



Eich cyf/Your ref  
Ein cyf/Our ref

Peredur Owen Griffiths, MS  
Chair  
Finance Committee  
Welsh Parliament  
Cardiff Bay  
CF99 1SN

12 July 2021

Dear Peredur

### **Landfill Disposals Tax Independent Review**

There is no statutory obligation for the Welsh Ministers to make arrangements for an independent review of Landfill Disposals Tax (LDT). However a commitment was made during the passage of the Landfill Disposals Tax (Wales) Act 2017, through the then National Assembly for Wales [Senedd], for an independent review to be carried out. I am setting out here the proposed scope of the independent review for the Committee to be aware and to have an early opportunity to comment.

The review will have the following key principles at its core:

1. The scope of the review is clear, meaningful and offers good value for money.
2. The review does not duplicate work being undertaken by interested/affected parties unnecessarily, and does not fetter future policy work which may be being developed in tandem or before the review is completed.
3. The review is focussed on the operation of the legislation as opposed to the administration of the tax by the Welsh Revenue Authority.

It is proposed that the review focus on three broad themes related to revenue, behaviour change and environmental impact. The intention being the review provides an evaluation of the effectiveness of the tax in supporting the delivery of our environmental policies to date. It will also consider lessons learned and how these could impact on future policy design.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

It is proposed the review focuses on key areas of relevance for the tax. For example, to explore issues (not an exhaustive list) such as waste flow across the Wales/England border, waste composition across the standard and lower rates, wider environmental policies in respect of highlighting any mismatches and opportunities to improve alignment between tax and environmental law, legislation on reliefs and discounts in recognition of their potential to impact on behaviour, as well as an assessment of what impact, if any, the introduction of an unauthorised disposals rate of LDT has had on deterring unauthorised disposals of waste in Wales.

Separately, the UK Government has announced a Landfill Tax review<sup>1</sup> in England and Northern Ireland, as part of a range of tax policy and consultation announcements. We are currently working with UK Government in recognition of our shared environmental and waste management objectives, and mitigate undesirable outcomes such as waste tourism.

I would be grateful for any views on the proposed scope of the independent review of LDT by the 30 September so that we can feed these into the development of the specification to procure an independent person/organisation to undertake the review.

I have similarly written to the Chair of the Climate Change, Environment and Infrastructure Committee to seek that Committee's views on the proposed scope of the independent review.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive, flowing style.

**Rebecca Evans AS/MS**

Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government

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<sup>1</sup> [Tax policies and consultations: Spring 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/tax-policies-and-consultations-spring-2021)