

Overview

The Land, Planning and Development Federation (LPDF) is very supportive of the government's drive to reform the planning system to ensure that it is fit for purpose and helps to bring forward much-needed new homes, commercial development, and new infrastructure as quickly as possible.

We acknowledge that the changes implemented through the new National Planning Policy Framework (NPPF) in December 2024, along with subsequent changes to the Planning Practice Guidance (PPG) and other elements of the planning system, will make a positive difference.

The LPDF also supports the direction of travel of the government to move towards a circular economy, driving more waste away from landfill so that it can be reused or recycled. We recognise the need to tackle waste crime and to ensure that waste is properly categorised to avoid any intentional or unintentional misdescription.

We support the use of new technologies to track waste digitally so that regulators are better able to detect waste crime. We also feel that the government needs to continue to pursue all technological innovations in this field to minimise illegal activity and raise the standard of operators' competence at permitted sites.

However, we do have significant concerns about the proposed implementation of the Landfill Tax changes as set out in the consultation document. Whilst we recognise the government's intention to move to a single rate of tax by 2030, this is likely to have unintended consequences for the viability of existing quarrying operations and their subsequent restoration requirements. This could have an impact on the amount of aggregate that is removed from existing or future sites for construction purposes, on the ability of operators to restore sites to their most beneficial end-use and on the eventual after-use of those restored sites for value-added uses such as nature conservation, Biodiversity Net Gain (BNG) projects, or the delivery of new homes and commercial development on previously used 'Brownfield' sites. This could have knock-on effects that impact negatively on key government agendas such as the delivery of 1.5 million homes by the end of this Parliament and/or the halting and reversing of the decline of nature and the need for its conservation.

About the LPDF

The LPDF seeks to represent the UK's leading land promoters, home builders, and commercial developers.

LPDF members support the housebuilding and commercial development sectors by promoting sites through the planning system, providing "shovel-ready" land with a planning permission, which can facilitate the delivery of infrastructure and serviced land parcels.



The LPDF seeks to actively engage with government on planning, housing and commercial development policy and to educate the wider public on the social, environmental and economic benefits of development through an evidenced based approach.

The LPDF encourages its members to deliver well-designed, high-quality, sustainable places that deliver a mix of housing types and tenures, commercial spaces and community uses that have a positive social, environmental, and economic impact.

Our key values include:

- Working in a positive and cooperative way with central and local government and key stakeholders, to deliver a planning system capable of supplying the homes and employment space we need.
- Promoting research and an evidence-led approach to policy development.
- Increasing the supply of new homes to meet demand and make home ownership a realistic possibility for all those who aspire to it.
- Ensuring that we build the affordable homes of all types and tenures that this country so desperately needs.
- Delivering new employment space to meet demand from businesses and support economic growth.
- Championing the impact of increased housing delivery on reducing intergenerational unfairness.
- Creating well-designed, high-quality quality and sustainable places to live and work.
- Educating and informing about the social, environmental and economic benefits of development.
- Supporting diversity of delivery in the market and championing SME developers.
- Promoting diversity and inclusivity within the sector.



Questions

Q1. In what capacity are you responding to this consultation?

As a trade body.

Q2. If you wish to, please enter details of the business or body you represent.

The Land, Planning and Development Federation (LPDF) is a trade body representing members who are land promoters, developers, and other professionals who engage with the planning system daily.

Q3. Would you like your response to be confidential?

No.

Q4. 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?

The LPDF understands the government's wish to move to a single rate of Landfill Tax because of the potential positive impact it could have on certain environmental outcomes. However, we are concerned that, as proposed, the changes will have a negative impact on the viability and operation of both existing and new quarry sites, the commitment and ability, respectively, to restore these to a standard required under planning regulations, and on the government's ability to deliver 1.5 million homes in this Parliament.

The implications of these proposals for new development were expressed clearly by the Minerals Planning Group in their article entitled 'The Landfill Tax wake-up call'¹, where they quoted the British Aggregate Association's calculation that moving to a single rate of tax could add £8,000 to £12,000 to the cost of building every new home.

The Times has also reported² that, as housebuilders currently pay the lower rate of tax to dispose of topsoil, if the single upper rate is introduced, it could mean a 30-fold increase in their Landfill Tax bill. One major housebuilder is reportedly forecasting that their tax bill will rise from single-digit millions to over £100 million. This is potentially catastrophic for housebuilders who are tasked with delivering the government's aim of 1.5 million new homes this parliament.

