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Consultation – summary of responses

Landfill Disposals Tax

Date of issue: September 2015



Overview

This document provides a summary of the responses to the consultation that sought views on Landfill Disposals Tax.

Action required

None – for information.

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This document can be accessed from the Welsh Government's website at www.gov.wales

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1. Introduction

- 1.1 The Landfill Disposals Tax (LDT) consultation is the third in a series of Welsh Government consultations aimed at developing devolved tax arrangements in Wales. It was designed specifically to help the Welsh Government consider the options and opportunities for developing LDT, which will replace UK Landfill Tax when it is devolved to Wales in April 2018.
- 1.2 In preparing for the devolution of taxes the Welsh Government has already consulted on collection and management arrangements¹ and laid before the National Assembly for Wales the Tax Collection and Management (Wales) Bill (“the Bill”) in July 2015². The issues discussed in this previous consultation and the subsequent provisions of the draft Bill link directly to the development of both LDT and the proposed Land Transaction Tax (LTT). A public consultation on the development of LTT, which will replace Stamp Duty Land Tax in Wales, closed on 6 May 2015. A summary of responses to the consultation was published on 15 September 2015.³
- 1.3 In other developments, the Minister for Finance and Government Business announced in June 2015 that the Welsh Revenue Authority (WRA) will undertake most of the collection and management functions for LDT, and will delegate compliance and enforcement to Natural Resources Wales (NRW).

Engagement

- 1.4 Views were invited as part of a 12-week consultation period which began on 24 February 2015 and ended on 19 May 2015. Respondents were able to submit their views and comments on paper or online, and in either Welsh or English.⁴ The consultation was widely publicised via digital media, newsletters and other publications.
- 1.5 The Welsh Government held several stakeholder engagement events during the consultation period. These included meetings open to all stakeholders and the public in Cardiff on 23 April 2015 and Llandudno on 29 April 2015 as well as a separate meeting with landfill site operators in Cardiff on 7 May 2015. Officials also visited Landfill Community Fund Projects and observed a Distributive Environmental Body’s’ panel meeting.

¹ <http://gov.wales/consultations/finance/devolved-taxes/?lang=en>

² <http://www.senedd.assembly.wales/mglIssueHistoryHome.aspx?IId=12989>

³ <http://gov.wales/consultations/finance/devolved-taxes/?lang=en>

⁴ <http://gov.wales/consultations/finance/landfill-disposals-tax/?lang=en>

- 1.6 The Welsh Government has also engaged with multiple stakeholders at meetings of the Minister for Finance and Government Business' Tax Advisory Group and the LDT Technical Experts Group, and with tax experts during the consultation process and throughout policy development.

Proposals

- 1.7 The consultation looked at a number of proposals relating to the devolution of Landfill Tax, including tax rates and taxable disposals, compliance and enforcement, administration and community wellbeing, which the following summary details.

Consultation responses

- 1.8 There was good overall interest in the consultation, the consultation webpage received 2,040 visits and the consultation document was downloaded 269 times.
- 1.9 In total the consultation received 279 responses from a range of stakeholders. The responses came from individuals and various organisations representing different sectors from across Wales and the UK.
- 1.10 As part of the consultation responses, the Welsh Government received 138 letters from members of Wildlife Trusts Wales in support of allocating a proportion of LDT revenue to enhance community wellbeing. A copy of the model letter can be found at Annex B.
- 1.11 All respondents were invited to request anonymity, and 12 respondents decided to utilise this option and therefore their identity has been anonymised throughout this document. Any quotes used have not been attributed to the individual respondent for the purposes of the summary, but have been attributed to their respondent category.
- 1.12 Table 1 shows the number of responses by respondent category. Further details of respondents can be found at Annex A and copies of responses are available in an Index published separately alongside this summary document.
- 1.13 The differing nature of the respondents provides an important context for considering the issues raised in the responses, and care should be taken in reaching conclusions based purely on the number of responses voicing a similar view.

Landfill Disposals Tax – Summary of Responses

Table 1: Breakdown of response by Respondent Category

| Respondent category | Number | % |
|----------------------------------------|---------------|-------------|
| Businesses | 17 | 6 |
| Environmental Organisations | 4 | 1 |
| Individuals | 68 | 24 |
| Legal, Tax & Accountancy Professionals | 4 | 1 |
| Local Authorities & Town Councils | 8 | 3 |
| Political Parties | 1 | 1 |
| Professional Bodies & Associations | 9 | 3 |
| Public Bodies | 1 | 1 |
| Third Sector | 29 | 10 |
| Wildlife Trusts Wales letters | 138 | 49 |
| Total | 279 | 100% |

*Percentages have been rounded up to the nearest whole number

2. Tax Rates and Taxable Disposals

Introduction

- 2.1 This chapter of the consultation explored the disposal of material including the tax rates that might be applied. The following section includes a summary of the questions concerning: the application of tax rates in Wales; the taxable material; the area in which a taxable disposal takes place; the credit for landfill waste removed from landfill sites; and, the exemptions and reliefs that should apply.

Question 1: How important is it that the Welsh Government maintains consistency with the UK Government and Scottish Government on Landfill Tax rates and why?

- 2.2 Of the 51 responses to this question, the majority of respondents stated that it was important for the Welsh Government to maintain consistency with the UK Government and the Scottish Government. Further to this, a small number of the responses indicated that it was either not important or provided alternative comments.
- 2.3 The majority of the respondents who commented that it was important to maintain consistency referenced the necessity to avoid “waste tourism”. For example, one tax professional commented that maintaining consistency “will minimise the risk of cross border transportation of waste”. One business responded by saying that alignment with the UK would allow businesses “optimal business planning and financial provision”, suggesting that clarity for Welsh businesses, at an early stage, was important. Whilst one tax professional highlighted that “Introducing rates that differ from England (in particular) would serve to hinder administration and management of the tax by UK operators and in doing so increase the risk of non-compliance”.
- 2.4 Of the few respondents who did not believe that consistency was important, one business commented that Wales “should not let the rest of the UK hold it back from developing a better system”. In addition, one individual respondent agreed, stating that the “priorities of Wales” needed to be determined first, before the Welsh Government considered alignment with the UK and Scottish Governments.

Question 2: Are the current standard and lower tax rates set at an appropriate level for Wales? Please explain your response.

- 2.5** Of the 33 responses to this question, just over half of the respondents commented that the current standard and lower tax rates were set at an appropriate level for Wales. There were fewer respondents who stated that the current standard and/or lower tax rates should be changed or modified. Further to this, a small number of responses suggested alternative arrangements.
- 2.6** Of those respondents who said that the current standard and lower tax rates were set at an appropriate level for Wales, several reiterated their concerns of waste tourism if there were to be differential rates with England. Other respondents felt that the standard tax rate in particular had been successful in encouraging investment in alternative technologies and diverting waste from landfill. Given that both England and Scotland had set their rates in line with inflation (RPI⁵) then further encouragement was not required. One tax professional commented that there did not seem to be “reason to believe that the nature of the waste industry in Wales or the nature of waste itself is significantly different from that in either England or Scotland such that it demands different Landfill Disposals Tax (LDT) rates – for the foreseeable future”.
- 2.7** Of the few respondents who stated that the current standard and/or lower tax rates should be changed or modified, the majority suggested that the lower tax rate should be increased. One business, for example, commented that the Welsh Government may wish to consider increasing the lower rate, “to provide extra incentive to promote further recycling”. In addition to this comment, one public body stated that the current lower rate did not provide “enough of an incentive to effectively drive recovery and corresponding diversion from landfill of this waste stream”. Several respondents also commented that the lower rate had not kept pace with inflation. However, one local authority cautioned that increasing the lower rate could adversely affect the availability of lower rated material used for the ongoing development of landfill sites e.g. daily cover.
- 2.8** A small number of respondents commented on the possibility for introducing new or alternative tax rates, in addition to the current lower and standard rate.

