

Statistical Release

Landfill Disposals Tax



Estimates for Quarter 4, January to March 2019 and 2018-19

Key statistics from this release

For material disposed as waste to landfill for the period:

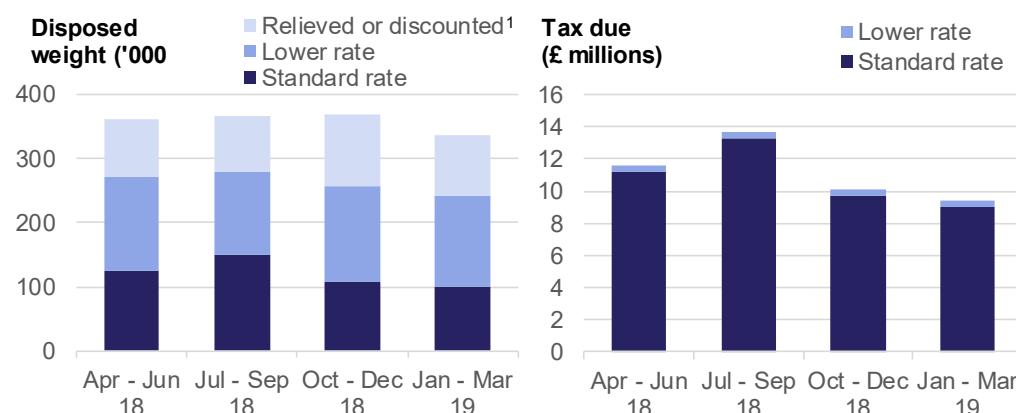
January to March 2019

- There were 337 thousand tonnes of authorised disposals, lower than the previous quarter.
- These disposals resulted in £9.4 million tax due, a 7 per cent fall from the previous quarter.

2018-19

- There were 1,431 thousand tonnes of authorised disposals, with £44.6 million tax due estimated for the year.
- The five landfill site operators paying the most tax accounted for around five-sixths of the total tax due.
- There were 17 authorised landfill site operators covering 23 sites active over the year. [More information on these landfill site operators can be found on the Welsh Revenue Authority \(WRA\) website.](#)

Chart 1: Weight of and tax due on disposed material as waste to landfill, by quarter



16 May 2019

WRA 04/2019

What's in this release?

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

It includes quarterly estimates based on the three-month accounting period of January to March 2019 for each landfill site operator and provisional annual figures for 2018-19.

The next quarterly update is due to be published 15 August 2019. [The timetable for WRA statistical publications can be found on the WRA website.](#)

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

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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 mitigation and recovery work that the WRA undertakes routinely and may therefore be revised in future. The following section explains the methods used to derive the statistics from the data supplied in the returns.

Methods used in this release

Reliefs and discounts

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 later 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.

Unauthorised disposals

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.

