Consultation on Reform of Landfill Tax in England and Northern Ireland – Wildlife and Countryside Link Response

21 July 2025

Overall comments

We support the proposals in the consultation and the intention to drive waste up the waste hierarchy. Current exemptions from the Landfill Tax and the discounted rate for certain materials encourage the use of Landfill over repair, reuse and recycling of materials. This increases the use of virgin raw materials, which has large impacts on nature. In particular, many materials currently subject to the lower rate of Landfill Tax are wastes from construction, demolition and excavation. These wastes make up 61% of all waste in the UK.[1] The failure to incentivise repair, reuse and recycling for these materials is a key driver behind construction's high use of virgin raw materials, with construction accounting for 50% of global resource extraction.[2] Extraction of raw materials for construction usually involves damaging or destroying ecosystems through logging and mining, or planting of monocultures for timber, demonstrating the imperative to make better use of these resources. Moving to one rate of Landfill Tax and eliminating exemptions has the potential to encourage more circular use of materials. We therefore welcome implementation of these proposals.

The possibility to misclassify non-inert wastes as eligible for the lower rate of Landfill Tax or Landfill Tax exemptions incentivises improper disposal of polluting wastes in landfill. This can lead to avoidable greenhouse gas emissions, and water and air pollution, with impacts on both nature and people.[3] Minimising improper waste disposal therefore provides an additional reason for the proposal to eliminate the lower rate of Landfill Tax and remove exemptions.

[1] Defra: UK statistics on waste
[2] SEI: Towards a sustainable global construction and buildings value chain
[3] Wildlife and Countryside Link: Transitioning to a circular economy to restore nature

However, our approach to materials must be driven to the top of the waste hierarchy, not simply one step higher. Currently, although most construction and demolition waste is recovered, much of this is low-grade recovery such as grinding up of materials for use as aggregates, with materials therefore losing much of their value and having to be replaced with virgin raw materials – the equivalent of downcycling. Simply eliminating the lower rate of Landfill Tax and relevant exemptions will likely mean that construction waste will simply end up being put through this sort of low-grade recovery or used for backfilling. In addition, although the proposed policies will reduce the incentive to misclassify non-inert wastes and send them to landfill, there is a risk that these materials are sent for incineration and energy recovery.

To push materials higher up the waste hierarchy, the proposed changes must be accompanied by additional financial incentives. In particular, extended producer responsibility (EPR) should be introduced for construction materials to incentivise a reduction in use of virgin materials, with modulation to encourage repairability, reuse, and use of recycled content (where safe). The VAT disincentive for retrofit, refurbishment and renovation in construction (which normally faces 20% VAT, compared to 0% VAT for new build) should also be removed. Finally, government investment vehicles such as the National Wealth Fund should be used to support circular economy start-ups to successfully cross the 'valley of death' between research funding and commercialisation/scale-up. More detail on these financial incentives can be found in our paper, *Financial Incentives to Grow the Circular Economy*.

As the consultation identifies, eliminating the lower rate of Landfill Tax and exemptions is likely to increase incentives to illegally dispose of waste. We welcome the proposal to increase the rate of Landfill Tax applied to disposals at unauthorised waste sites to 200% of the standard rate. However, this alone will not be enough as applying this penalty requires unauthorised sites to be identified and enforcement action taken. This requires proper funding to be given to the Environment Agency. Funding for the environment agency's work on environmental protection fell by 50% between 2010 and 2022.[4] Alongside this the Agency's enforcement action has declined by 84% from 2012-2022 and of the 4,074 enforcement actions taken against companies by the Agency during the 2012-2022 period, 60% did not result in a fine.[5] In particular, prosecutions relating to waste management have fallen from 191 in 2006 to 21 in 2021.[6] To eliminate waste crime, the Environment Agency's regulatory enforcement functions must be properly funded, with a return to at least 2010 levels in real terms.

[4] Independent: Environment Agency funding cut by 50% over past decade as sewage spills rise, analysis shows
[5] Wildlife and Countryside Link: The work of the Environment Agency
[6] ENDS Report: 76% drop in Environment Agency prosecutions in last decade, ENDS analysis shows

While we welcome these proposals on landfill tax, achieving material circularity will require more ambition. Therefore, we continue to call for a moratorium on new energy from waste (EfW) capacity. Waste to energy incineration is the dirtiest form of energy production in the UK, releasing carbon dioxide (CO_2) at a higher rate than any other form of energy production. Incineration also releases a range of pollutants (e.g. nitrogen oxides (NOx), ammonia (NH_3); sulphur dioxide (SO_2), chlorinated gases (HF, HCl, HBr), lead, zinc, chromium, polycyclic aromatic compounds and persistent organic pollutants (dioxins and furans)) that cause adverse environmental and human health impacts.[7] As government analysis demonstrates, there is a risk that construction of new EfW facilities will lead to overcapacity of EfW capacity relative to the amount of predicted residual waste.[8] This could lead to price incentives to send materials to EfW rather than driving them further up the waste hierarchy, including for non-inert wastes currently sent to landfill and misclassified as eligible for the lower-rate. Long term contracts between local authorities and EfW facilities to provide certain amounts of waste create additional incentives to send materials to EfW.

