



HM Revenue
& Customs

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Dear Dame Meg,

REPORT ON GOVERNMENT ACTIONS TO COMBAT WASTE CRIME

The Government recently accepted the Committee's recommendation (3b) that "HMRC report on how it has approved its approach to landfill tax prosecutions". This letter serves as the response to the recommendation.

I hope it will be helpful to set out how HMRC's work is progressed within the criminal justice system. While HMRC conducts criminal investigations, both independently and in collaboration with other law enforcement partners, all prosecutions leading from such activity are authorised and progressed by the relevant independent prosecuting authority.¹ HMRC maintains strong partnerships with these organisations to enable regular engagement, cooperation, and continuous improvement at both a working and senior level. In this way, HMRC investigators and the independent prosecutors bring their combined experience and expertise together to ensure that investigations proceed in accordance with the law and that HMRC's investigative work results in strong prosecution cases.

The Committee acknowledged in its report that HMRC had been frank about the challenges associated with investigating this type of case and that a high standard must be met for any criminal investigation to reach the prosecution stage. There is still work to do but this letter focuses primarily on how HMRC is improving its approach to landfill tax fraud investigations so far.

HMRC's approach to landfill tax compliance aims to collect the right tax and achieve the Government's aims for a better environment. Most of our work to tackle tax fraud makes use of civil powers but we use criminal powers selectively, focusing our criminal investigations at the top-end of the highest-harm and most complex organised crime and serious frauds. This is intended to ensure they deliver both value for money for the taxpayer and the maximum impact on tax fraud. Building on lessons learnt from previous operational activity HMRC is

¹ For England and Wales, the Crown Prosecution Service (CPS); for Scotland, the Crown Office and Procurator Fiscal Service (COPFS); and for Northern Ireland (NI), the Public Prosecution Service for NI, (PPSNI).

currently developing a number of criminal investigations into those involved in waste crime. These are at an early stage of development and it is not possible to provide further detail at this point.

HMRC has an active role in the Joint Unit for Waste Crime (JUWC) working with agencies from across government to tackle waste crime.² Formed in 2020, JUWC's principal purpose is to enable regular intelligence sharing, case collaboration and enforcement action. Recent joint activity has included inspection of the disposal routes for high-risk waste and physical examination of waste exports. More activity is planned, with sharing of resources and data now playing a bigger part in preparing operations.

To enable more efficient working of such cases two HMRC officers have been embedded within the Environment Agency to improve data sharing and assist with the referral of unauthorised waste site operators to HMRC for compliance action.

HMRC is deploying more resources to increase the number of civil investigations of landfill tax non-compliance. Recent actions have secured £110m of additional tax revenue since 2021 and we expect at least £50m of extra tax to be paid annually moving forward. Additional resource is due to begin work in this area by mid-2023 and will be funded by measures announced by the Government in the Spring Budget 2022.

Yours sincerely



JIM HARRA
CHIEF EXECUTIVE AND FIRST PERMANENT SECRETARY

² JUWC partners currently include HMRC, The Environment Agency, Department for Environment, Food and Rural Affairs, National Crime Agency, National Fire Chiefs Council, National Police Chiefs Council, British Transport Police, The Scottish Environment Protection Agency, Revenue Scotland, Natural Resources Wales, Northern Ireland Environment Agency and Northern Ireland Department of Agriculture, Environment and Rural Affairs