

Rebecca Evans MS  
Cabinet Secretary for Finance, Constitution and  
Cabinet Office

27 June 2024

Dear Rebecca,

### Landfill Disposals Tax Avoidance

You wrote to the Committee on 18 October 2023, with an update on a number of issues contained within the final report from the Independent Review of Landfill Disposals Tax (LDT), that was published in July 2023.

A key finding of the report identifies the gap between the lower and standard LDT rates has contributed to the intentional misclassification of waste. In response to this, your officials were working with partners in the Welsh Revenue Authority (WRA) and Natural Resources Wales (NRW) to undertake a project to gain a better understanding of misdescription of waste. Your letter noted that the discovery phase of the project had found multiple points in the waste chain where there are opportunities to misdescribe waste and that the next phase would be considering how these opportunities can be mitigated.

During scrutiny of last year's Draft Budget 2024-25, the Office of Budget Responsibility (OBR) noted receipts for LDT in the first half of 2023-24 were down by £8.8 million (35.3 per cent) on the same period last year, driven by a reduction in the amount of standard-rate waste sent to landfill.

Given the recent allegations of misdescribing waste to avoid paying LDT made in the Channel 4 Dispatches documentary on Rubbish Tip Britain, which aired on 21 June 2024, I would be grateful if you would provide the following:

- an explanation of the WRA's current compliance processes;

- an update on the project considering the misdescription of waste;
- details of any assessments made regarding the likely amount of LDT revenue lost to date as a result of tax avoidance or/and evasion activities and any steps being taken to address those behaviours.

I look forward to hearing from you shortly, I am also coping this letter to the WRA and NRW.

Yours sincerely,



Peredur Owen Griffiths  
Chair, Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.