⁵ Retail Price Index

One common suggestion was for a middle rate to be introduced, with several respondents suggesting that it might be beneficial to have a middle rate for construction waste to encourage the separation of the materials.

- 2.9 Finally, a tax professional referenced the “widening differential” between the standard and lower rates, which was considered to have made the potential for tax evasion arising from the misclassification of waste more likely.

Question 3: Is there value in the Welsh Government having the ability to set different lower rates of tax and why?

- 2.10 Of the 36 responses to this question, the majority of respondents commented that there would be value in the Welsh Government having the ability to set different lower rates of tax.
- 2.11 Of those who indicated that there was benefit in the Welsh Government having the ability to set different lower rates of tax, one professional body stated that this would enable the Welsh Government to “safeguard” against any sudden changes in the lower rates by the UK and/or Scottish Governments. Whilst one business commented that this would enable the Welsh Government to “respond to economic changes, social circumstances, and/or environmental developments”. Respondents also suggested that it might be valuable to have this ability, should the Welsh Government wish to influence further behavioural change to meet its *Towards Zero Waste*⁶ policy ambitions. One business for example, commented that setting a different lower rate might “encourage innovation in waste treatment techniques”.
- 2.12 A small number of respondents expressed concern at the Welsh Government having this ability, emphasising the importance of maintaining consistency with England and Scotland.

Question 4: Are there any changes to the list of materials qualifying for the lower tax rate that should be considered, and on what basis?

- 2.13 Of the 30 responses to this question, just over half of the respondents commented that no changes should be considered to the list of materials qualifying for the lower tax rate. Of these, one recurrent trend was that

⁶ http://gov.wales/topics/environmentcountryside/epq/waste_recycling/zerowaste/?lang=en

consistency with the UK was important, so as to not encourage “waste tourism”. One tax professional commented that any “divergence from the existing UK and Scottish tax rates” could have an impact on the “cross border transportation of waste”, and would need to be carefully considered before any changes were made. In addition, one professional body stated that the “current list is established and generally understood”, going on to say that changes would create “unnecessary uncertainty”, suggesting that continuity would allow for a smooth transition.

2.14 One suggestion put forward by a small number of respondents was to more closely align tax policy with the requirements of environmental legislation. One tax professional for example, commented that this would mean that any waste stream which met the environmental requirements for being categorised as inert waste, would simply qualify for the lower tax rate.

2.15 A variety of other points were made, including:

- the list of qualifying materials should be subject to “regular review”;
- to provide greater clarity with the wording of the list;
- to consider excluding certain materials, such as material containing Japanese knotweed, from the lower rate, and, to consider expanding the list to include additional materials, such as bonded asbestos.

Question 5: What would be the practical implications of introducing a threshold to define ‘a small quantity’ of non-qualifying waste in a load of qualifying material?

2.16 Of the 29 responses to this question views were split. Around half of the respondents raised concerns regarding the practical implications of introducing a threshold. They felt it would be difficult to evaluate and measure and consequently it would be difficult to administer and enforce. In addition, several respondents, including Natural Resources Wales (NRW) in their response, advised against introducing a threshold and rigid definition, stating that non-qualifying waste should be present only because of “incidental” reasons, such as by “accident”. Respondents suggested that by introducing a threshold, the Welsh Government would “encourage some parts of the industry to use less efficient methods for segregating waste”, with some operators “deliberately mixing waste up to the threshold”. As an alternative to a threshold, many of these respondents advocated better practical guidance of a ‘small’ quantity to assist landfill site operators in their assessment.

- 2.17 Just over a third of the responses to this question supported the introduction of a threshold to provide the industry with greater clarity regarding non-qualifying waste in a load of qualifying material. One tax professional commented that this would provide certainty for landfill site operators, but it was contingent upon “comprehensive guidance on the application of the threshold” being available. Another tax professional stated that the enforcement of a threshold would create an “even playing field across the industry”.

Question 6: Would you support the introduction of a Welsh Loss on Ignition (Lol) test when Landfill Tax is devolved? Please explain your reasons.

- 2.18 Of the 32 responses to this question, the majority of respondents supported the introduction of a Welsh Lol test with several respondents supportive of the Welsh Government’s intention to monitor the outcome of the UK and Scottish Governments’ approaches. Only a small number opposed the introduction of a Welsh Lol test.
- 2.19 Of those in favour of a Welsh Lol test, one recurrent theme was regarding the importance of maintaining “cross-border consistency”, so as to avoid “waste tourism”. One tax professional, for example, commented that consistency with the UK would “ease compliance” for businesses operating in more than one part of the UK, and prevent any issues arising from “cross border transportation of waste”.
- 2.20 In addition one professional body supported a Welsh Lol test, noting that Lol was an objective test which provided consistency for both regulators and landfill site operators when assessing the content of waste going to landfill. They concluded that this approach would create a “level playing field and reduce misclassification [of waste]”. One individual suggested that the Lol test could be extended to other waste streams such as rocks and soils. However, respondents in favour of a Welsh Lol test did caution on the need for a proportional approach to its use.
- 2.21 Of the few respondents that opposed the introduction of a Welsh Lol test, one claimed that the waste process should be as “simple as possible”, going on to say that the test would introduce “complexity” and “delay[s]”.

Question 7: Are there any problems with the existing arrangements for defining the area in which a taxable disposal takes place, and if so, how might these be resolved?

- 2.22** There were 21 responses to this question. Of these, around half of the respondents commented that they were not aware of any problems with the existing arrangements for defining the area in which a taxable disposal takes place. One tax professional commented that the disposal area is “quite clear” and that “information areas and tax free zones work effectively in controlling the non-taxable ‘temporary deposits’ of waste on the landfill site”. One business stated that an “information zone” encourages landfill site operators to recycle and that in principle this was a “good idea and does work”.
- 2.23** Several respondents believed that there were problems with the existing arrangements regarding the area where a taxable disposal takes place, for example that there should be closer alignment between tax legislation and environmental permitting. In addition, one professional body said that the alignment of tax records with environmental permits would support compliance by providing an effective “audit mechanism”.
- 2.24** Further to this, one local authority commented that there were difficulties in distinguishing between activities on site which were taxable, and those that were not. To address this issue, the respondent stated that landfill site operators should be “required to designate more than one information area”, which would help when discerning what was taxable at a landfill site. Another local authority commented that materials that are used to maintain haul roads or environmental controls off the active landfill cell should not be taxed as these materials were not being disposed.
- 2.25** NRW in its response recommended that the taxable disposal area should be consistent with the site boundary identified within a landfill facilities environmental permit and operator’s management plan. They also recommended that the landfill operator ensures that they keep an accurate record of intention and final use of the wastes entering the disposal area.
- 2.26** A small number of respondents commented that further analysis on this topic would need to be considered before a decision could be made. One professional body commented that a “full study of the impacts” of any change to the definition of where a taxable disposal takes place, should be

undertaken before any modification was introduced. In addition, several respondents commented that the practical implications arising from any changes would need to be fully explored before a decision was made, in particular to the daily operations, records management and IT systems.

Question 8: In your view, are there any issues with the current arrangements for credit for landfill material permanently removed from a landfill site and if so, how might these be addressed?

