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HMRC internal manual

Corporate Intangibles Research and Development Manual

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CIRD61250 - Land Remediation Relief: What is “land in a contaminated state”? : Industrial activities

[This section applies to expenditure
incurred on or after 1 April 2009](#)

[CTA09/S1145 \(2\)\(b\)](#)

Land Remediation Relief is intended to assist in bringing back into productive use land that has

been blighted by contamination from previous **industrial activity**.

The requirement is that the contamination is present as a result of industrial activity.

"Industrial activity" **includes, but is not limited to**, any activity within the UK standard industrial classification code (SIC) 92 categories C, D, E & F. These are:

- Mining and quarrying - including extraction of fuels, minerals and oils; or
- Manufacturing - including fuel processing and production, manufacture of chemicals and man-made fibres, the metal goods, engineering and vehicles industries and other manufacturing industries; or
- Supply of electricity, gas and water - the production and distribution of electricity, gas and water; or
- Construction industry.

The requirement that contamination is from industrial activity does not mean that the site must have been in use in an activity within these categories. Contamination may be present as a result of the use of the products of an industrial activity even where the land has been used for other purposes.

For example, asbestos is present in a building, as a result of industrial activity (the construction industry) even where the building is used as a shop or office.

Example:

"A Ltd acquires, from an unconnected third party, offices which contain asbestos panelling. They are advised that the panels have not been maintained in accordance with the guidelines and that the panels are now in a state that requires removal."

“Although the building has not been used for an industrial activity, the asbestos is present as a result of industrial activity (the construction industry). A Ltd is not the polluter and acquired the property in a contaminated state. A Ltd can claim Land Remediation Relief on the **additional costs** incurred in removing the asbestos panelling.”

Other activities may qualify as “industrial activities”:

Example:

“B Ltd acquires, from an unconnected third party, a farm complex that had recently fallen out of use. Before they can re-develop the site they have to remove contamination due to spillages of a now banned chemical herbicide.”

“B Ltd can claim Land Remediation Relief because the chemical contamination caused to the land is a consequence of the agricultural industry.”

For guidance on how to establish whether contamination is present as a result of industrial activity see [CIRD61255 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61255\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61255).



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