These issues are likely to be particularly prominent in regions with high levels of overcapacity, which are highlighted in the Government analysis. The data shows that existing and under construction capacity is already nearly equivalent to expected residual waste in 2035 and consented capacity far exceeds expected residual waste. There are lessons to be learnt from the Scandinavian situation where they face excess EfW capacity after overinvestment in the technology.[9] There must therefore be a moratorium on construction of any new facilities to avoid this overcapacity and avoid any increase in materials sent to EfW instead of for reuse and recycling.

We broadly welcome the proposals in the consultation and believe they can contribute to driving behaviours relating to resource use up the waste hierarchy and reduce environmental impacts. However, they must be supported by wider policies to eliminate waste crime and incentivise repair, reuse, and recycling over landfill and EfW. Furthermore, a safe circular economy requires more robust upstream measures to keep harmful chemicals and microplastics out of products. Harmful chemicals in waste materials and the lack of chemical transparency throughout supply chains currently represent a barrier to safe re-use and recycling of resources.[10]

[7] UKHSA: Health impacts of emissions from incinerators: UKHSA opinion of the evidence
[8] Defra: Residual waste infrastructure capacity note
[9] Green Alliance: Scandinavians call their waste incineration 'crazy', so why copy them?.
[10] Fidra: Safe and Circular: How Controls on Chemicals Enable a Circular Economy

1. In what capacity are you responding to this consultation?

Environmental group

2. If you wish to, please enter details of the business or body you represent

Wildlife and Countryside Link with support from:
WWF - UK
Environmental Investigation Agency (EIA)
Fidra
Reloop
Whale and Dolphin Conservation (WDC)
Keep Britain Tidy
Marine Conservation Society

3. Would you like your response to be confidential?

No

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?

A single rate of Landfill Tax is likely to reduce the use of landfill for materials currently charged the lower rate. In addition, non-inert materials are less likely to go to landfill as the incentive to misclassify them to attract the lower rate will be removed. This could reduce environmental pollution and greenhouse gas emissions from waste that is misclassified and therefore improperly disposed of.

However, without further measures, materials are likely to be sent to energy from waste or used in low-grade recovery. This means that materials are unlikely to be reused, recycled or repurposed, meaning that they will continue to lose most of their value and virgin raw materials will continue to be used at similar rates. In addition, increased carbon dioxide emissions from energy from waste will negate benefits from reduced methane emissions from landfill. Therefore, the impact on environmental outcomes from a single rate of Landfill Tax alone, without other policies, is likely to be small.

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?

Many of the materials subject to the lower rate are construction wastes. In order to prevent construction waste from going to landfill and encourage materials to be repaired, reused, and recycled, a package of additional financial incentives is required. Changing the landfill tax alone will likely result in materials only moving slightly up the waste hierarchy to energy from waste (for relevant materials) or low-grade recovery.

In particular, EPR should be introduced for construction materials to incentivise a reduction in use of virgin materials, with modulation to encourage repairability, reuse, and use of recycled content (where safe). The VAT regime for retrofit, refurbishment and renovation in construction (which normally faces 20% VAT, compared to 0% VAT for new build) should also be removed. Finally, government investment vehicles such as the National Wealth Fund should be used to support circular economy start-ups to successfully cross the 'valley of death' between research funding and commercialisation/scale-up. More detail on these financial incentives can be found in our paper, *Financial Incentives to Grow the Circular Economy*.

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

Not applicable

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?

The opportunity to reuse, repurpose and recycle materials currently subject to the lower rate landfill tax relies on incentivising the adoption of circular design solutions and building awareness of the twin commercial and environmental benefits of doing so. For example, circular construction business models can increase profitability and improve financial returns by 26%, and techniques and technologies already in existence could lead to an overall reduction in material usage by over a third.[11]

There is a risk that the absence of knowledge and support to enable businesses to shift to circular solutions for materials, coupled with the proposed single rate of landfill, will push

[11] Green Alliance: Circular construction

waste towards EfW or simple incineration. Above and beyond measures to disincentive EfW, for example its inclusion in the emissions trading scheme, we continue to call for an incineration tax to send a clear signal that this continues to be an undesirable outcome for materials.

