

What you need to know about - Contributing Third Party (CTP)

Who is this guidance document for:

- ❖ Applicants
- ❖ Grant Beneficiaries
- ❖ Contributing CTP Organisations

Background

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

Alongside the introduction of Landfill Tax, the Government launched the Landfill Tax Credit Scheme. This is now called the Landfill Communities Fund (LCF), and enables Landfill Operators to contribute money, via tax credits, to a variety of community and environmental projects.

The LCF is regulated by [ENRUST](#), a body appointed by HM Revenue and Customs.

What is a Contributing Third Party (CTP) payment?

Landfill Operators can claim a tax credit of 90% of the money they give towards the LCF. This leaves them with a 10% shortfall.

Each LCF grant beneficiary is therefore asked to arrange a payment to the Landfill Operator who has provided the money for their grant. This payment is retained by the Landfill Operator to cover the 10% tax credit shortfall and enables the grant to be released. The CTP payment is never refunded.

How do I calculate the CTP payment?

The CTP payment will be 10% of the awarded grant.

Example:

If the Veolia Environmental Trust awards a grant of £50,000, the CTP payment will be £5,000.

Who is a Contributing Third Party (CTP)?

The organisation which makes the 10% CTP payment directly to the Landfill Operator is known as a CTP.

Who can be a Contributing Third Party (CTP)?

Most organisations can be a CTP but the following exclusions do apply:

- A CTP must not gain any unique benefit from the project ([Definition of Unique Benefit](#))
- There must be no connection between the organisation making the CTP payment and any of the contractors carrying out a project. ([Examples](#))
- A CTP payment must not be made up of another LCF grant

Can the organisation applying for / receiving the grant be the CTP?

Yes, the grant beneficiary can be a CTP as long as they are not an Environmental Body (EB), enrolled with ENTRUST, and do not gain a unique benefit from the project going ahead.

If the grant beneficiary is an EB, they must seek ENTRUST approval and provide a copy of the approval to us at the time of application.

When is the CTP payment made?

After a grant is provisionally awarded by our Trustees, the grant beneficiary will then be asked to provide contact details for their CTP via the Post-Award Details Form which will be made available in their [User Account](#).

When we have completed the Post-Award process, we will then issue a CTP Agreement to the CTP to be signed, electronically via Adobe Sign, together with details of how and when the payment should be made.

- The payment is made to the Landfill Operator when the CTP Agreement is signed and returned to us, before we confirm all formalities have been completed and issue the project with consent to start.
- The organisation named as the CTP must make the payment directly to our Landfill Operator. **The Contributing Third Party should not transfer the payment to the grant beneficiary.**
- The CTP payment should be made by BACS, if this is not possible please contact us.
- The grant beneficiary must let us know when the CTP payment has been made so we can confirm receipt.

We will provide payment details when we issue the CTP Agreement. We can issue an invoice to the CTP, if they require us to use a Purchase Order reference, this should be communicated to us during the Post Award process.

Can I contact you for more information about CTP?

We hope you find this guidance useful but if you have any questions, please contact us and we will be happy to help. Please note we cannot provide advice on who you should approach to be your CTP organisation.