

4. What impact do you think a single rate of Landfill Tax would have on environmental outcomes, including ensuring more materials are reused, recycled and repurposed?

NLWA supports the move away from landfill disposal as much as possible and want to see less waste disposed of in this way. We expect that transitioning to a single rate of landfill tax would help improve environmental outcomes, although the overall impact will be limited by the availability of viable routes to reuse, recycle and repurpose the relevant materials. Government needs to ensure there are solutions in place which allow these materials to be processed at scale and that there is sufficient demand for reused, recycled or repurposed material. This would require strategic interventions to assess and support processing capacity, or to stimulate growth in the reuse and recycling market.

These proposals also need to be assessed alongside other related policies to fully understand the potential impacts and ensure they achieve the intended environmental outcomes. Construction waste is a key area of focus for Defra's Circular Economy Taskforce so their strategy, due to be published this year, could have significant impacts on these waste streams. If changes to Landfill Tax are going to contribute to greater circularity of these materials, they need to be planned alongside the circular economy strategy so that the policies align and complement each other. NLWA is aware that the timeline for the Circular Economy pathways are potentially 3-10 years for implementation. Removing the lower rate of Landfill Tax before a clear pathway is in place for the reuse or reduction of wastes that currently qualify for the lower rate could lead to unintended consequences and environmental disbenefits, such as increased waste crime. Landfill operations will also be impacted by Defra's intention to eliminate biodegradable waste to landfill, so it is important any interactions between these policies and Landfill Tax change are fully considered.

5. Alongside these proposals, what steps could government take to improve the circularity of materials which are currently subject to the lower rate of Landfill Tax?

The government should develop a comprehensive strategy aimed at reducing waste and improving the circularity of these materials. This should form part of Defra's upcoming circular economy strategy, and any changes to Landfill Tax should be aligned and considered alongside the development of that strategy.

Further interventions to improve circularity should focus on reducing waste at source by targeting the producers of waste. Policy should incentivise waste producers, including product manufacturers and those in the construction industry, to 'design out' waste by switching to sustainable materials, planning for reuse when designing and building, and maintaining responsibility for the end-of-life treatment of their materials, products or buildings. This could be achieved through comprehensive Extended

Producer Responsibility schemes which ensure that it is waste producers who bear the costs of disposal and can be used to directly incentivise waste reduction and reuse.

Government should also support the reuse, recycling and repurposing of these materials by ensuring there is adequate infrastructure for them to be processed. This will require strategic planning and investment to develop reprocessing capacity where needed, especially given that the proposed removal of the lower rate of Landfill Tax should lead to more of these materials being diverted for reuse and recycling.

Circularity also relies on there being sustainable end markets for the reused materials so government should work to ensure that there are viable uses and sufficient levels of demand. This might include research and innovation, economic incentives such as tax relief for reused products/materials, or requirements on producers and builders to make use of recycled, reused and repurposed materials, such as a building standard.

6. What impact would a single rate of Landfill Tax have on your organisation? How would your business adapt in response to this change?

NLWA's target is already to send zero waste to landfill so the new rate would have limited impact on the organisation. Our approach would continue to prioritise waste treatments further up the waste hierarchy, reusing and recycling as much as possible and recovering energy from any waste which is not recycled.

We would note that the proposals could increase disposal costs for other local authorities who rely on landfill, including as contingency plans for planned and unplanned EfW outage, particularly in regions where EfW capacity is limited. This is part of a wider trend of policy change increasing costs of waste disposal for local authorities. Examples of this include the Emissions Trading Scheme which will significantly increase the cost of energy from waste treatment, or the requirement to send waste containing Persistent Organic Pollutants (POPs), which may have otherwise been recycled, to energy from waste, a waste stream which local authorities manage on an ongoing basis. If these changes are not supported by an accompanying increase in funding for waste services, local authorities are left to manage rising costs from existing budgets which are already significantly stretched.

7. Are there technological or practical barriers to reusing, re-purposing and recycling any of the materials which are currently subject to the lower rate of Landfill Tax? And how could these be overcome?

Some key barriers have been mentioned in the response to Q4 above i.e. the potential lack of processing capacity to recycle, reuse and repurpose materials and a lack of

demand for those materials. Government should assess processing capacity and set policies that increase demand, for example requirements to use a percentage of recycled products in new construction and manufacturing.

In general, barriers need to be addressed in the design and manufacturing stages of products and construction, so that circularity and end-of-life treatments are considered from the outset and waste is prevented from arising in the first place. Policy should place responsibility on manufacturers, construction companies or others who produce these waste materials to reduce their waste and incentivise more sustainable practices.

With construction as a workstream for the Circular Economy Taskforce, this is a major opportunity to consider and overcome any relevant barriers. There needs to be clarity on what will be included in this strategy, the impact it will have, and how these proposals are being considered alongside.

8. Are there any lower rated materials for which landfill is the only waste management option?

Although this is likely to be the case for some materials, it does not apply to waste managed by NLWA.

9. What impact do you think a single rate of Landfill Tax would have on misdescription and wider waste crime (including illegal dumping)?