- 2.27** Of the 21 responses to this question, around half commented that there were issues with the current arrangements. Of these, one persistent theme concerned the restrictive nature of the terms that an operator can apply for credit.
- 2.28** One business for example, noted that it was “unusual to know at the time of landfill[ing] if, and when... material could be recovered”, suggesting that this requirement did not encourage landfill site operators to recover or reuse waste. One tax professional agreed, stating that the current requirement to inform the tax authority of the intention to remove material could be replaced with a “requirement to notify the tax authorities when material is intended to be removed for recycling, recovery or treatment”. The same respondent said that the time-limit, that applied, could be either “extended or removed” to improve the current credit arrangements.
- 2.29** A small number of respondents commented that they did not believe that there were any issues with the current arrangements for credit for landfill material permanently removed, with one business stating that there were “no issues with the current arrangements for credit”. In addition, one tax professional commented that the current credit system “works well”. Further to this, one professional body stated that although there were no “major issues” with the current arrangements, it was possible that “landfill mining” might become of greater importance in the future, suggesting that the Welsh Government might need to consider the future prospects for recovering material from landfill sites.

Question 9: What would be the practical implications of legislating on the basis that all material entering a landfill site (other than that which is specifically exempt) is subject to tax?

- 2.30** Of the 27 responses to this question, just over half considered the approach to be inappropriate and raised concerns regarding its practical implementation. One professional body said that “clear legislation would avoid litigation” and that it was not “suitably practical to tax all materials entering a waste site.
- 2.31** Several respondents commented that it would simply move the debate and open a fresh round of legal challenges and interpretation issues around the exemptions. In addition, a number of respondents highlighted that this approach would have negative implications for the industry.
- 2.32** Approximately one third of respondents believed that the implications of this proposal would be positive. Of these, one trend was that this reform could bring certainty to the tax, with one business stating that it should help to “overcome current problems with interpretation of the legislation”. In addition, one tax professional agreed, stating that the move could “remove much of the current uncertainty”, going on to say that it would “allow the Welsh Government to align the exemptions with the activities that were necessary for environmental protection and safe management” of the landfill site, as prescribed by the environmental regulator.

Question 10: What activities would you expect to be exempt (not subject to tax) and why?

- 2.33** Of the 28 responses to this question, a small number of respondents made reference to the importance of maintaining consistency concerning waste exemptions with the rest of the UK. For example, one business commented that it would avoid the potential for “waste tourism”, whilst one professional body commented that given the ongoing legal cases regarding exemptions, it would be wise for the Welsh Government to “ensure consistency with England”.
- 2.34** A small number of respondents provided suggestions for new exemptions: one professional body commented that engineering materials, such as “clay,

stone, pumps, pipework” and so on, are “essential to the running of the facility” and are not “waste to be disposed of”. In addition, one business agreed, stating that “engineering activities” that are related to the “containment system” should be exempt. Other activities suggested for exemption were capping and cover materials.

Question 11: Do you have any other suggestions for how we might clarify the taxable and non-taxable activities on a landfill site and what would be the practical implications of these?

- 2.35** Of the 23 responses to this question, one recurrent theme was the need for clear and concise guidance. Some respondents also emphasised the need for good record-keeping and regular inspection. One local authority stated that “clear guidance documentation” for landfill site operators would help to clarify what were on-site taxable and non-taxable activities. Further, NRW suggested that each landfill site operator should already have a “site working plan”, including information on the range of activities being undertaken.
- 2.36** Alternatively, several respondents suggested that there was scope to more closely dovetail with environmental legislation and environmental permitting. Whilst some respondents advised that the Welsh Government should consider case law in developing its approach. One tax professional touched on the difficulties around the ‘intention’ aspect of the legislation commenting that “it is not...desirable to try and make this determination by reference to the intention of the original waste producer or of the site operator”.
- 2.37** Due to the open-ended nature of the question, there was a range of alternative answers provided. Comments included:
- that “clearly defined segregated areas” would help to clarify activities on site;
 - that there should be “no storage on a landfill”, compelling landfill site operators to use “information zones” to help clarify activities on site;
 - current HMRC requirements could be improved by placing requirements on landfill site operators to keep a record of intention of final use of wastes;
 - that an “operational definition” would be useful, referencing how HMRC has “necessarily had to differentiate between material” on site.

Question 12: Do you think that any of the current exemptions should be removed or modified? Please explain your response.

- 2.38** Of the 27 responses to this question, the majority could not identify any changes that should be made to the current list of exemptions. One business for example, stated that there should be “no modifications” to the current exemptions “at this stage”; whilst one professional body said that the current list “should remain in place to ensure consistency with England” to avoid waste tourism. There were a number of respondents who outlined the benefits of the quarrying exemption for communities.
- 2.39** In addition, a small number of respondents commented on the need for “further clarification” of the current exemptions list, with one professional body stating that “for avoidance of doubt”, further clarification on certain areas, such as “quarrying” and “mineral extraction” should be clearly “defined”.
- 2.40** One professional body stated that a rationale should be provided of retaining any of the current exemptions based on the impact on the environment and business. This respondent went on to add that robust guidance was needed to minimise abuse and inconsistent application of the exemptions.

Question 13: Is there a case for removing or modifying the water discount relief? Please explain your response.

- 2.41** Of the 25 responses to this question views were split Just over half did not believe that there was a case for modifying or removing the water discount relief. One business, for example, commented that there was “no case for removing or modifying the water discount relief from the weighing process”. This respondent went on to say that the transportation of dry materials, such as ash, had the potential to create an “environmental nuisance”, and therefore the addition of water was required for the mitigation of associated waste problems. Further to this, one professional body agreed, stating that although the number of businesses affected by any change or modification would be small, the financial implications would be “severe”, and warned that “careful consideration” should be employed by the Welsh Government.

2.42 All other respondents however, did believe that there was a case for removing or modifying the water discount relief. For example, one local authority commented that the water discount mechanism was “complex”, and that water added to waste was “still a material being disposed of” and therefore should be removed. In addition, one professional body stated that “there is a case for reviewing the current water discount relief system”, stating that any move to simplify the process, and limit abuse of the system, should be encouraged. In addition, NRW commented that they would support the Welsh Government in considering modification of the water discount, encouraging a thorough investigation with a “cost benefit analysis”.

Question 14: Do you think there is a case for introducing any new exemptions or reliefs, and if so, what should they be and why?

2.43 Of the 22 responses to this question, over half commented that there was no case for introducing any new exemptions or reliefs. One local authority explained that the “existing UK Landfill Tax provisions were well understood” and advised the Welsh Government not to “pursue significant changes”, suggesting that consistency with the UK should be a priority. One tax professional, stated that any new exemptions or reliefs “run the risk of compliance costs and waste tourism”.

2.44 Several respondents suggested changes for new exemptions or reliefs. Comments included:

- the inclusion of a “time limited” exemption for “fly ash and bottom ash from innovative heat from waste or biomass power generation”;
- that “plastic wrapping” used in agriculture should receive a reduced tax rate as this will provide an incentive to “reduce any impact on the rural environment”;
- there may be merit in exempting “stable non-reactive (SNR) wastes, such as asbestos and gypsum”; and,
- that the Welsh Government should introduce a relief for “local authority collected household waste”, suggesting that this move would “free up valuable funds to be re-assigned to increasing recycling collections services and communications to encourage the public to recycle more of their waste”.

3. Compliance and Enforcement

Introduction

- 3.1 This chapter summarises the consultation responses to the questions regarding compliance and enforcement. The Welsh Government wants to ensure that an effective compliance and enforcement framework is implemented and that the negative impacts of illegal waste activity, particularly caused by those seeking to evade paying Landfill Disposals Tax (LDT) are minimised. This chapter summarises the responses on the use of weighbridges, charging tax on illegal deposits of waste, criminal and civil penalties and other compliance issues including tackling tax avoidance.