Customer insolvency

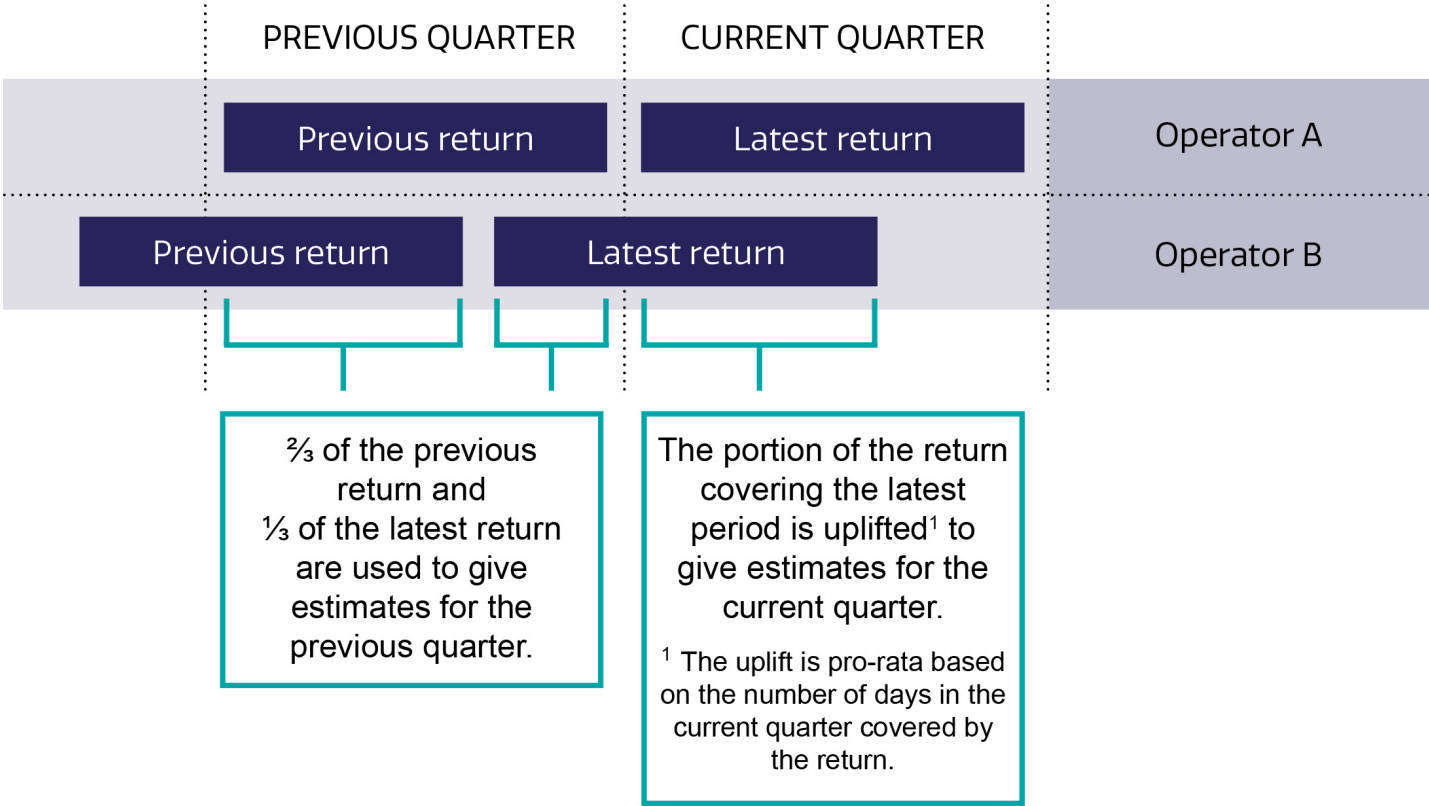
The LDT system allows for a credit to be made against the tax due for customer insolvency. No credit was claimed in the current reporting quarter, while a very small amount was claimed in the reporting quarter July to September 2018. In this statistical release, any credit claimed has been subtracted from the total tax due.

Accounting periods for Landfill Disposals Tax returns

The diagram below explains the accounting periods used by landfill site operators in their tax returns.

The two bars for Operator A and Operator B give examples of landfill site operators with different accounting periods. Operator A has a standard accounting period for reporting to the WRA, which aligns with the end of our reporting quarters. The majority of landfill site operators report to the WRA on this basis.

Operator B has agreed a different accounting period with the WRA, with different start and endpoints to our standard reporting quarters. A small number of landfill site operators report to the WRA on this basis.



Symbols used in this release

r This value has been revised in this publication

p This value is provisional and will be revised in a future publication

Data tables

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

	Returns received	Total sites	Disposed weight ('000 tonnes) ²			
			Relieved or discounted ³	Lower rate	Standard rate	Total ⁴
2018-19 (p)	17	23	383	564	484	1,431
April - June 18 (r)	17	23	88	147	125	360
July - September 18	17	23	88	129	149	366
October - December 18 (r)	17	23	111	148	109	368
January - March 19 (p)	17	23	96	140	101	337

¹ This table does not include any information on unauthorised disposals as no data are yet available.

² Weights presented have been rounded to the nearest 1,000 tonnes.

³ 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.

⁴ The total presented has been calculated based on the unrounded values.

