

CONTRIBUTING THIRD PARTY (CTP) GUIDANCE

Important Note

When completing your grant application to GrantScape, the Contributing Third Party (CTP) donation should not be added to the total cost of your project, nor deducted from the grant amount that you request from us.

1. Background:

In 1996, Landfill Tax was introduced by the UK Government to help reduce the amount of waste being taken to landfill sites and to promote a shift to more environmentally sustainable methods of waste management.

Alongside the introduction of Landfill Tax, the UK Government launched the Landfill Tax Credit Scheme. This is now called the **Landfill Communities Fund** (LCF) and enables landfill operators to contribute money for a variety of community and environmental projects. In England and Northern Ireland, the LCF is overseen by HMRC and regulated by ENTRUST.

The **Scottish Landfill Communities Fund** (SLCF) replaced the UK scheme in Scotland on 01 April 2015. The SLCF is regulated by the **Scottish Environment Protection Agency** (SEPA), a body appointed by Revenue Scotland (<https://www.sepa.org.uk/environment/waste/scottish-landfill-communities-fund/>).

2. What is a Contributing Third Party (CTP) donation?

Landfill operators can contribute a defined percentage of their annual landfill tax liability into the SLCF. Against this, they can reclaim 90% of their contributions as tax credits.

Each SLCF grant recipient is therefore asked to arrange a donation to the landfill operator who has provided the money for their grant. This covers the 10% tax credit shortfall and enables their grant to be released.

3. Who can provide a CTP donation?

A company, public sector organisation, charity, voluntary body, individual, or your own organisation can be the CTP donor for any grant that GrantScape may make. This is subject to the following conditions:

- The CTP donor must not derive a unique benefit from the project going ahead and their CTP donation must not be made up of SLCF monies.
- There must be no connection between the CTP donor and any of the contractors carrying out the project.

4. How do I calculate the CTP donation?

If your application is successful, the amount of CTP donation required to release your grant will be confirmed to you.



The calculation used to establish the CTP amount is based on a number of factors including the percentage landfill operators can contribute to the SLCF and the SEPA fee at the time the contribution is made.

Although the calculation can change slightly from year to year, a general guide would be to use the following assumption:

Each £12 of CTP donation releases £100 of grant

To work out the approximate level of CTP donation, you can therefore use the following calculation:

$$(\text{Grant amount} / 100) \times 12 = \text{CTP donation amount}$$

Example:

- Your project is going to cost £20,000
- You have secured the balance of funding elsewhere
- You require £10,000 from GrantScape to complete your fundraising total

The required CTP donation is calculated as follows: $\text{£}10,000 / 100 \times 12 = \text{£}1,200$. Approximately £1,200 will be required to release the £10,000 grant from GrantScape.

5. When will the CTP donation be required?

We will provide a CTP form if your grant application is successful. This will need to be completed by your group's proposed CTP donor.

Before any of your grant can be paid, you will need to ask your CTP donor to make their donation to the landfill operator who has provided the monies for your grant. We will provide full guidance on this at the appropriate time.

6. Further Questions?

If you have any further questions, please call GrantScape on 01908 247630.