Question 15: What would be the practical implications of placing an obligation on landfill site operators to use a weighbridge where one is functional and available on the landfill site or within close proximity of the site, with a corresponding penalty for failure to do so?

- 3.2 Of the 33 responses to this question, the majority were supportive of placing an obligation on landfill site operators to use a weighbridge. One legal professional for example, commented that “there appears to be no reason why an operator should not be obliged to use a weighbridge where one is available and functional”, whilst one landfill site operator agreed, stating that there would be “no practical implications” for implementing this change, as landfill site operators should be weighing most if not all waste transactions already. In addition to this, one business commented that this move would “promote greater accuracy of recording and help maintain a level playing field in the waste management industry”.
- 3.3 Of these respondents who were supportive, some additional points included:
- if a weighbridge was not available on site, it would be “fair and reasonable to expect a public or other compliant weighbridge to be used”;
 - this move would create an “enhanced level of scrutiny and will help to cut down on the amount of tax evasion”; and,
 - whilst it is desirable to place an obligation on landfill site operators where feasible, alternative arrangements should be considered for a “situation where [a] weighbridge is not available”.

- 3.4 A handful of respondents were concerned about the practical implications if an obligation was placed on landfill site operators to use a weighbridge. For example, one local authority commented that this move could “penalise the smaller operator, increasing operational and administrative costs of their operations”. One tax professional suggested that there are instances where “mandatory use of a weighbridge is impractical or impossible”, going on to say that the Welsh Government may wish to “consider maintaining the potential for landfill site operators to agree alternative methods” for weighing the waste.

Question 16: What would be the practical implications of extending the definition of landfill sites to include illegal deposits of waste within the scope of the tax?

- 3.5 Of the 32 responses to this question, the majority indicated that they would support a move to extend the definition of landfill sites. In addition, a handful of respondents commented on the importance of allocating sufficient resource to enforce any extension of the definition. Conversely, a small number of respondents questioned what the benefits of extending the definition would be.
- 3.6 Of the responses, who favoured extending the definition, one business commented that this move would “provide an additional deterrent to illegal disposals of waste and would help to support the Welsh Government’s Fly-tipping Strategy”. Further to this, one landfill site operator supported the move to require illegal waste site operators to pay the tax owed, at the standard rate, and one tax professional stated that “this would be a positive step in a number of areas”, encouraging landfill site operators to secure their boundaries against illegal dumping, but also the threat of tax being levied twice on this material”, as is the case in Scotland, would act as a deterrent.
- 3.7 A small number of respondents made reference to Scotland where the definition has been extended to include unauthorised disposals on any land where an authorisation was required. Anyone caught illegally disposing of waste is required to pay the tax at the point where they disposed of it illegally and again when it is remediated to a licensed landfill site. One respondent commented that this approach would send a clear message that illegal waste disposal will be treated “very seriously”.

- 3.8 Of the responses that commented on the importance of allocating sufficient resource to enforce this extension of the definition, NRW stated that this measure would only become effective “if sufficient evidence was gathered to undertake successful enforcement action”. Another respondent, a professional body, concluded that local authorities and NRW “would need to be resourced to carry out monitoring and enforcement activity”.
- 3.9 Finally, a small number of respondents indicated that they were unsure what the benefits of extending the definition would be, with one Community Council, for example, commented that this was still not enough of a deterrent, favouring “strict penalties” including “vehicle confiscation”. One professional body queried the blurring of the taxation of lawful activity with unlawful activity. Despite agreeing that it might be “administratively simpler” and “more efficient to levy the LDT” against offenders, the respondent concluded that it would be “more appropriate to apply criminal sanctions”. The respondent goes on to say that it is “difficult to see why they [offenders] should be taxed as if they had disposed of it twice”.

Question 17: Are there any issues with the current penalty regime and if so, how might they be addressed?

- 3.10 Of the 29 respondents to this question, over two thirds were split between either not being aware of any issues with the current penalty regime or not having a view. Conversely, the remaining third believed that the current penalty regime could be changed to better deter and penalise behaviours that fail to comply with the law. Of these, a small number expressed concerns regarding enforcement of the current penalty regime.
- 3.11 The majority of those respondents who commented that there were no issues with the current penalty regime simply said that they were not aware of any problems. One organisation suggested that “the penalty regime in operation for Landfill Tax is fairly robust and should be adopted”.
- 3.12 Of the respondents who commented that more could be done to deter and penalise non-compliant behaviours, a small number remarked that it was still perceived “less expensive to get caught than to comply with the law” and that “it must become the norm that there is never any financial benefit in breaking the law”. In addition, one business commented that some waste delivery operators “take advantage” of the present tax regime, with “mis-

coded waste” for example. This respondent believed that both waste delivery operators and the landfill operator should be penalised if this was to occur.

- 3.13** A minority of respondents expressed concern regarding the enforcement of the current penalty regime. One organisation also commented that suitable “enforcement of the law by the enforcement bodies” should “impose appropriate penalties to remove any economic benefit derived from offending and to deter future offending”. Another remarked that such “serious penalties” could only be implemented with “sufficient enforcement resources”.
- 3.14** An alternative view expressed by one respondent was that the need to penalise would be reduced if they were allowed to develop infrastructure to localise reprocessing in partnership with local authorities.

Question 18: Is there a need for increased compliance activity on the ground, rather than desk-based? If yes, please explain your view and provide evidence/explain the benefits where possible.

- 3.15** Of the 30 responses to this question, the majority agreed that increased compliance activity on the ground was needed in Wales. A small number of respondents believed that the current compliance processes were “adequate” or that more data would need to be provided before a decision could be made.
- 3.16** Of the respondents who agreed that increased compliance activity was needed, several said that there was “no substitute for boots on the ground” and that increasing compliance activity on the ground, would allow regulatory bodies to attain greater “intelligence about illegal activity”. One professional body also pointed out that in addition to site visits providing a visible presence to deter potential offenders; they also allowed for a greater understanding of the site in question and the processes in place.
- 3.17** A handful of respondents, although favouring increased compliance activity on the ground, asked who would manage the supervision of LDT. A small number of respondents asked about the potential role that NRW might play in the compliance process. One tax professional referred to the Scottish Environment Protection Agency (SEPA), and the benefits of having a tax on landfill administered and enforced by an agency which understood the operations and processes of landfill sites and suggested that the Welsh

Government might want to consider the “involvement of NRW for similar reasons”.

- 3.18** NRW commented that they would “continue to work with [the] Welsh Government to explore any potential role that we may have in compliance or enforcement of this regime, to ensure that we are fully funded and that there is a resilient level of knowledge and skills present to enable us to deliver any role effectively”.
- 3.19** There was also one professional body which expressed support for increased “practical enforcement action” to tackle illegal waste crime and commented that the regulatory body should assist businesses and waste operators to better understand and “comply with regulations prior to resorting to any enforcement action”. This organisation championed “education as the first response to non-compliance”.
- 3.20** Finally, one tax professional stated that HMRC had “had some success in identifying under declared tax”, but that the timely and costly process suggested that the Welsh Government should approach increased compliance, on a “limited, targeted basis”, where there was sound evidence to proceed with physical examination.

Question 19: Are there any further actions the Welsh Government might take to use its new tax powers to improve compliance and enforcement and minimise the impact of Landfill Disposals Tax evasion? If yes, please describe what those actions could be?