¹ [\(3\) Post | LinkedIn](#)

² [Housebuilders and steelmakers sound alarm over £1bn landfill tax raid](#)



The plurality of builders active in the market at any given time is of fundamental importance. Research undertaken by Savills on behalf of the LPDF³ estimated that the number of medium-sized and smaller builders (building up to 500 homes per year) has declined dramatically, falling by 60% between 1995 and 2023. As a result of this stark decline in SME builders, the UK has become more reliant on a small number of housebuilders and, in particular, a few very large housebuilders. We need more small and medium-sized sites, as well as large ones, to support increased delivery of housing so that the full range of different-sized builders can contribute to delivery.

However, the change to a single rate of tax is likely to disproportionately impact SME builders as they have less financial flexibility to absorb any increased costs. In addition, small and medium-sized sites have fewer opportunities to allow for on-site materials re-use through major cut and fill exercises. Digging the foundations and creating Sustainable Urban Drainage Systems on these sites leads to surplus topsoil that cannot be 'lost' on site through raised ground features and will therefore need to be disposed of off-site at increased cost under the proposed tax regime. These factors, which affect SME developers to a greater extent, will severely hamper the government's ability to meet its new home delivery aspirations and to diversify the housing delivery market.

Additionally, the move towards a single rate of tax could have the perverse impact of making the redevelopment of brownfield sites, a key government priority, less viable. Brownfield sites are likely to require large-scale restoration involving the removal of significant quantities of soil. The move to a single rate of tax is therefore likely to significantly increase the cost of disposal of these soils, negatively impacting the viability of these sites.

If the government decides to implement the move to a single rate of Landfill Tax, despite the concerns outlined in this response, then the LPDF firmly believes that the changes should only apply to new quarrying sites that are consented post the new tax regime's introduction. This is explained in more detail in our responses given below.

Q5. 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 LPDF does not wish to comment on this question.

³ Savills (October 2024) – What size of builders do we need?



Q6. What impact would a single rate of Landfill Tax have on your organisation? How would your business adapt in response to this change?

LPDF members who are involved in quarrying and the restoration of both former, existing and future quarrying sites are likely to be negatively impacted by the move to a single rate of Landfill Tax. Please see our answer to **Q4** above.

Q7. 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 LPDF does not wish to comment on this question.

Q8. Are there any lower rated materials for which landfill is the only waste management option?

The LPDF does not wish to comment on this question.

Q9. What impact do you think a single rate of Landfill Tax would have on misdescription and wider waste crime (including illegal dumping)?

The LPDF does not wish to comment on this question.

Q10. If you answered question 9, what steps could government take to respond to/manage these impacts?

The LPDF does not wish to comment on this question.

Q11. Do you agree with the proposed timeframe to transition to a single rate by 2030? Would this give your organisation sufficient time to prepare?

The LPDF considers that if the government intends to implement the single rate of tax proposals, despite the concerns expressed in this response, then there is a need to introduce a transitional period. However, we consider that the transitional period proposed will place considerable financial pressure on existing quarry operators. This is particularly the case for sites that are already in operation and have based their extraction and restoration proposals on a viability assessment calculated under the existing regime.

This could render the restoration of existing quarrying sites unviable, especially in areas of the country where land values are already marginal.



Q12. What more could government do to support your organisation to prepare for the change?

The government should maintain the current tax regime for existing quarrying sites that have an extant permission, on or before the date of the introduction of the new taxation proposals. This would ensure that existing sites are worked and restored as proposed in their planning permission and recovery or disposal permits.

Q13. 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?

The LPDF does not wish to comment on this question.

Q14. Do you agree that all fines should be subject to the standard rate? What impact would this have on your organisation?

The LPDF does not wish to comment on this question.

Q15. Are there any wider potential impacts associated with removing the qualifying fines regime?

The LPDF does not wish to comment on this question.

Q16. Do you agree with the proposal to give businesses one year's notice, before implementing this change from 2027.

No – It is considered that one year is too short a notice for businesses to properly prepare for these changes and for them to be able to factor these changes into their viability assessments for sites. Organisations will have to review all of their existing operations in detail, to fully understand the implications of the new taxation regime, and they will need to formulate strategies for each of their sites in order to ensure that they remain viable and can be restored to beneficial after-uses under their existing consents. This exercise is likely to take a considerable length of time to complete.

To overcome these issues, the new taxation regime should only be applied if there is a material change in any existing planning consent. This would give both the minerals and construction sectors additional financial certainty, as without this approach, it will be very difficult for all sectors to fully absorb the cost implications of the Landfill Tax reform without it affecting the viability of existing sites.

