



Committee Clerk, Finance Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Units 3-6
Greyfriars Business Park
Frank Foley Way
Greyfriars
Stafford, ST16 2ST
Tel: (01785) 251555
Fax: (01785) 251666
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coryenvironmental.co.uk

Dear Mr Thomas

Consultation on the Landfill Disposals Tax (Wales) Bill - Invitation to contribute to the inquiry

Further to an invitation by your colleague, Georgina Owen, I include below a statement for consideration by your Finance Committee members at their meeting on 25th January 2017. I should be happy to attend if you consider my presence would be helpful.

My role in Cory as Senior Project Manager involves managing business development projects, environmental systems and trusts.

I, on behalf of Cory, welcome the opportunity to present to the Committee and to offer support in the development of the Landfill Disposals Tax (Wales) Bill. During the process we have very much appreciated the openness shown by your representatives, their willingness to learn from operators and to improve upon the established systems used elsewhere in the UK. The approach shown by your Government and your representatives give us great confidence that the Landfill Disposals Tax (Wales) Bill, LTD, will be introduced in a smooth and orderly manner and that given sufficient resources will be operated in an efficient fair and professional manner.

In developing the LDT for Wales the Welsh Government stated its commitments to

- be fair to landfill operators and to businesses who pay the taxes
- apply simple clearly stated rules which seek to minimise compliance and administration costs
- support growth and jobs and in turn help tackle poverty
- provide stability and certainty for tax payers

We consider that given the content and current status of the Bill the Government's objectives should indeed be fulfilled.

The government has achieved its aims by

- recognising the need for maintaining continuity with current practices in order to retain on landfill diversion and sustainability objectives and provide financial stability for local authority and commercial waste producers,
- streamlining administrative systems including changing the Communities Scheme funding to a grant rather than a relief,
- taking the opportunity to introduce important new enforcement measures to deter illegal deposits of waste and punish the perpetrators

We note that the income from landfill tax in Wales is currently estimated at c £44M and that by the time the tax is introduced in April 2018 it is set to reduce to c £27M. Even with the Welsh Government's

efficient mode of operation, it is projecting that the annual cost of administration of the tax will be between £14m and £19M leaving a surplus of between £8M and £13M in the first year. There will therefore be a relatively small sum of money to distribute to community, sustainability and biodiversity projects and for use in supporting additional enforcement measures and campaigns. Furthermore the sum is set to decrease each subsequent year as the need for landfill reduces. We therefore suggest that the Government exercises caution in any commitments it makes regarding expenditure of the new income and does not raise expectations too high.

We appreciate the greater clarity in the descriptions of materials for which tax will be charged which in turn should reduce challenges, costly and time consuming litigation. To further assist in this simplification process we ask that consideration be given to the use of a small proportion of the tax income to assist NRW in the assessment of materials qualifying for "End of Waste". This will assist in recognising the treatment of waste materials to a sufficient extent and measurable standard to enable them to be considered no longer waste and potentially suitable for use as engineering materials in Wales.

We particularly applaud the Government for its commitment to use the LDT Bill as a deterrent to illegal deposits of waste through the application of significant financial penalties on those engaged in causing environmental damage, nuisance and tax avoidance. We welcome the support that the measures will give to legitimate business, as such as ours, and are willing to help publicise the Government's new powers at the appropriate time.

We note that the Bill is drafted in a way that allows for subordinate legislation thus enabling sufficient flexibility for the legislation to be changed according to evolving and advancing technology and policy. We should be happy to assist in the development of the regulations and codes of practice both prior to their introduction and in their future modification post 2018.

We recognise the need for the administration of the legislation to be simplified in order to improve understanding, compliance and to control costs. In particular, we support the changes to the Landfill Disposals Tax Communities Scheme to become funded by a simple grant. This should reduce administrative costs and enable a greater proportion of the diminishing income from landfill tax to be used in supporting communities and improving habitats in the proximity landfill sites. As it is intended there will no longer be an operator contribution we anticipate operator involvement in the scheme will also cease.

In conclusion we thank the Committee and your representatives for inviting us to be involved in the development of the Landfill Tax Disposals (Wales) Bill. We look forward to continuing exchanges and a close and helpful working relationship in the development of the subordinate legislation and in its subsequent introduction.

Should the committee wish to ask any questions I should be happy to assist.

Yours sincerely



Jennifer Doyle

Senior Project Manager