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Kenneth Gibson
MSP Convener Finance and Public
Administration Committee

By Email: fpa.committee@parliament.scot

11 June 2025

Dear Convener,

Scottish Landfill Tax (SLfT) Rates and Bands Order 2025 – Publication of SLfT research on the lower rate of tax

At the Finance and Public Administration Committee session on the Scottish Landfill Tax Rates and Bands Order 2025 on 11 March 2025, members raised questions on the Scottish Government's rate setting policy.

As you will be aware, Scottish Landfill Tax is intended to support Scotland's circular economy, encouraging the prevention, reuse and recycling of waste rather than its landfill and thereby helping keep valuable resources circulating in the Scottish economy. Although the tax is only one lever, it continues to drive behavioural change and the amount of waste going to landfill in Scotland continues to fall. The total volume of waste landfilled in 2023 (the most recent year for which SEPA statistics are available) was 2 million tonnes, a 52% decrease since the tax was devolved in 2015.

This downwards trend is expected to accelerate following the introduction of a ban on the landfilling of biodegradable municipal waste (BMW) from the end of 2025. In the period January to March 2024 a greater volume of lower rated material than standard rated material was landfilled for the first time. When the ban comes into force, lower rated materials are expected to account for a much more significant volume of the total materials landfilled.

Given this context, the Scottish Government commissioned research in late 2024 to evaluate the effectiveness of the lower rate of SLfT in supporting Scotland's environmental and circular economy objectives. The research, carried out through the ClimateXChange programme between December 2024 to April 2025 assessing whether the lower rate of SLfT remains effective in advancing Scotland's environmental objectives. The research also examined whether adjustments to the tax or related policy levers could accelerate progress towards these objectives.

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The final report is due to be published on 12 June 2025 and an embargoed copy has been provided for reference.

The research set out a range of potential policy considerations that Scottish Government could take forward to more fully align SLfT lower rate with circular economy and environment objectives. These options will be fully considered in advance of taking decisions on SLfT policy in the 2026-27 Scottish Budget.

I hope this additional information is helpful to the Committee.

Yours sincerely,

IVAN MCKEE

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