Q17. 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?

The LPDF does not wish to comment on this question.



Q18. Do you have any alternative proposals or other views relating to the basic framework and structure of the tax?

Please see our response to **Q4** above.

Q19. Do you agree that removing the filling of quarries exemption would level the playing field and improve environmental outcomes?

No – The LPDF strongly objects to the proposal to remove the filling of quarries exemption from the Landfill Tax regime.

As stated previously in this response, the move to a single rate of Landfill Tax is likely to cause unintended consequences that will have a negative impact on the government's aims of delivering 1.5 million homes in this Parliament and on reversing the decline of nature. If the removal of the filling of quarries exemption is also implemented, then these negative impacts are likely to be worsened.

The removal of the filling of quarries exemption is likely to have a detrimental impact on site viability for quarrying activity and could, as a result, lead to mineral operators not extracting the mineral resource fully, especially in areas of marginal viability where they will need to consider the cost implications of the level of fill material required to restore the quarry. This is a particularly important consideration for the government given that they are trying to deliver significant housing, commercial, and infrastructure growth, all of which will need considerable aggregate resources to be made available for the government's ambitions to be delivered.

Another unintended consequence is that operators may not be able to restore sites to the highest quality possible as again, in areas of marginal viability, the cost of restoration will need to be managed to ensure that sites remain viable concerns. This could affect the output of a restoration project with a consequential impact on the nature benefits that accrue from sites or the suitability of the restored sites for residential, commercial or other value-added end uses.

A further consideration, especially for sites which already have planning permission for quarrying with subsequent conditions for restoration, is that these will have been assessed for viability purposes under the previous tax regime. Any change to the tax regime which has an impact on these existing sites, could render the restoration proposals unviable and may lead to lengthy negotiations between developers and Local Planning Authorities (LPAs) to consider complex variations to existing permissions or ultimately, legal challenges if a developer is unable to fulfil the restoration conditions attached to the consent for viability reasons.

It is therefore extremely important for the government to carefully consider these unintended consequences when determining whether to implement the proposed removal of quarry exemptions.



Q20. Are there particular challenges faced by quarry operators undertaking backfill activities, which the government should be aware of?

See our answer to **Q19** above.

Q21. Does the proposed implementation timeline provide sufficient time to prepare? What could government do to help businesses prepare for the change?

No – For the reasons set out above, the proposal to remove the quarry exemption by 2027 does not give sufficient time for businesses to assess the viability impact of the changes and to then work out the best potential solutions, given that some solutions may require the variation of existing planning permissions.

For these reasons, if the government intends to implement the proposal to remove quarry exemptions completely, a period of 5 years should be allowed for transition to the new regime.

Q22. Do you have any alternative proposals?

Notwithstanding the answer given to **Q4** and **Q19** above, it is the LPDF's firm opinion that the best options available for the government, so that it can achieve its aims of a circular economy, and a significant increase in the delivery of new homes and commercial development, are either:

- (i) To maintain exemptions and the existing tax regime for existing quarries and the disposal of topsoil, but with additional qualifying criteria for newly consented quarries relating to the need to deliver value-added end uses as a result of the restoration, i.e. for residential or commercial development, or for a positive BNG nature outcome. Both of these options will link the end-use directly to one of the government's stated key ambitions, or
- (ii) To apply the new tax and exemption regimes only to new sites gaining planning permission post the introduction of the new procedures.

These two options would allow the government to achieve its aims on multiple agendas, whilst avoiding some of the unnecessary negative unintended consequences and potential legal challenges.

Q23. 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?

The LPDF does not wish to comment on this question.



Q24. What impact would proposals to restrict the dredging exemption have on (i) your organisation, (ii) dredging activity overall?

The LPDF does not wish to comment on this question.

Q25. Does the proposed implementation timeline provide sufficient time to prepare? What could government do to help businesses prepare for the change?

The LPDF does not wish to comment on this question.

Q26. Do you have any alternative proposals?

The LPDF does not wish to comment on this question.

Q27. Do you agree removing water discounting agreements from the tax would improve environmental outcomes and level the playing field for legitimate operators?

The LPDF does not wish to comment on this question.

Q28. What impact would removal of the water discounting scheme have on your organisation?

The LPDF does not wish to comment on this question.

Q29. Does the proposed implementation timeline provide sufficient time to prepare? What could government do to help businesses prepare for the change?

The LPDF does not wish to comment on this question.

Q30. Do you have any alternative proposals?

The LPDF does not wish to comment on this question.