In January to March 2019, there were 337 thousand tonnes of authorised disposals. This is lower than the previous three quarters of 2018-19, which were at a similar level. Over the 2018-19 year as a whole, there was a total of 1,431 thousand tonnes of authorised disposals.

Table 1b: Tax due on disposed material as waste to landfill ¹

	Tax due (£ millions) ²			Relieved tax amount ⁴
	Lower rate	Standard rate	Total ³	
2018-19 (p)	1.6	43.1	44.6	0.9
April - June 18	0.4	11.2	11.6	0.2
July - September 18	0.4	13.3	13.6	0.2
October - December 18 (r)	0.4	9.7	10.1	0.3
January - March 19 (p)	0.4	9.0	9.4	0.2

¹ This table does not include any information on unauthorised disposals as no data are yet available.

² Values presented have been rounded to the nearest £0.1 million.

³ The total presented has been calculated based on the unrounded values.

⁴ 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.

- These disposals for January to March 2019 resulted in £9.4 million of tax due, a fall of 7 per cent from the previous quarter. This was largely due to a decrease in standard rate disposals by a small number of landfill site operators. In 2018-19 as a whole, authorised disposals resulted in £44.6 million tax due.
- There may be evidence of a seasonal pattern emerging in the data, with shorter days in winter months potentially a factor. We will investigate this further as we receive more data.
- In January to March 2019, the five landfill site operators paying the most tax accounted for around five-sixths of the total tax due. This was also true for the 2018-19 year as a whole. Please note that in the previous statistical release, the corresponding figure for October to December 2018 is 85 per cent, rather than the figure of three-quarters which was previously reported.
- The value for relieved tax amount represents how much tax would have been due had the reliefs not have been applied.

Receipts of LDT

Table 2 below shows quarterly receipts received for LDT. This is based on the date the payment was received, sometimes referred to as 'on a cash basis'.

Table 2: Landfill Disposals Tax (LDT) paid to the Welsh Revenue Authority (WRA) ¹

	Value of LDT payments (£ millions)
2018-19	35.8
April - September 18 ²	12.2
October - December 18	13.5
January - March 19	10.1

¹ Values in this table have been rounded to the nearest £0.1 million.

² Figures for April to June 2018 have been combined with figures for July to September 2018. This is because only a very small number of landfill site operators who had already submitted and paid their first returns before the end of June (most of them submitted and paid in July).

In the period January to March 2019, £10.1 million of LDT payments were received by the WRA, lower than the previous quarter. In 2018-19 as a whole, £35.8 million of LDT payments were received by the WRA.

Future analysis and disaggregation

In preparing this first annual release for Landfill Disposals Tax statistics, we have considered whether we can show a more detailed disaggregation of the data. We have investigated whether we can break down reliefs and discounts data and provide data on loss on ignition tests. Unfortunately, it has not been possible to include this data in the release due to the small numbers of operators involved and the risk of accidentally revealing data for individual taxpayers. We will consider whether it is possible to present more of this detail in the future, probably when we have a further year of data as part of our second annual release in summer 2020.

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, January to March 2019 data was due to be received by 30 April 2019 for all landfill site operators working to standard calendar quarters.

However, a small minority of landfill site operators work to alternative three-month periods, and therefore provided their latest LDT return covering only a part of the January to March 2019 period, either by 28 February 2019 or 31 March 2019. 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:

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 (£133.45 per tonne for 2018-19). 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

Value

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 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. Therefore, please note that data for Wales may not be fully comparable with the data for England published by HMRC.

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 and have [published our interim policy on statistical outputs here](#), including:

- 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;
- how data is collected, stored and managed; and

- that staff involved in the production of statistics will undertake continuous professional development in line with the Civil Service competency framework and the Government Statistical Service (GSS) competency framework.

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 £10 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 the 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 mitigation and recovery 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 mitigation and recovery 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 it clear the reasons why in the relevant release.

Coherence with other data

We will soon 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.

Feedback and enquiries

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

Media: Email: news@wra.gov.wales

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Next update

15 August 2019

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