We agree with the position set out in the consultation that the single rate of Landfill Tax would reduce the incentive to misdescribe waste as lower rated materials. However, with more material subject to the standard rate, there will be an increased incentive to illegally dump or fly tip waste because the cost of legitimate landfills will increase compared to illegal sites. This would have a significant impact on local authorities, who are responsible for removing fly-tipped waste. The full impacts and costs need to be assessed, and local authorities need to be adequately resourced to carry out their enforcement duties, accounting for any increase in waste crime that might come about as a result of these proposals.

10. If you answered question 9, what steps could government take to respond to/manage these impacts?

The government should properly resource the organisations responsible for enforcing and preventing waste crime, notably the Environment Agency and local authorities so they have the capacity required to address the problem.

There also should be meaningful progress made on other related policy which could help to reduce waste crime, particularly Digital Waste Tracking which will strengthen data in the sector.

11. Do you agree with the proposed timeframe to transition to a single rate by 2030? Would this give your organisation sufficient time to prepare?

NLWA would require minimal changes to our operations, so can't comment on how much time is needed for others to prepare, however timing needs to align with other policy in order to successfully achieve the intended environmental outcomes.

Pathways in the upcoming Circular Economy strategy are potentially 3-10 years for implementation. Removing the lower rate of Landfill Tax before a clear pathway is in place for the reuse or reduction of wastes that currently qualify for the lower rate could lead to unintended consequences and environmental disbenefits, such as increased waste crime. Landfill operations will also be impacted by Defra's intention to eliminate biodegradable waste to landfill, so it is important any interactions between these policies and Landfill Tax change are fully considered.

12. What more could government do to support your organisation to prepare for the change?

There is a general need for clarity and certainty on waste policy. Our organisation and the wider sector are already managing the implementation of extensive reforms including packaging Extended Producer Responsibility, Simpler Recycling, the Deposit Return Scheme and the Emissions Trading Scheme. The full impacts of these remain uncertain so further changes to the waste system, especially those that increase costs and workload for local authorities, will present significant challenges.

13. Do you agree that removing the qualifying fines regime would:

(i) improve environmental outcomes and,

(ii) reduce misdescription during the period of transition to a single rate?

Agree.

14. Do you agree that all fines should be subject to the standard rate? What impact would this have on your organisation?

This would have minimal impact on our organisation due to our existing commitment to zero landfill, but we would have no objection to the proposal.

15.Are there any wider potential impacts associated with removing the qualifying fines regime?

As described in responses above, the possible incentives for illegal dumping or fly tipping of material where there will be an increase in cost for legitimate disposal options.

16.Do you agree with the proposal to give businesses one year's notice, before implementing this change from 2027.

NLWA will be largely unaffected so have no comment on the specific time period, but as described above, there is significant policy change happening in the waste sector over the next three years and so implementation of this proposal should not be considered in isolation.

17.Do you agree with the proposal to increase the rate of Landfill Tax applied to unauthorised waste sites and simplify the penalties and interest which applies?

Agree.

18.Do you have any alternative proposals or other views relating to the basic framework and structure of the tax?

It is crucial that the Landfill Tax system is considered in the round alongside other relevant policy so the full impacts can be understood and changes can be strategically aligned. This would lead to smoother implementation and better environmental outcomes. For example, Landfill Tax is a policy lever which could be used to support the government's targets of halving residual waste, doubling resource productivity and sending less than 10% of municipal waste to landfill. These aims do not appear to be addressed in the government proposals or consultation document. Along with the range of existing work on Defra policy including the Collection and Packaging Reforms and the Circular Economy Taskforce, the Landfill Tax proposals should be brought together into a more coherent long-term strategy for waste reduction and circularity.

A key example of how interactions with other policy need to be considered is the expansion of the Emissions Trading Scheme to include energy from waste (EfW) facilities. This will significantly raise the cost of waste disposal through EfW. If EfW becomes relatively more expensive compared to landfill, there will be a risk of incentivising greater use of landfill for non-recyclable waste despite being the worst

option environmentally and the bottom of the waste hierarchy. Regardless of whether there is a single or dual rate of Landfill Tax, it is important that the regime maintains the correct relationship with the cost of EfW and preserves the waste hierarchy.

19. Do you agree that removing the filling of quarries exemption would level the playing field and improve environmental outcomes?

N/a

20. Are there particular challenges faced by quarry operators undertaking backfill activities, which the government should be aware of?

N/a

21. Does the proposed implementation timeline provide sufficient time to prepare? What could government do to help businesses prepare for the change?

N/a

22. Do you have any alternative proposals?

N/a

23. Do you agree that the proposal to restrict the dredging exemption to dredged material only would incentivise re-use and recycling of stabilising materials such as APCR?

N/a

24. What impact would proposals to restrict the dredging exemption have on (i) your organisation, (ii) dredging activity overall?

N/a

25. Does the proposed implementation timeline provide sufficient time to prepare? What could government do to help businesses prepare for the change?

N/a

26. Do you have any alternative proposals?

N/a

27. Do you agree removing water discounting agreements from the tax would improve environmental outcomes and level the playing field for legitimate operators?

N/a

28.What impact would removal of the water discounting scheme have on your organisation?

N/a

29.Does the proposed implementation timeline provide sufficient time to prepare?
What could government do to help businesses prepare for the change?

N/a

30.Do you have any alternative proposals?

N/a