



# Statistical Release

## Landfill Disposals Tax



Estimates for Quarter 1, April - June 2018

### Key statistics from this release

For material disposed as waste to landfill for the period April to June:



There were 407 thousand tonnes of authorised disposals, of which 127 thousand tonnes were taxed at the standard rate; 154 thousand tonnes at the lower rate; with the remainder relieved or discounted.



These disposals resulted in £11.7m of tax due, of which £11.3m was from disposals at the standard rate and £0.4m at the lower rate.



126 thousand tonnes of relieved or discounted material was disposed of, resulting in £0.3m tax relieved.



During the period covered in this release, there were 17 authorised landfill site operators covering 23 sites.

[More information on these landfill site operators can be found on the WRA website.](#)

16 August 2018

WRA 05/2018

### What's in this release?

This release is the first of the 2018/19 quarterly series of Landfill Disposals Tax (LDT) statistics.

It includes quarterly estimates of the data based on the three-month accounting period of April to June for each landfill site operator.

The next update is due to be published 22 November 2018. [The timetable for WRA statistical publications can be found on the WRA website.](#)

[This release is also available in Welsh.](#)

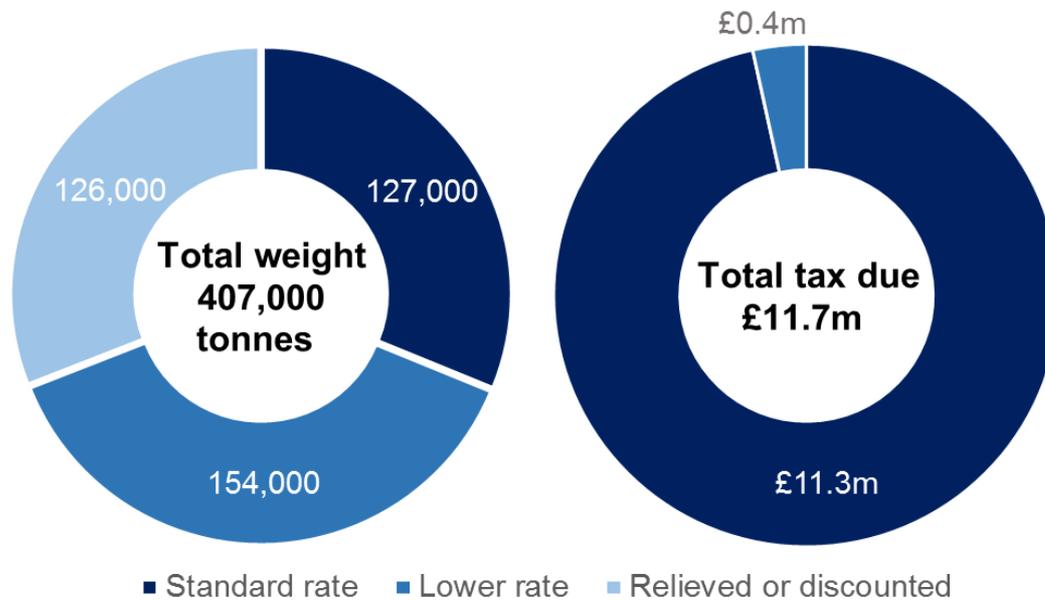
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**Chart 1: Weight of and tax due on disposed material as waste to landfill, April - June 2018**



### Tax rates that apply to Chart 1

	2018-19	2019-20
Standard rate	£88.95 per tonne	£91.35 per tonne
Lower rate	£2.80 per tonne	£2.90 per tonne
Unauthorised disposals rate (not in chart 1)	£133.45 per tonne	£137.00 per tonne

### Data shown in this release

The statistics presented in this release are based on LDT returns from the authorised landfill site operators to the WRA. Each of those returns is subject to verification as part of compliance work that the WRA undertakes routinely and may therefore be revised in future. The following section details the methods used to derive the statistics from the data supplied in the returns.

### Methods used in this release

The statistics presented in this release provide provisional estimates of the tax due for April to June 2018. A small number of the landfill site operators do not report to the WRA on a quarterly accounting period and have thus reported data to the end of either April or May 2018. In these cases, we have estimated the data for the entire quarter using a simple proportional uplift based on the number of days in the quarter covered by their returns.

