

Backbench Business Committee

Representations: Backbench Business

Tuesday 1 November 2022

Ordered by the House of Commons to be published on 1 November 2022.

Watch the meeting

Members present: Ian Mearns (Chair); Bob Blackman; Patricia Gibson; Chris Green; Jerome Mayhew; Nigel Mills; Kate Osborne.

Questions 1 - 8

Representations made

[I](#): Mr David Davis

[II](#): Damian Green

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]

Mr David Davis made representations.

Q1 Chair: Good afternoon and welcome to the Backbench Business Committee. We have two applications this afternoon. The first will be presented to us by David Davis and is on landfill tax fraud.

Mr Davis: I thought I was just here as a wingman for Kevan Jones, but never mind, I'll pick up the slack.

This has already been debated in Westminster Hall once. It is a major issue for many constituencies. In fact, Mr Jones, Aaron Bell and I went to see the National Crime Agency about it yesterday, and they are now beginning to take an interest. It appears that landfill fraud in all sorts of forms has become an area of exploitation, shall we say, for a number of criminals. This is particularly the case in the north-east, you would be happy to hear.

Chair: I am aware.

Mr Davis: Some of the people involved in this are in prison for manslaughter and Lord knows what else. It is a very neglected area of public policy, which is why we really want the debate. We want to draw attention to the issue. Many of our colleagues have problems arising from it, such as the abuse and misuse of landfill sites in their constituencies. We think it involves tax frauds, in one case of at least £148 million. A number of Government organisations have been involved with it. HMRC made an attempt to bring a case and it fell through. I want to be quite frank: the Environment Agency have been pretty ineffective, and we need to highlight that. As I say, we went to the NCA yesterday to talk about them participating. This is basically a question of drawing to the public's attention a neglected area of criminal activity that is a serious social harm and costs the taxpayer a lot of money.

Chair: Thank you. One added frisson is that I am aware of cases where people have been charged by haulage companies or disposal companies, or whatever, with fees for getting rid of rubbish, including the taxes that would go to landfill, only to find that that waste is then fly-tipped. In other words, it is not just fraud, it is theft as well, and by criminal gangs at a fairly extensive level.

Mr Davis: With enormous social cost to our constituents.

Q2 Chris Green: This is clearly an important subject. In terms of the direction of travel that the debate would highlight, there are all sorts of different outcomes, from whether the regulatory authorities take it more seriously and intervene—be that the police, HMRC or other organisations—or the opposite, whereby you almost declare the landfill tax successful, meaning we don't need to pursue this route anymore because the recycling infrastructure is so widely established that we can get rid of it entirely. Is that right?



HOUSE OF COMMONS

Mr Davis: It is not the latter, that's for sure. The greater the landfill tax, the greater the incentive to basically steal it. That has been the problem. Indeed, the problem's maximum acceleration was probably between 2005 and 2015, and it is now at a steady state. It is easy money for these criminals. If you think of the American mafia and speakeasies, they made easy money out of it. It was not gunfights on the street; it was making loads of money out of breaking the law. That is what this is.

One of the problems, we think, is that this falls between too many different agencies. It is HMRC on one point, the Environment Agency on another. Also, to a very large extent they underestimate the size of it. Most investigative agencies in Government have thresholds of probability of success and size.

One pursuit was dropped because they thought it was only £20 million. We believed it was much bigger, but because the agency thought it was only £20 million, they did not bother with it. In another case, they thought they had only a 40% chance of success. All this together basically makes it a safe space for these criminals to make money. In many ways, I don't care which agency addresses it, as long as one agency does it properly. There are some signs already. We are not pushing at an open door, but we are pushing at an unlocked door, because there is a waste investigations unit now in the Environment Agency. As I say, the NCA has paid attention to it and the National Audit Office did a report on it as well. It was quite scathing, frankly, and that has not been pursued yet. I think the Public Accounts Committee has done a report, too. It might have been this week—I have not read that yet. It is more the former than the latter. As I say, because it falls between the interest areas of different agencies, everybody thinks that somebody else is doing it, and everybody else is therefore getting away with it.

Q3 Patricia Gibson: On that point, what Department do you see answering this?

Mr Davis: Probably DEFRA, but it could be the Home Office—it could be as wide as that. One of the difficulties we raised yesterday with the NCA was the whole question of what you might call stovepipe problems. For example, HMRC are quite properly—as a privacy and civil liberties campaigner, I would emphatically say quite properly—not allowed to share much of its data with other agencies. There is an operation called Operation Nosedive, which never concluded because it did not have enough evidence to prove anything. There will be loads of data sitting there that nobody else can get at the moment, and there are issues that relate to the Treasury in that respect. In terms of the primary Department, it is DEFRA, because it is the Environment Agency, but this also has impacts on regional policing. Some of these people—the ones we know are criminals—are being picked up by north-eastern police forces. I don't mind who responds to the debate. I think DEFRA will probably be first in line, but in a way it does not matter because we will be writing to a lot more than just that Minister.

Q4 Bob Blackman: Can you therefore take Tuesday 22 November if it is

offered, from 9.30 am to 11 am?

Mr Davis: Let me just check my own diary. As I say, I am the wingman on this. I shouldn't be making these decisions, but that looks great—if we can do it.

Chair: Okay. That is very useful. Thank you very much, indeed, and good to see you.

Mr Davis: That was an unrehearsed presentation.

Damian Green made representations

Q5 **Chair:** Afternoon, Damian. It is good to see you again. Your application this afternoon is on the value of social care at the heart of local communities. Over to you, Damian.

Damian Green: Thank you for letting me pitch for this, which I am doing as chair of the all-party parliamentary group on adult social care. We would like to have a debate that concentrates, unusually, on the positive side of the issue. There are various reports out there that show that the economic value of social care as an industry is about £41 billion across the country, and that is very measurable in local communities. It provides huge amounts of work inside care homes themselves but, more subtly, there are unpaid carers. They are 7 million of them, and one in seven of the workforce are unpaid carers. Because of the nature of what they are doing, they will tend to live, work and spend within a very local area.

Although I am sure that everyone will want to rehearse all the standard lines about the crisis in social care, the workforce and all that—about which I can wax lyrical if necessary—we thought that this debate would give people a chance to say, "By the way, these care homes in my community are providing this amount of employment as well as doing great work."

It would be, I hope, a slightly unusual debate, in that it would have a bit of a celebratory air about it by paying tribute to the people who work in the industry, as well as mentioning some of the quite hard-nosed economic beneficial effects. Social care is almost like a supermarket: an anchor institution in the local community that people should celebrate having there.

Q6 **Chair:** Thank you. Is there any time sensitivity? How soon would you like the debate to take place?

Damian Green: It does not need to be desperately soon. It feels to me more 90 minutes in Westminster Hall on a Tuesday morning than Thursday in the main Chamber.

Q7 **Bob Blackman:** How about a Thursday in Westminster Hall? Would that fit?

Damian Green: Which Thursday?



HOUSE OF COMMONS

Bob Blackman: Well, we normally get Westminster Hall on Thursdays between 1.30 and 4.30, in 90-minute slots, basically.

Damian Green: Oh, I see. I have 15 names here, so it feels like more of a 90-minute debate than a three-hour one. Yes, a 90-minute slot on a Thursday would be fine.

Q8 **Bob Blackman:** At the moment, we could potentially give you either 17 or 24 November.

Chair: The 17th is the week after the one-day mini recess.

Damian Green: I am not sure we are going to notice this recess, are we? For purely personal reasons, the 24th would be easier for me.

Chair: Okay; we will see if we can wrestle that for you, Damian. Thank you very much indeed. That ends our public deliberations.