- 3.21** Of the 24 responses to this question, a small number commented that increasing site inspections and/or increasing the penalties associated with tax evasion would deter potential offenders.
- 3.22** In addition, a minority of respondents stated that increasing publicity, communication and engagement with operators and the public, regarding compliance and penalties, would have positive results.
- 3.23** Other points made included:
- the potential opportunities to achieve shared goals and outcomes working with NRW, reducing administrative burdens and improving information sharing;

- ensuring regulatory bodies had “suitable resources” to ensure greater tax compliance;
- further inspection and “scientific testing”, such as LOI testing, to improve compliance on site; and,
- consideration of a tax on manufacturers based upon “recyclability and longevity of their products”.

Question 20: In your view, is there evidence of tax avoidance within the existing Landfill Tax, and what is the nature of this?

- 3.24** There was some confusion regarding the difference between evasion and avoidance in the responses to this question. For clarity, HMRC explains avoidance in the following terms: “Tax avoidance... unlike evasion is not in itself illegal, but it involves using the tax law to get a tax advantage that Parliament never intended. It frequently involves contrived, artificial transactions that serve little or no purpose other than to reduce tax liability”.⁷ Tax evasion is defined as the illegal non payment of taxes, usually resulting from the making of a false declaration or no declaration at all of taxes due to the relevant tax authorities.
- 3.25** Of the 16 responses to this question, over two thirds commented that avoidance was possible, or that they knew of instances where avoidance had taken place. Importantly however, the evidence provided by many of these respondents referred to waste misclassification, false declaration and fly-tipping, all of these activities are illegal and are considered to be evasion. There was one example that did possibly indicate avoidance and this was modifying the “composition” of the waste, including the “water content”. This response suggested that waste was modified deliberately in order to qualify for an exemption or relief.
- 3.26** Of the respondents who commented that avoidance and/or evasion was possible, two organisations did not consider this to be a wide scale issue, believing it to involve a minority of Welsh businesses. Importantly however, one of these two organisations concluded that the “Welsh Government should ensure all firms are operating on a level playing field”, and was therefore supportive of the “principle of a General Anti-Avoidance Rule” (GAAR).

⁷ <https://www.gov.uk/government/publications/tackling-tax-avoidance--2>

- 3.27 Of the few respondents who indicated that they were not aware of any avoidance regarding the tax, one landfill site operator commented that the “well scrutinised environment” in which landfill site operators and waste carriers work, makes “avoidance impossible”, going on to say that operators would engage with the relevant regulatory authority if they were ever in doubt.

4 Administration

Introduction

- 4.1 This chapter summarises the responses to the questions that considered how the Welsh Government might be able to simplify and modernise administrative processes and make compliance simple. In particular, the Welsh Government asked respondents about aligning the invoice period with the financial year, the practical implications of making it a requirement that European Waste Catalogue (EWC) codes are used in completion of the tax return, what opportunities could simplify and modernise the filing of tax returns including improving electronic and online support, and finally the circumstances in which bad debt relief is appropriate.

Question 21: Would you support aligning the tax return period with the financial year? Please explain your reasons.

- 4.2 Of the 29 responses to this question, over half indicated that they would support aligning the tax return period with the financial year saying that it would simplify administrative arrangements and offer benefits in consistency. One professional body commented that “simplification of the tax regime” would “enable businesses to better manage their tax reporting requirements”, whilst another stated that if there are “efficiencies to be gained” from aligning the tax return period, it should be supported.
- 4.3 Another view expressed was that the Welsh Government should be driven towards such a decision because it would provide “convenience” for the “site operator’s business cycle”.
- 4.4 A small number of respondents welcomed making the timing of the tax return consistent with the financial year and in doing so the quarterly waste returns that landfill site operators complete for NRW. They commented that this would support compliance activity, with NRW for example, the alignment would help simplify the “cross checking”. Another respondent, a professional body, agreed, stating that this had “benefits in terms of identifying the quantities and types of wastes accepted at landfill sites”.
- 4.5 Conversely, several respondents indicated that they would either not support the alignment of the tax return period to the financial year, or that this should

be a voluntary option for operators. These responses came from a mixture of organisations including tax professionals, landfill site operators, and professional bodies. One tax professional said that “operators should be free to choose their accounting quarters as per VAT returns... and the operator should be empowered such that they can successfully manage their own cash flow position”. Further to this, another tax professional noted that allowing business to choose their own accounting periods “helps to reduce administrative burden imposed on taxpayers”.

Question 22: What would be the practical implications of making it a requirement that European Waste Catalogue codes are used in completion of the tax return?

- 4.6 Of the 25 respondents to this question, a majority stated that they were either not aware of any significant implications for landfill operators requiring that European Waste Catalogue (EWC) codes are used in completion of the tax return, or that there would be only a minimal burden initially as the process was embedded.
- 4.7 One organisation commented that this change “would impose only a minimal burden, whilst simplifying the process of cross- checking tax and waste returns”. One public body agreed with this sentiment in their response, commenting that using EWC codes in both tax returns and waste returns, would allow for greater consistency, and “improve the ability to cross check the information”. One professional body commented that the EWC codes should be “well known”... and there should be “very little practical implications in making it a requirement” to use the codes for tax returns as landfill site operators should already be competent in their use.
- 4.8 In contrast, a minority of respondents disagreed, commenting that there could be implications in making it a requirement for site operators to use EWC codes on tax returns. One tax professional commented that the process could be both “time consuming and expensive”- whilst one business stated that EWC codes are not “fully comparable” with several EWC codes used for both the lower and standard tax rates.

Question 23: How might the Welsh Government simplify and modernise the filing of tax returns including improving electronic and online support?

- 4.9 Of the 26 responses to this question, the majority were in favour of modernising the filing of tax returns, supporting electronic filing and online support. Several respondents also stated that traditional paper based returns should continue to be made available, as an alternative option. Indeed, one professional body commented: “should an operator be located in a remote rural area there are often significant challenges to the use of electronic returns and online support”.
- 4.10 Responses that supported the electronic and online filing of tax returns, said the approach would help “secure” and “simplify” arrangements yet said that any solution should be “proportionate” and. The potential for an electronic option which would be safe, simple to understand, and easy to use, was therefore perceived in a positive way by these respondents. One legal professional body stated that it “would be a backwards step to continue with a paper based system”; whilst another respondent claimed that an online option would be “both favourable for operators and for the relevant tax authority”. One professional body, although supportive of offering a digital platform, commented that the “cost of administering the new tax should be proportionate” to the revenue it generated.
- 4.11 One professional body commented on the possibility of the Welsh Revenue Authority (WRA) designing a digital platform whereby a collection of devolved taxes could be monitored and administered online via the same programme, which would “reduce the costs”, but also help the Welsh Government to progress the “Digital Wales” agenda.
- 4.12 Further to this, a small number of respondents suggested combining the tax return with NRW’s waste returns. An environmental organisation commented that this would “ensure accuracy” and “save administration time”. Whilst one landfill site operator commented that tax returns are “quite straight forward” already.
- 4.13 Whilst appreciating the potential gains from electronic returns, a small number of respondents expressed concerns that due to the small and diminishing number of landfill sites in Wales, the establishment of an online platform might not be feasible following a cost-benefit analysis. In addition, a suggestion was

that the Welsh Government should work closely with NRW to consider options, and to share in their experiences of operating IT systems for waste permits and returns as this would enable the Welsh Government to evaluate possible options going forward.

Question 24: Should bad debt relief be offered and if so, in what circumstances is it appropriate?

