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HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
([/government/organisations/hm-revenue-customs](#))

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CIRD61060 - Land Remediation Relief: What is "land in a contaminated state"?: Cover systems

**This guidance applies to
expenditure incurred on or before 31
March 2009.**

Cover systems involve placing a barrier over the contaminated ground. They are often used where the level of contamination is only a little above the

recommended limits for that type of site. Cover systems do not remove the contamination, but they can reduce actual harm or the potential to cause harm.

Example:

“A Ltd are developing a housing estate. On part of the site, the level of contamination is above the soil guideline value (see [CIRD61335](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61335) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61335>)).”

“As part of the remediation strategy agreed with the local authority, A Ltd install a cover system to prevent take up of contamination by home-grown vegetables.”

“A Ltd can claim Land Remediation Relief on the cost of installing the cover system. HMRC accept that the land was contaminated for the purposes of Land Remediation Relief as the level of contamination exceeds the soil guideline value for that type of housing development and as part of the agreed remediation strategy A Ltd installed the cover system to minimise the potential harm.”

Example

“A Ltd are developing a housing estate. As part of the development, A Ltd will import topsoil to create a layer 600mm thick in the gardens of the new houses.”

“On part of the site, the level of contamination is above the soil guideline value (see [CIRD61335](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61335) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61335>)).”

“As part of the remediation strategy agreed with the local authority, A Ltd import additional topsoil to create a layer 1200mm thick to

prevent take up of contamination by home-grown vegetables.”

“HMRC accept that the land was contaminated for the purposes of Land Remediation Relief as the level of contamination exceeds the soil guideline value for that type of housing development. However A Ltd would have imported 600mm topsoil whether or not the site had been contaminated. A Ltd can only claim Land Remediation Relief on the additional cost of the extra 600mm installed as part of the agreed remediation strategy.”

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