

21<sup>st</sup> July 2025



The Rt Hon Rachel Reeves MP  
Chancellor of the Exchequer  
HM Treasury  
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*cc: The Rt Hon Angela Rayner MP, Secretary of State for Housing, Communities, and Local Government; The Rt Hon Steve Reed MP, Secretary of State for Environment, Food, and Rural Affairs*

Dear Chancellor,

I am writing on behalf of our members who operate aggregates quarries to warn you of the highly damaging effects of proposed changes to Landfill Tax on which the Treasury recently consulted. Should you decide to proceed with those changes it may prove impossible to meet either your housing targets or pledged infrastructure delivery and economic growth will suffer.

The proposed removal of the Quarry Exemption by 2027, which applies to materials used to restore quarried land back to use in restoration or to fill existing or former quarries, risks triggering a nationwide shortage of aggregates (crushed rock, sand, and gravel). The proposed changes, coupled with the transition to a single rate of landfill tax by 2030, would increase the cost of operating a quarry to the point where many would not be economically viable, either to operate or restore at the end of life. We estimate that over 50 sites would be at risk of being mothballed if these changes are not revised. The additional cost impact to restore quarries relying upon the exemption is estimated to be £15-24 billion, which is clearly completely unaffordable.

### **Impact on Construction**

The removal of the Quarry Exemption would have a knock-on effect well beyond our sector. Our case studies indicate that the additional excavation waste disposal costs alone could add between £22,000 and £28,000 to the cost of a new house, having a chilling effect on the construction sector, housebuilding, and the affordability of homes.

Moreover, the threat of quarries being mothballed would reduce domestic productive capacity and rapidly accelerate the decline in permitted reserves of aggregates, which are essential ingredients of the cement, concrete, and asphalt needed for homes, roads, railways, and energy infrastructure. For every 100 tonnes of sand and gravel sold in the last decade, our sector only gained permission to extract another 61 tonnes. For crushed rock, that figure is just 33 tonnes.

The Mineral Products Association is the trade association for the aggregates, asphalt, cement, concrete, dimension stone, lime, mortar and industrial sand industries

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## Impact on the Environment

Restoring former quarry sites back to use is a requirement for mineral extraction, and our sector has a proud decades-long record of delivering ambitious, innovative restoration projects that have supported nature recovery and generated real biodiversity net gain - with 80km<sup>2</sup> of priority habitat delivered and a further 110km<sup>2</sup> planned. However, these proposed changes would add tens of billions of pounds to the cost of delivering planned restoration commitments, making restoration work unaffordable. It is likely sites would be mothballed rather than restored. Therefore, in addition to the highly damaging economic effects, the proposed reforms would also backfire from an environmental perspective.

## Solutions

We agree that the Landfill Tax needs reform, and we are keen to explore alternative solutions - such as allowing the Quarry Exemption to continue for sites that already operate under it, while requiring new applications to support restoration activity to be permitted as disposal for recovery sites.

While the consultation suggests sites operating under the Exemption could transition to the disposal for recovery regime no route to achieve this aim currently exists. Furthermore, such an approach would also likely overwhelm the Environment Agency, as sites scramble *en masse* to try to switch from using the Quarry Exemption to seeking new disposal for recovery permits from 2027 onwards. Given the current glacial pace of small numbers of permits being issued, there is no chance of all or even most sites being able to switch in time before the proposed changes take effect - to say nothing of the knock-on effect on the EA's other responsibilities.

Any alternative solutions would themselves need to be well thought-through and would require decisive action from the Government to deliver the outcomes desired. Without this happening, the current proposed changes should not go ahead.

As you rightly said in your previous correspondence with us, *"a strong construction sector, backed by resilient supply chains, is key to the government delivering its growth mission."* We hope, therefore, that you will scrap these proposed changes in their current form, and avoid the destructive consequences they would have both on the construction sector and the resilience of its supply chains.

We have responded to the Treasury's consultation on these proposed changes, which explains each of the above issues in further detail, and we hope your officials will take note of our response. We would also be keen to meet with you, and your colleagues in MHCLG and DEFRA, to provide further briefing on the potential impact of these proposed changes.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Chris Leese', is positioned below the 'Yours sincerely,' text.

Chris Leese  
Executive Chair, MPA