- 4.14** Of the 22 respondents who provided an answer to this question, the majority indicated that they did not support this.
- 4.15** Of the responses that supported a form of bad-debt relief, several commented that a more limited form, or a “narrowing” of the conditions for when this could be applied for, might have merit. For example, one tax professional commented that whilst supporting the continued availability of bad debt relief, they recognised the case for restricting the applicability of this to businesses, such as “introducing a requirement that the operator’s customer must be formally insolvent before the operator can claim the relief”.
- 4.16** A small number of respondents made reference and gave support to the Scottish Government model, which had narrowed the circumstances in which landfill site operators can claim bad debt relief.⁸ One local authority commented that the “Scottish model makes sense”, going on to say that the Welsh Government “should not offer significant tax relief for the public sector”. In addition to this, one professional body stated that there “may be merit in tightening up on the conditions” where bad-debt relief applied, going on to say that the Scottish experience should be monitored.
- 4.17** Of the responses that supported the availability of some form of bad-debt relief, a handful commented that the Welsh Government might want to mirror the existing model for VAT bad debt relief around the time elapsed before a claim could be made. In UK legislation, bad debt relief can be claimed after a period of 12 months, yet VAT bad debt relief can be claimed after 6 months. In reference to this, one tax professional stated that this might help to “improve cash flow for landfill site operators”.

⁸ Scottish Landfill (Administration) Regulations 2015 (<http://www.legislation.gov.uk/ssi/2015/3/made>) paragraph 25.

Question 25: Have you any comments on the operation of the current internal reviews and appeals provisions in a Landfill Tax context, including in particular the people eligible to seek a review or appeal?

- 4.18 Of the 7 responses to this question, there was a range of views and no single trend or theme.
- 4.19 A small number noted the importance of the “independent review” process, with one legal professional body commenting that “it should be clear that an independent review is independent”. Neither response elaborated further on how this process should work in practice.
- 4.20 One professional body stated the necessity for the Welsh Government to “issue regulations regarding the timescales within which the WRA should deal with appeals”. The respondent went on to say that clarity around the issue would provide businesses with a better idea of the time and costs involved in the appeals process, and the risks associated. Finally the respondent noted that a “statutory duty” should be placed on the WRA requiring the organisation to report annually on the timescales for handling complaints and appeals.
- 4.21 One tax professional commented that consideration should be given to allow all organisations and individuals who were implicated in a chain, such as waste producers, waste carriers and landfill site operators, to review and appeal all decisions that would affect them, as in most instances, it would be the customer that would bear the burden of the tax. Conversely, one local authority suggested that the reviews and appeals process could give “tax evaders an unfair advantage”, suggesting that vexatious litigation and time wasting behaviour could delay the payment of tax and going on to say that there was “sufficient evidence that where the system allows it there is significant abuse”.
- 4.22 Other responses included:
- employing a “similar system to *PayPal*”; and,
 - resolving appeals and complaints online where both parties agree a resolution.

Question 26: In your view, are there any exceptional circumstances in which taxpayers might be able to postpone payment of Landfill Disposals Tax until the conclusion of their appeal?

- 4.23 Of the 11 responses to this question, the majority agreed that exceptional circumstances should be considered in which payment might be postponed until an appeal had been concluded. Of the respondents who believed that exceptional circumstances should be considered, a selection commented on the importance of providing evidence of “hardship”.
- 4.24 A minority of respondents, including two tax professionals, commented that there were no exceptional circumstances that should be considered to postpone payment of Landfill Disposals Tax (LDT) at this time.
- 4.25 Other responses noted developments in Scotland, with one respondent stating that the Welsh Government should consider them. The Scottish Government has introduced a potentially firmer approach to payment. The Revenue Scotland and Tax Powers Act 2014, contains a general pay-first principle to the effect that, pending a review or appeal, tax remains due and payable.⁹ The Scottish Government has the power (by way of secondary legislation) to provide for circumstances in which payment could be postponed pending a review or appeal.¹⁰ This respondent concluded by commenting that such a process will not only allow LDT issues to be resolved, but that it was also “valuable for any future tax raising powers” that might be “devolved to the Welsh Government”, suggesting that a best practice appeals process for LDT could inform how future devolved taxes might be legislated.

⁹ s. 245 Revenue Scotland and Tax Powers Act 2014 (<http://www.legislation.gov.uk/asp/2014/16/enacted>).

¹⁰ For more information on the above mentioned relevant Scottish Statutory Instrument, please see: <http://www.legislation.gov.uk/ssi/2015/129/contents/made>

5 Community Wellbeing

Introduction

- 5.1 This chapter summarises the responses to the questions on whether a proportion of LDT revenues should be used to enhance community wellbeing. In developing LDT it is important to consider how landfill sites and Landfill Tax evasion affects communities. This section of the consultation asked for views on whether to allocate a proportion on LDT revenues address this, looking in particular at the proposed activities that could receive funding and the administrative options to ensure that the maximum amount of funding would reach worth initiatives.
- 5.2 This chapter attracted the most attention, and over half of the total respondents answered these questions. As part of the consultation responses, the Welsh Government also received 138 letters from members of Wildlife Trusts Wales in support of allocating a proportion of LDT revenue towards biodiversity and wildlife initiatives to enhance the wellbeing of communities. The Wildlife Trust letters are considered as part of the analysis and summary for this chapter.

Question 27: Should Welsh Government allocate a proportion of Landfill Disposals Tax revenue to enhance the wellbeing of communities?

- 5.3 There was wide ranging support for a fund that might enhance community wellbeing.
- 5.4 The Wildlife Trust letters supported the continuation of a fund to assist “charities in undertaking essential projects to protect and enhance Wales’ most important habitats and species”. The letter discusses the importance of community projects that produce “direct benefits for communities who live with the adverse environmental impact caused by landfill sites”, and that the continued support for a community wellbeing fund would help the Welsh Government to meet key environment objectives and legal obligations.
- 5.5 In addition to the letters, there were 123 responses to this question. Of these, the majority were largely in support of the Welsh Government continuing to allocate a proportion of the LDT revenue to enhance the wellbeing of communities. Recurrent words and themes included: “compensating

communities”, the “protection” and “enhancement” of the “natural environment”, “protecting” Wales’ “tourism industry”, “poverty alleviation”, and the “polluter pays principle”. In addition, many commented that the current Landfill Communities Fund (LCF) was a vital and much needed source of funding for community projects, and should be maintained in some form in Wales.

- 5.6 A minority commented that the Welsh Government should not allocate a proportion of revenue to the LCF. One professional body stated that the “declining revenue” expected from LDT in the coming years would mean that this fund was no longer a “cost effective approach”. Furthermore, the money might be better spent if allocated to local authorities to support “waste awareness work”, or otherwise it would “seem more sensible for the revenue raised to contribute to strategic funding within the Welsh Government to protect public services”.

Question 28: If the Welsh Government allocates a proportion of LDT revenue to enhance community wellbeing, which of the following activities should benefit from funding, and why?

- Supporting compliance and enforcement and minimising the impact of waste crime
- Supporting waste minimisation and the diversion of waste from landfill
- Biodiversity initiatives and wider environmental improvements
- Tackling poverty and deprivation in communities
- Other (please specify)

- 5.7 Of the 76 responses, over half expressed support for projects that focused on ‘biodiversity and wildlife’. Several of these responses stated that such projects provide some form of remediation for those who live near a landfill, with one business commenting that “biodiversity initiatives... are able to compensate communities”.

- 5.8 Further to this, the 138 Wildlife Trusts Wales letters agreed that maintaining biodiversity initiatives and wildlife projects was imperative. The letter stated that such a fund is needed to “reverse the terrible loss of wildlife” in the UK, going on to say that supported projects allow communities to engage with nature, whilst also providing “opportunities for people to volunteer”, enabling them to “learn new skills whilst improving their health and wellbeing”. The letter also states that funding for environmental projects can have “significant

added value”, with a greater return coming from “every pound of grant funding awarded”.