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

Any materials that can only be sent to landfill should be designed out using regulations and design standards. This will eliminate residual waste and encourage only the use of circular materials.

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

A single rate of landfill tax has the potential to reduce misclassification by removing the incentive to misclassify materials as eligible for the lower rate. This could reduce the amount of currently misclassified higher rate materials going to landfill.

However, a single rate of landfill tax will increase the incentive to illegally dump current lower rate materials, as well as materials that are currently misclassified as lower rate.

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

The government must increase funding for Environment Agency enforcement capacity. Funding for the environment agency's work on environmental protection fell by 50% between 2010 and 2022.[12] Alongside this the Agency's enforcement action has declined by 84% from 2012-2022 and of the 4,074 enforcement actions taken against companies by the Agency during the 2012-2022 period, 60% did not result in a fine.[13] In particular, prosecutions relating to waste management have fallen from 191 in 2006 to 21 in 2021.[14] To eliminate waste crime, the Environment Agency's regulatory enforcement functions must be properly funded, with a return to at least 2010 levels in real terms.

[12] Independent: Environment Agency funding cut by 50% over past decade as sewage spills rise, analysis shows
[13] Wildlife and Countryside Link: The work of the Environment Agency
[14] ENDS Report: 76% drop in Environment Agency prosecutions in last decade, ENDS analysis shows

11.Do you agree with the proposed timeframe to transition to a single rate by 2030? What impact would transitioning to a single rate by 2030 have on your organisation?

The transition to a single rate must be supported by other policies to support the transition to a circular economy for lower rate materials, as outlined under question 5. This must be accompanied by practical support to help businesses move from wasteful linear to circular practices during those 5 years.

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

No response

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?

No response

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

No response

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

No response

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

No response

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?

Yes

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

The Landfill Tax should be increased annually at above inflation rates to discourage use of landfill and drive materials up the waste hierarchy.

However, due consideration is needed on the health and safety aspects of material reuse, especially in relation to potentially hazardous materials, especially those which may contain legacy chemicals. For example, the issue is clearly demonstrated by waste upholstered domestic seating (WUDS), such as sofas, which can contain high levels of legacy chemical flame retardants banned under the Stockholm Convention on persistent organic pollutants (POPs). The Environment Agency recently introduced a ruling requiring the separation of WUDS from general waste streams and disposal via municipal incineration to destroy harmful POPs, while Northern Ireland continues to implement European Union regulation on POPs. [15] The presence of harmful chemicals therefore prevents reuse and recycling.

Dynamic sharing of chemical information for materials could be supported by the introduction of material passports (e.g. digital product passports). Recyclers need to know which chemicals are in the products they are handling and ideally which components contain those chemicals. When a product reaches its end of life, it is not clear what chemicals were added to products at the point of manufacturing. The lack of chemical data sharing throughout product supply chains potentially leads to higher levels of waste due to concerns over recyclability of materials.

Fidra's 2023 mattress case study evidence review identified collection methods and lack of incentives for local authorities to recycle mattresses as key barriers to improving recycling rates.[16] Aside from the UK's municipal solid waste targets, there are no recycling targets assigned to household waste recycling centres. Smaller recyclers were also identified as being less likely to have the quantities of material required to obtain reliable trade. Larger recyclers were therefore shown to be at an advantage and more likely to secure trade of recycled materials, including metal, polyester, foam and mixed textiles, for secondary uses. Furthermore, without adequate chemical labelling, mattresses are often unable to be recycled and remanufactured at end of life and therefore many of them are disposed of via

[15] Fidra Case Study Report: Plugging the chemical transparency gap for a safer circular economy - Furniture Supply Chains

[16] Fidra: The Impacts & Solutions for Chemical Flame Retardant Use in UK Mattresses: Evidence Review

landfill. Effective EPR schemes are needed for end of life mattresses, along with innovative design to increase recovery of components.

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

No response

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

No response

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

No response

22.Do you have any alternative proposals?

No response

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?

No response

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

No response

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

No response

26.Do you have any alternative proposals?

No response

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

No response

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

No response

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

No response

30.Do you have any alternative proposals?

No response

Wildlife and Countryside Link (Link) is the largest nature coalition in England, bringing together 90 organisations to use their joint voice for the protection of the natural world and animals.

For questions or further information please contact:
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The following organisations support this consultation response:

WWF - UK
Environmental Investigation Agency (EIA)
Fidra

Reloop
Whale and Dolphin Conservation (WDC)
Keep Britain Tidy
Marine Conservation Society