This uplift adds between six and seven per cent to the value of tax declared on the returns prior to the adjustment. In the next release, the data for these landfill site operators will be revised to take account of the future returns that cover the remainder of this quarter, using a proportionate disaggregation of the data. This replaces the forecast uplift with actual data so values for this quarter are therefore marked as provisional until the next quarter’s publication. For further information on this process, please contact us using the details on the front page.

Where waste is referred to as relieved, this will initially have been recorded by the landfill site operators as lower rate waste and then subtracted off in a subsequent part of their return. This release reports the waste subject to reliefs in the relieved or discounted category but not as part of the lower rate category. The weight of any discounted waste due to water discounts (see later) is also only included in this relieved or discounted category.

No data are yet available on unauthorised disposals. We will keep this aspect under review and we may revise the data for this quarter as any arise. Other reasons why data might be revised are covered later in this release.

The LDT system allows for a credit to be made against the tax due for customer insolvency. To date, none have been reported and we will keep this under review in deciding how to present the data in this series of releases.

## Data tables

**Table 1a: Weight of disposed material as waste to landfill (a)**

Quarter	Returns received	Total sites	Disposed weight ('000 tonnes) (b)			Total (d)
			Relieved or discounted (c)	Lower rate	Standard rate	
April - June 18 (p)	17	23	126	154	127	407

(a) This table does not include any information on unauthorised disposals as no data are yet available.

(b) Weights presented have been rounded to the nearest 1,000 tonnes.

(c) This includes weight of water removed from disposed waste, which is zero rated, and the weight of all waste which is subject to any LDT relief.

(d) The total presented has been calculated based on the unrounded values.

During April to June, around 40 per cent of all waste disposed to landfill was taxed at the lower rate, with both standard rate weight and the relieved or discounted weight each making up around 30 per cent.

**Table 1b: Tax due on disposed material as waste to landfill (a)**

Quarter	Tax due (£ millions) (b)			Relieved tax amount (d)
	Lower rate	Standard rate	Total (c)	
April - June 18 (p)	0.4	11.3	11.7	0.3

(a) This table does not include any information on unauthorised disposals as no data are yet available.

(b) Values presented have been rounded to the nearest £0.1m.

(c) The total presented has been calculated based on the unrounded values.

(d) This is the reduction in tax due to the application of reliefs. The amount does not include any element for water discount, which is not taxed.

The tax rates that apply to this table are shown under Chart 1. Of the tax due in April to June, the substantial majority (96 per cent) is from disposals charged at the standard rate and the remaining amount from the lower rate, reflecting the difference in the two tax rates.

The value for relieved tax amount represents how much tax would have been due had the reliefs not have been applied.

## Receipts of LDT

In the next release, we will start a series of quarterly receipts received for LDT (based on the date the payment was received, sometimes referred to as 'on a cash basis'). However, the figures for the April to June quarter will need to be aggregated into the figures for July to September due to the small number of providers who had already submitted returns and paid before the end of June (most submitted and paid in July). After that, figures will be published as a quarterly series.

## How will this data be published in the future?

This is the first of our quarterly statistical releases for LDT. We will publish the next quarterly edition of this series on 22 November. The next publication will update estimates included in this release in addition to providing estimates for the second quarter (July – September) of 2018. In future releases, we will be looking to provide commentary on trends and patterns as we receive more data.

There is also an annual release planned which will provide more detailed disaggregation of the data, including potentially breaking down reliefs and discounts data; reporting in detail around any customer insolvency credits; and providing data on loss on ignition tests. This will, however, depend on whether this can be done without identifying details of any individual taxpayer. The first annual release will be published in May 2019.

## Background Landfill Disposals Tax Information

From April 2018, Landfill Disposals Tax (LDT) replaced Landfill Tax in Wales and is collected and managed by the Welsh Revenue Authority (WRA), the new tax authority for Wales.

The [Landfill Disposals Tax \(Wales\) Act 2017](#) gained Royal Assent on 7 September 2017. Like Landfill Tax, LDT is a tax on the disposal of waste to landfill and is charged by weight. It is payable by landfill site operators, who pass on these costs to other waste operators through their gate fee.

