

Statistical Release

Landfill Disposals Tax



Estimates for Quarter 2, July - September 2018

Key statistics from this release

For material disposed as waste to landfill for the period July - September:



There were 360 thousand tonnes of authorised disposals, a fall of 10 per cent from the previous quarter. This was driven by falls in lower rate disposals and relieved or discounted material.



These disposals resulted in £13.7m of tax due, a rise of 19 per cent from the previous quarter. This was largely due to an increase in standard rate disposals by a small number of landfill site operators.



88 thousand tonnes of relieved or discounted material was disposed of, resulting in £0.2m tax relieved.



In this period, there were 18 authorised landfill site operators covering 24 sites. [More information on these landfill site operators can be found on the WRA website.](#)

22 November 2018

WRA 09/2018

What's in this release?

This release is the second 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 July to September for each landfill site operator.

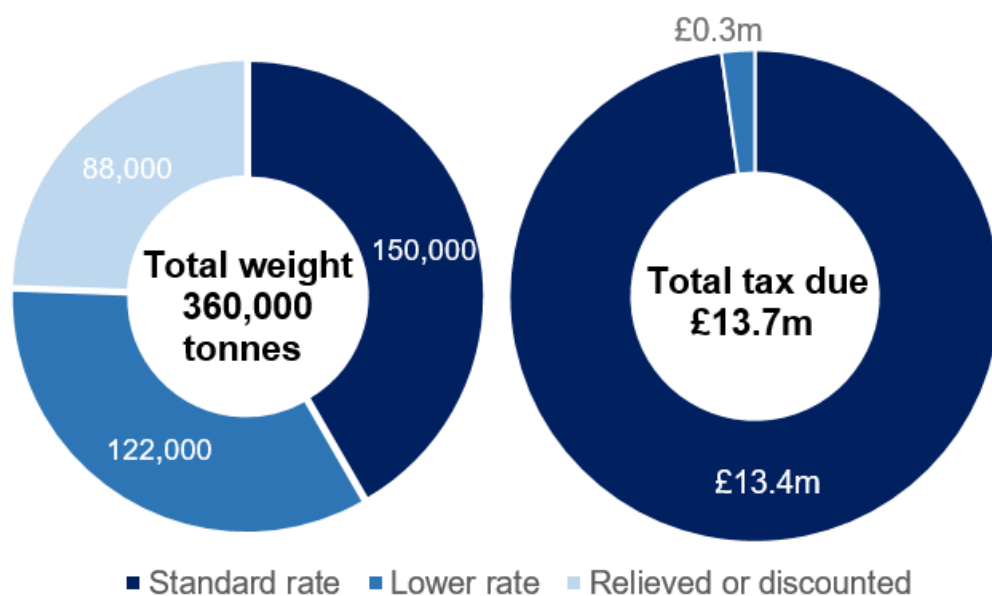
The next update is due to be published 21 February 2019. [The timetable for WRA statistical publications can be found on the WRA website.](#)

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

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Chart 1: Weight of and tax due on disposed material as waste to landfill, July – September 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 Welsh Revenue Authority (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

Accounting periods

The statistics presented in this release show provisional estimates of the tax due for the current reporting quarter and revised estimates for the previous reporting quarter (which can now be considered final). The majority of landfill site operators report to the WRA for these standard reporting quarters. However, a small number of landfill site operators report their quarterly data with different

start and endpoints. For example, some landfill site operators reported data to WRA for only their first month of operation under LDT (i.e. April 2018), and on a quarterly basis thereafter (beginning with May to July 2018).

For the current reporting quarter, we therefore need to estimate the missing data for the landfill site operators who use non-standard reporting quarters. So in the example of operators who reported data for only April 2018 in their first period, we need to estimate the data for the final two months in the current reporting quarter. This is done by using a simple proportional uplift, based on the number of days in the reporting quarter covered by their return. At a Wales level for the latest quarter, this uplift adds around five per cent to the value of tax declared on the returns prior to the adjustment.

In the next edition of this release, the data for these landfill site operators will be revised to take account of the future returns that cover the remainder of the current reporting quarter, using a proportionate disaggregation of the data. This will replace the forecast uplift with actual data, therefore the values for the current reporting quarter are marked as provisional until the next quarter's publication. In this release, we have carried out this method to make revisions for the previous reporting quarter. For further information on this process, please contact us using the details on the front page.

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 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.

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. A very small amount of credit was claimed in the current reporting quarter, for the first time. In this statistical release, this amount has been subtracted from the total tax due.

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	
July - September 18 (p)	18	24	88	122	150	360
April - June 18 (r)	18	24	128	148	125	401

(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.

In July to September, there were 360 thousand tonnes of authorised disposals, a fall of 10 per cent from the previous quarter. This was driven by falls in lower rate disposals and relieved or discounted material.

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)	
July - September 18 (p)	0.3	13.4	13.7	0.2
April - June 18 (r)	0.4	11.2	11.6	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.

These disposals resulted in £13.7m of tax due for July to September, a rise of 19 per cent from the previous quarter. This was largely due to an increase in standard rate disposals by a small number of landfill site operators.

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

Receipts of LDT

We are now able to begin a series of quarterly receipts received for LDT (based on the date the payment was received, sometimes referred to as 'on a cash basis'). Figures for the April to June quarter have been 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 of them submitted and paid in July).

In the period April to September 2018, £12.2m of LDT payments were received by the WRA. In future, we will include this information in a new table as we receive further data.

How will this data be published in the future?

This is the second of our quarterly statistical releases for LDT. We will publish the next quarterly edition of this series on 21 February 2019. The next publication will update estimates for July to September included in this release in addition to providing estimates for the following quarter (October – December). In future releases, we will continue providing 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, July to September 2018 data was due to be received by 31 October 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 latest LDT return covering only a part of the July to September 2018 period, either by 31 August 2018 or 30 September 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:

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 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, probably in our annual release.

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 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 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 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 and will take place for the first time before the annual release is published.

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

Other users Email: data@wra.gov.wales

Phone 03000 254 729

Next update

21 February 2019 (please see the 'How will this data be published in the future?' section)

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