to be moved from or to Scotland should one part of the UK have a lower tax charge than another" (so-called 'waste tourism').
7. The [Policy Note](#) in relation to the instrument states that the "Scottish Government considers that these rates will provide appropriate financial incentives to support the policy aim of reducing the amount of material sent to landfill and supporting a more circular economy".
8. Finally, it highlights the Scottish Fiscal Commission forecast of December 2023, which expects the SLfT to generate revenue of £58 million in 2024-2025 (a full-year estimate); this is down from £74 million in 2023-24.

Consideration by the Delegated Powers and Law Reform (DPLR) Committee

9. At its meeting on 5 March 2024, the DPLR Committee considered the instrument and determined that it did not need to draw the attention of the Parliament to the instrument on any grounds within its remit.

Read the Official Report - [5 March 2024](#)

Consideration by the Finance and Public Administration Committee

10. At its meeting on 5 March 2024, the Committee took evidence from—
 - Tom Arthur MSP, Minister for Community Wealth and Public Finance; and
 - Robert Soutar, Senior Tax Policy Adviser, the Scottish Government.
11. The policy behind the landfill tax sits as part of a broader suite of objectives aimed at achieving a circular economy. The Committee understands that it was always anticipated that revenue to the Scottish Government from the tax would decrease as less waste went to landfill and people and businesses became more engaged with recycling initiatives.
12. However, the Minister was asked for further information relating to the following issues—
 - whether consideration has been given to changing the rates of SLfT to incentivise other behaviours, and how that would be balanced against any potential risk of waste tourism;
 - details of what is driving the fall in material sent to landfill: whether this is a result of a genuine and significant change in behaviour or if there has been an increase in fly-tipping; and
 - what modelling has been carried out to demonstrate whether the measures in place would prove to be a significant deterrent.
13. The Minister responded—
 - ” “I want to have an opportunity to take those points away and come back to the Committee to speak to how those factor into the considerations on rates”.
14. The evidence taken at the meeting can be read in the [Official Report](#).
15. Following questions to the Minister, the Committee moved to formally consider a motion on the instrument. The Minister moved the motion in his name. The motion was agreed to by the Committee without division.

Conclusion

16. The Finance and Public Administration Committee recommends to the Parliament that the Scottish Landfill Tax (Standard Rate and Lower Rate) Order 2024 (SSI 2024/60) be approved.