## Rates

There are three rates of LDT (the table below chart 1 provides rates for 2018-19 and for 2019-20):

- a lower rate for materials which meet the conditions set out in the Act ([please see the guidance for more information on qualifying materials](#));
- a standard rate for all other material; and
- an unauthorised disposals rate for taxable disposals made at places other than authorised landfill sites.

A taxable disposal at an authorised landfill site will be charged at the standard rate unless the material being disposed of consists entirely of one or more qualifying materials or is a qualifying mixture of materials, in which case the lower rate will be charged.

A taxable disposal made at a place other than an authorised landfill site will be liable to be charged at the unauthorised disposals rate. This is regardless of the nature of the material disposed of and whether it would otherwise be subject to the standard rate or lower rate if disposed of at an authorised landfill site.

[For more information, please see the LDT technical guidance.](#)

## Accounting periods

Each landfill site operator agrees a quarterly accounting period with the WRA for making an LDT return, which must be received by the last working day of the month following the end of the accounting period. Most landfill site operators work to standard calendar quarters, so that data for any given quarter is included on a single LDT return for that landfill site operator. These returns are due to be received by the WRA by the last working day of the month after that quarter ends, for example, April to June 2018 data was due to be received by 31 July 2018 for all providers working to standard calendar quarters.

However, a small minority of landfill site operators work to alternative three-month periods, and therefore provided their first LDT return covering only a part of the April to June 2018 period, either by 31 May 2018 or 30 June 2018. Adjustments have therefore been made to the data supplied by these landfill site operators to forecast the full quarter's data as part of the derivation of the statistics in this release. These adjustments are set out in the methods section above.

These landfill site operators will continue to file returns on a non-calendar quarter basis, and so although most returns will be received at the end of July, October, January and April in the future, a small number of returns will continue to be received by the last working day of the other months. The adjustment process set out in the methods section will continue to be used to produce quarterly estimates as the data develops.

## **Exemptions**

Certain disposals of material can be treated as exempt from LDT and therefore are not reported to the WRA. There is no data collected on these exempt disposals. Currently, there are two exempt disposals, as follows.

### **Multiple disposals of material at the same site**

This is where material has previously been included in a tax return and tax paid on its disposal at the same site. This ensures that multiple disposals of the same material at the same authorised site will only be chargeable to LDT once.

### **Pet cemeteries**

This applies to authorised landfill sites that *only* accept the disposal of pet carcasses or ashes (and any box or urn in which they are contained). As these disposals are exempt, operators of such cemeteries are not required to register with the WRA to account for LDT. The exemption does not cover other authorised landfill sites that accept *both* the remains of pets and other types of waste.

## **Reliefs**

Reliefs can be claimed on certain lower rate taxable disposals at authorised sites. In such cases, the tax is not charged provided the relief is claimed in a tax return. Reliefs are grouped into four general categories:

- material removed from bed of river, sea or other water by dredging;
- material resulting from mining and quarrying;
- refilling open-cast mines and quarries; and
- site restoration.

## Water discounts

A landfill site operator may apply to the WRA for approval to apply a water discount in respect of water present in material when calculating the taxable weight of the material in a taxable disposal. The circumstances in which the water discount may be applied is restricted to legitimate cases where the adding or use of water is necessary. Applications may be made where the water is necessarily present in the material for the following purposes:

- it had to be added to enable the material to be transported for disposal;
- it had to be added to extract a mineral;
- it had to be added in the course of an industrial process;
- it arose as a necessary consequence of an industrial process; or
- the material is a residue from the treatment of effluent or sewage at a water treatment works.

Landfill site operators claim the water discount in their tax return by providing details of the tonnage of water to be discounted for each accounting period. It is not included in any weight reported as subject to the lower or standard rates.

For more information on exemptions, reliefs and discounts please see the [technical guidance on the WRA website](#) and the [legislation for Landfill Disposals Tax \(Wales\) Act 2017](#).

## Unauthorised disposals

A disposal of material as waste may be liable to LDT regardless of where the disposal is made. Disposals made outside of an authorised landfill site can be liable to the unauthorised disposals rate (currently £133.45 per tonne). This rate is applied without distinction to all material disposed, regardless of whether the material is subject to standard rate or qualifies for the lower rate. None of the exemptions or reliefs that apply to disposals at authorised landfill sites are available to unauthorised disposals.

More information on [unauthorised disposals can be found on the WRA website](#).

