



## Environment Matters – The Budget

Welcome to a special edition of Aardvark's fortnightly news briefing focusing on this week's budget

- **Environmental lobby welcomes budget** Environmentalists broadly welcomed the greenish tinge of Wednesday's budget but said key reports in coming weeks would be more revealing of the government's climate strategy. The Chancellor index-linked the business Climate Change Levy, revamped vehicle excise duties to hit gas-guzzlers and announced a £20 million fund to promote new environmental technologies. He also announced an agreement with energy companies to insulate an extra 250,000 homes over the next two years, a pilot scheme to begin water metering and a new labelling scheme promoting energy-efficient consumer goods. ([Reuters 22/03/06](#))
- **Government to raise landfill tax, lift funding to environment projects** The UK government said it plans to increase tax levied on operators of landfill sites and to boost tax credits on operators' contributions to environmental improvement schemes. The Chancellor said he proposes to increase the standard rate of landfill tax to £21 per tonne from £18 per tonne from April 1. The lower rate of tax that applies to inactive wastes disposed in landfill sites remains unchanged at £2 per tonne. The maximum credit that landfill site operators will increase to 6.7% from 6%. ([Forbes 22/03/06](#))
- **MPs Challenge Chancellor's record on using taxation to protect environment** Gordon Brown's record of using taxation to protect the environment has been attacked by a cross-party committee of MPs. The Commons environmental audit committee pointed out the proportion of total tax revenues coming from environmental taxes had fallen from a peak of 9.8 per cent in 1999 to 8.3 per cent in 2004; the lowest for a decade. The Treasury argues the relative decline in environmental taxation is caused by fiscal incentives that helped change behaviour. But the committee was "far from convinced". ([FT.com 22/03/06](#))
- **Brown targets polluting vehicles** The chancellor is to raise taxes for gas-guzzling vehicles, with the worst offenders now attracting a vehicle excise duty of £210. The move has been coupled with a zero rate for a small number of cars with the lowest carbon emissions, and £40 duty for cars with low emissions. The chancellor said the climate change levy, the resulting climate change agreements and the carbon trust funded by it had "cut carbon emissions by a total of over 28 million tonnes". He said that in each of the coming five years, these climate change measures would cut emissions by more than 6 million tonnes, accounting by 2010 for 40% of the UK's total carbon reductions. ([BBC News 22/03/06](#))
- **No Extension to Contaminated Land Tax** Gordon Brown has decided not to extend the contaminated land tax credit to long-term derelict land despite the recommendations in last year's Barker Review. The Treasury's budget report says that it is unclear how it can be done cost-effectively and without encouraging the redevelopment of derelict land that would have taken place anyway ([EGI News 22/03/06](#))
- **Brown Starts To Turn Green** Friends of the Earth said that the Chancellor needed to get more serious about climate change before it was too late. The forthcoming decision on Britain's contribution to the EU Emissions Trading Scheme, and the outcome of the on-going Climate Change Programme Review, were opportunities for him to prove that he is prepared to take the decisions that will get the Government back on track to delivering promises made to the electorate at the last three General Elections ([Friends of the Earth 22/03/06](#))

### Latest News from the Aardvark Team

- Aardvark has recently been appointed by yoghurt manufacturer, Muller Group UK to advise on their Site Protection Monitoring Programme (SPMP). The SPMP covers numerous aspects of Muller's operation including addressing programme objectives for monitoring their Environmental infrastructure.
- For all the latest Aardvark news [www.aardvarkem.co.uk](http://www.aardvarkem.co.uk)