- 5.9** There was also support for waste minimisation activities, ranging from “support for community recycling initiatives” to backing for projects that “reduce waste production in the first instance”. One individual stated that help and support for “communities to dispose of their rubbish responsibly would be helpful”. Another individual supported “reuse and repair activities” that capture materials and retain their... social and economic value”. In addition, one third-sector organisation commented that “waste minimisation and re-use can play a major role in tackling poverty and deprivation”, going on to say that the “targeted application of tax revenues to develop the re-use sector” would be encouraged.
- 5.10** A small number of respondents expressed support for the funding of activities regarding compliance and enforcement. For example, NRW commented that they would support the use of LDT revenue for compliance and enforcement activities because of the “wider potential benefits that an effective enforcement regime could bring to community wellbeing”.
- 5.11** Some respondents commented that funds should be focused on projects for direct community benefit and as such, they should not be used for compliance and enforcement work. One business for example, stated that money “should be used for the communities rather than to supplement the work of public bodies in terms of these activities”.
- 5.12** An overarching theme that was captured by many of the respondents was that any fund to enhance community wellbeing should support tackling poverty in communities. One professional body said that this should be the “key driver”, going on to champion “sustainable business growth”, and “job creation”. A third-sector respondent referenced the “Wellbeing of Future Generations (Wales) Act”, stating that the general principles of any fund should be “alleviating poverty” and “promoting healthy lifestyles”

Question 29: Do you have any thoughts on the possible administrative model?

- 5.13** Of the 45 responses to this question, over half supported having either a small number of distributive bodies, or indeed one distributive environmental body (DEB) to administer a fund. For example, one third-sector organisation commented that an “independent, experienced and trusted intermediary would

be able to distribute the grant while minimising administrative costs”. In addition, a third sector respondent commented that the fund should be “accessible, have light administrative burden, and a quick turn around”, before going on to say that there were “several organisations” that had “considerable expertise”.

- 5.14** A handful of respondents commented on the geographic location of potential schemes, stating that the requirement that a project seeking funding through the LCF must be within 10 miles of a landfill site, should be relaxed. One third-sector organisation commented that this should be increased, which would allow “more projects to benefit as the current restriction runs the risk of exhausting the provision of projects in closer proximity”. One local authority commented that “environmental activities” that have a positive “community impact” should not be limited to the 10 mile radius supporting the view that any fund should not be restricted solely to the immediate locality of a designated landfill site.
- 5.15** A small number of respondents suggested that it would be beneficial to remove the mandatory requirement to match fund, as projects “find it hard to raise the 10% necessary to secure funding”. In addition, one business commented on the importance that the fund not be restricted by state aid rules, stating that “money needs to remain away from Government” so that it can be used to “match fund grants”.
- 5.16** A small number of respondents supported funding multi-year projects. One third-sector organisation commented that “most environmental projects need several seasons to be implemented and to carry out effective monitoring” another said that “that funds committed through a contract are not easy to spend within short timescales”. Both respondents went on to say that there was a difference between “unspent funds” and those that are “retained by a DEB” to allocate to multi-year projects on an annual basis.
- 5.17** Other points included:
- “micro grants can be a very effective tool for mobilising local community-based action”;
 - consideration be given to the total amount that will be allocated to a fund;
 - consider a model similar to the “Aggregate Levy Fund”; and,
 - any administrative changes should be shown to be more efficient, and effective, than current arrangements, and the reasons for this change should be evidenced.

6 Additional Questions

Introduction

- 6.1 As part of the Landfill Disposals Tax (LDT) consultation, there were two additional questions that asked for further information from respondents.

Question 30: Do you have any related issues which we have not specifically addressed or other comments that you would like to make?

- 6.2 Of the 13 responses to this question, a handful made reference to the importance of maintaining the LCF in some form. Of these, one third-party organisation commented that the fund needed to be “streamlined” for both “funders and applicants”, whilst one individual stated that if it did not continue in its present form, the Welsh Government would be expected to provide a clear “statement as to what amelioration of this negative effect it would seek to make”.

- 6.3 Other comments included:

- all material sent to incineration should also be subject to LDT;
- costs associated with LDT should allow “generators of electricity” to operate on a “level playing field” with organisations in different parts of the UK;
- greater efforts should be focused on investing in the infrastructure higher up the waste hierarchy, namely to encourage reuse and waste prevention; and,
- the revenue raised from LDT should be used to “fund the clearing of illegal deposits of waste”.

Question 31: Do you have any comments on the initial Regulatory Impact Assessment?

- 6.4 There were 2 responses to this question. Of these, one local authority questioned whether the “significant regulatory, monitoring and reporting aspect of managing LDT in Wales” had been fully considered. In addition, one environmental organisation, questioned the “assumptions made in terms of

revenue that will be generated”, stating that the Office of Budgetary Responsibility (OBR) had published revised figures in March 2015, that project “a fall in Landfill Tax receipts over the next five years, rather than the marginal increase referenced in the consultation paper”.

Annex A

List of respondents

Individuals and organisations who responded to the Landfill Disposals Tax consultation

In addition to the respondents listed below, the Welsh Government received 138 model letters from members of the Wildlife Trusts in Wales, concerning community wellbeing. A copy of this letter is attached at Annex B.

| Ref. | Name of Respondent | Category |
|------|-------------------------------------------------|------------------------------------|
| 1 | Anonymous | Individual |
| 2 | Anonymous | Individual |
| 3 | Institution of Civil Engineers Wales Cymru | Professional Bodies & Associations |
| 4 | Tredegar Town Council | Local Authorities & Town Councils |
| 5 | Anonymous | Business |
| 6 | British Association for Shooting & Conservation | Organisation |
| 7 | Anonymous | Individual |
| 8 | Anonymous | Individual |
| 9 | Helen Mcfie | Individual |
| 10 | Friends of Hailey Park | Third Sector |
| 11 | Wrexham County Council | Local Authorities & Town Councils |
| 12 | Mrs Borley | Individual |
| 13 | Brian & Susan Burnett | Individual |
| 14 | Chris Taylor | Individual |
| 15 | Derbyshire Environmental Trust | Third Sector |
| 16 | Catherine Gutmann Roberts | Individual |
| 17 | Doug Adams | Individual |
| 18 | Paula Webster | Individual |
| 19 | Barbara Parry | Individual |
| 20 | S.J.Dalton | Individual |
| 21 | Simon Bell | Individual |
| 22 | Richard Cowie | Individual |
| 23 | Malcolm Samuels | Individual |
| 24 | Teresa Jenkins | Individual |
| 25 | Terry Strudwick | Individual |
| 26 | Linda Martin | Individual |
| 27 | N. A. Wright | Individual |
| 28 | Professor Richard Hughes | Individual |
| 29 | Lucy Griffiths | Individual |