## Key quality section

These statistics have been established to meet the immediate user requirement for data on the implementation of Landfill Disposals Tax, following the establishment of the WRA.

Statistics for the equivalent taxes in England and Scotland are published by HMRC and Revenue Scotland respectively. Up until April 2018, statistics on landfill disposals in Wales were included in the HMRC bulletin, but not shown as separate values within the England and Wales data.

[HM Revenue and Customs - Landfill Tax Bulletin](#)

[Revenue Scotland – Scottish Landfill Tax Statistics](#)

In the methods section above, we have set out how we adjust the data to reflect the tax due in the quarter, which allows us to estimate and report LDT due in that quarter. HMRC report on the tax returns submitted in each month, which depend on the accounting periods of the landfill site operators, and then make some accounting adjustments to reflect quarterly activity. We are unable to publish by each month due to the risk of revealing details of individual landfill site operators and we are also keen that the tax reported fully relates to the period against which it is reported. We therefore plan to work closely with HMRC to better understand their accounting adjustments, and with the other UK tax authorities, so that we can assess the comparability of these data with both the data for Wales prior to April 2018 and the current data for the wider UK. We will set out documentation outlining the coherence in the future.

## Trustworthiness

These statistics have been produced in line with the Code of Practice for Statistics.

As a new producer of official statistics, we are developing our statistical publication processes. Our interim policy on statistical outputs will be published shortly, outlining:

- the professional standards which were adhered to as part of the creation of these statistics;
- how the content and timing of outputs is independently managed by the WRA Lead Official for Statistics;
- how we notify users of upcoming outputs; and
- that staff involved in the production of statistics will undertake continuous professional development in-line with the Civil Service competency framework and the GSS competency framework.

Further supporting documentation will be published alongside upcoming statistical releases which outline:

- how we will engage with users; and
- how data is collected, stored and managed.

## Assessing the quality of this data

We are still assessing the quality of the data and will continue to do so as more data are received.

We have assessed the interest and potential quality concerns in-line with the Government Statistical Service guidance on the use of administrative data, identifying any potential quality concerns. The table below presents our current assessment.

Data source	Public interest profile	Level of risk of quality concerns	Level of assurance information to be developed
LDT returns	Low	Low	A1 – basic assurance

During the preparation of this release, we have worked closely with WRA operational staff to identify further issues during collection and processing of individual returns. We developed some quality controls around the tax returns which flag up potential areas of concern to our operational staff who can then contact landfill site operators to correct potential issues.

These checks have highlighted that there are some very minor rounding issues within the data that has been supplied to the WRA, mainly due to multiple site submissions and weighbridge rounding. These issues result in internal consistency differences of less than £5 in aggregate, well within the rounding parameters we have used in presenting the results.

A further example of a quality issue we discovered is set out below.

### Example

By looking at the internal consistency of the data across all returns, we found some issues where our guidance had been ambiguous and where some water discount weight had been recorded against taxable disposals. We revised the guidance to make it clearer and confirmed that all landfill site operators involved had then followed that new guidance, correcting data as necessary ahead of publication.

## Future revisions to data

The data in this release is currently provisional and may be revised in future releases to account for updates to returns, for example following routine compliance checks carried out by the WRA.

The methods section earlier in the release covers planned revisions to the data, and the consequent marking of the most recent quarter's data as provisional. However, the more ad-hoc revisions required following compliance checks are less predictable. For example, there are currently relief claims being assessed and, in these cases, the waste in question has currently been accounted for within the lower rate estimates presented. If the relief is approved the impact may be backdated to cover previous quarters, so that an unplanned revision to the data presented here may arise (although it is likely to be small). Where unplanned revisions are necessary to historic data, we will always make clear the reasons why in the relevant release.

## Coherence with other data

Later this year, we will be able to compare the weight of taxable disposals with some data from waste returns received by Natural Resources Wales. This will allow some further sense checking of the data presented here and will take place for the first time before the next quarterly release is published.

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## Feedback and enquiries

We welcome feedback and comments to help us develop these releases, and our future releases. Please use the details below to get in contact with us.

**Media and Press**      Email: [news@wra.gov.wales](mailto:news@wra.gov.wales)

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**Phone**                    03000 254 723

### Next update

22 November 2018 (please see the 'How will this data be published in the future?' section)

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