Landfill Disposals Tax – Summary of Responses

| | | |
|----|-------------------------------------------|----------------------------------------|
| 30 | Phil Coleman | Individual |
| 31 | Madeline Sadler | Individual |
| 32 | D. Thomas | Individual |
| 33 | Jo Humphreys | Individual |
| 34 | Michael Harbottle | Individual |
| 35 | John Cook | Individual |
| 36 | M.A.Samuel | Individual |
| 37 | Peter Hatherley | Individual |
| 38 | Steve Rosser | Individual |
| 39 | Sue Hazell | Individual |
| 40 | Margaret Crennell | Individual |
| 41 | Cwmllynfell Community Council | Local Authorities & Town Councils |
| 42 | RWE Generation UK | Business |
| 43 | Anonymous | Business |
| 44 | GroundCover D.B.M. Limited | Business |
| 45 | Denbeigh Vaughan | Individual |
| 46 | Steve Sutcliffe | Individual |
| 47 | UK Environmental Law Association (UKELA) | Legal, Tax & Accountancy Professionals |
| 48 | Lesley Jones | Individual |
| 49 | Community & Voluntary Support Conwy | Third Sector |
| 50 | NSA AFAN | Third Sector |
| 51 | Swansea County Council | Local Authorities & Town Councils |
| 52 | Waste Recycling Environmental Ltd (WREN) | Business |
| 53 | Chris Manley | Individual |
| 54 | St Fagan's Community Council | Local Authorities & Town Councils |
| 55 | The National Trust | Third Sector |
| 56 | Valpak Ltd | Business |
| 57 | National Farmers Union Cymru (NFU) | Professional Bodies & Associations |
| 58 | Jan Smith | Individual |
| 59 | Wales Council for Voluntary Action (WCVA) | Third Sector |
| 60 | Marilyn Dunkelman | Individual |
| 61 | Kevin Heath | Individual |
| 62 | David Lewis | Individual |
| 63 | EEESafe | Business |
| 64 | Natural Resources Wales | Public Bodies |
| 65 | The Geological Society | Third Sector |
| 66 | Anonymous | Individual |
| 67 | One Planet Council (Wales) | Third Sector |
| 68 | Potters Waste Management | Business |
| 69 | The Wildlife Trusts / Biffa Award | Third Sector |
| 70 | Cwm Harry Community Land Trust (Charity) | Third Sector |
| 71 | Woodland Trust | Third Sector |

Landfill Disposals Tax – Summary of Responses

| | | |
|-----|-------------------------------------------|----------------------------------------|
| 72 | Gwent Wildlife Trust | Third Sector |
| 73 | Anonymous | Business |
| 74 | Roy Williams | Individual |
| 75 | PricewaterhouseCoopers LLP | Legal, Tax & Accountancy Professionals |
| 76 | Ernst and Young | Legal, Tax & Accountancy Professionals |
| 77 | Graham Horder | Individual |
| 78 | John Dawes | Individual |
| 79 | A. Callaby | Individual |
| 80 | Anonymous | Individual |
| 81 | Augusta Lewis | Individual |
| 82 | Susan Danziger | Individual |
| 83 | Dick Finch | Individual |
| 84 | Anonymous | Individual |
| 85 | Geoconservation Cymru | Environmental |
| 86 | Anonymous | Business |
| 87 | Monmouthshire Meadows Group | Third Sector |
| 88 | Welsh Local Government Association (WLGA) | Professional Bodies & Associations |
| 89 | Richard Thomas | Individual |
| 90 | Gerwyn Phillips | Individual |
| 91 | Community Housing Cymru Group | Third Sector |
| 92 | Robert Waller | Individual |
| 93 | Gwent Wildlife Trust | Third Sector |
| 94 | Welsh Liberal Democrats | Political |
| 95 | Mair Pitt | Individual |
| 96 | British Heart Foundation Cymru | Organisation |
| 97 | Bug Life | Third Sector |
| 98 | RSPB UK | Third Sector |
| 99 | Chloe Griffiths | Individual |
| 100 | Energy UK | Environmental |
| 101 | Plantlife | Third Sector |
| 102 | Kath Simmonds | Individual |
| 103 | RSPB Cymru | Third Sector |
| 104 | Daniel James Traynor | Individual |
| 105 | Lafarge Tarmac | Business |
| 106 | Andrew Agnew | Individual |
| 107 | Tenovus Cancer Care | Third Sector |
| 108 | Dr. Andrew Walker | Individual |
| 109 | Dr. R Roome | Individual |
| 110 | Bevan Foundation | Third Sector |
| 111 | Vale of Glamorgan Council | Local Authorities & Town Councils |
| 112 | Anonymous | Individual |
| 113 | Federation of Small Businesses (FSB) | Business |

Landfill Disposals Tax – Summary of Responses

| | | |
|-----|------------------------------------------------------|----------------------------------------|
| 114 | Welsh Environmental Services Association (WESA) | Environmental |
| 115 | Conwy Town Council | Local Authorities & Town Councils |
| 116 | Chartered Institute of Waste Management (CIWM) | Professional Bodies & Associations |
| 117 | ENTRUST | Professional Bodies & Associations |
| 118 | Roger Jinkinson | Individual |
| 119 | Fly Tipping Action Wales | Environmental |
| 120 | Wildlife Trust of South and West Wales | Third Sector |
| 121 | FCC Environment | Business |
| 122 | Local Authority Recycling Advisory Committee (LARAC) | Professional Bodies & Associations |
| 123 | Wales Environment Link | Third Sector |
| 124 | Conwy County Borough Council | Local Authorities & Town Councils |
| 125 | Chartered Institute of Taxation | Professional Bodies & Associations |
| 126 | BIFFA | Business |
| 127 | Hanson UK | Business |
| 128 | Madeline Sadler | Individual |
| 129 | Geoff Gibbs | Individual |
| 130 | Bill Udpa | Individual |
| 131 | Home Building Federation Cymru | Business |
| 132 | Gwent Wildlife Trust | Third Sector |
| 133 | Wildlife Trusts Wales | Third Sector |
| 134 | Neath Port Talbot Council for Voluntary Service | Third Sector |
| 135 | Cory Environmental | Business |
| 136 | Mineral Products Association | Business |
| 137 | Glandŵr Cymru - Canal and River Trust in Wales | Third Sector |
| 138 | Deloitte | Legal, Tax & Accountancy Professionals |
| 139 | Georgina Gittins | Individual |
| 140 | Huw James | Individual |
| 141 | David Phillips | Individual |

Wildlife Trusts Wales – Model Letter

Insert address here

Tax Policy and Legislation Division
2nd Floor East
Welsh Government
Cathays Park
Cardiff
CF10 3NQ

Dear Welsh Government,

Re: Welsh Government’s consultation to the Landfill Disposals Tax

I support the use of Landfill Community Fund (LCF) to fund charities such as the Wildlife Trusts in Wales to undertake essential projects to protect and enhance Wales’ most important habitats and species. This fund is needed to try to reverse the terrible loss of wildlife including 60% of UK species being in decline and more than 1 in 10 species in the UK being under threat of extinction.

The LCF is one of the very few funding streams that support projects with primary benefits for wildlife. However, these projects also produce direct benefits for communities who live with the adverse environmental impact caused by landfill sites. These projects help to inspire individuals and communities to connect with nature. They also provide opportunities for people to volunteer enabling them to learn new skills whilst improving their health and wellbeing.

The wildlife projects funded by LCF will help Welsh Government to meet its key environment objectives and legal obligations including:

- halting and reversing the loss of wildlife by 2020
- ensuring all of our most important, and protected, sites in Wales are in favourable condition by 2026

Without the LCF, Welsh Government will lose one of the few mechanisms it has to reach these biodiversity targets. Therefore, I urge the Welsh Government to maintain this funding and also to increase the percentage of landfill tax that goes to funding wildlife projects to 10%.

Yours sincerely,

BLANK

Glossary

EWG - European Waste Catalogue

GAAR – General Anti-avoidance Rule / General Anti-abuse Rule

HMRC – Her Majesty’s Revenue and Customs

LDT – Landfill Disposals Tax

Lol – Loss on Ignition

LTT – Land Transaction Tax

NRW – Natural Resources Wales

SDLT – Stamp Duty Land Tax

SEPA – Scottish Environmental Protection Agency

WRA – Welsh Revenue Authority

