



Llywodraeth Cymru
Welsh Government

MEETING

Welsh Revenue Authority Board minutes: October 2018

Minutes from the Welsh Revenue Authority Board (WRA) meeting held on 18 October 2018 at Treforest.

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Present

Members

- Kathryn Bishop, Chair
- Dyfed Edwards, Deputy Chair
- David Jones, Non-Executive
- Jocelyn Davies, Non-Executive
- Lakshmi Narain, Non-Executive
- Martin Warren, Non-Executive
- Dyfed Alsop, Chief Executive Officer
- Sean Bradley, Chief Legal and Policy Officer
- Rebecca Godfrey, Chief Strategy Officer
- Lucy Robinson, Customer Insight and Strategy

Ymgynghorwyr (advisors)

- Andrew Jeffreys, Director, Welsh Treasury
- Catrin Millar, Head of Communications
- Tesni Addison, Head of HR Services
- Nicola Greenwood, Head of Finance
- Jo Ryder, Chief of Staff

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- Sam Cairns, Head of Operations
- Dave Matthews, Head of Policy

Secretariat

- Ceri Sullivan, Board Secretariat

Meeting opening

1. Welcome and introductions, conflicts of interest and apologies, minutes of the last meeting, matters arising

1. The Chair welcomed Board members and ymgynghorwyr to the meeting. No conflicts of interest were raised.
2. Apologies had been received from Teresa Platt and Melissa Quignon-Finch, with Nicola Greenwood and Tesni Addison deputising. Lucy Robinson was welcomed to her first meeting as the Staff Elected Member; the Board is now at full compliment.
3. It was noted that the meeting marked the WRA's first anniversary. Members were reminded that the Cabinet Secretary for Finance would be joining them later for the first of his annual meetings with the full Board, as per the Framework Document.
4. The Board agreed that the minutes of the last meeting were an accurate account of what was discussed subject to one amendment. Members were content with the redacted minute for publication. The outstanding actions were discussed, and it was agreed that six actions would remain open.
5. The Board were informed of an error with staff P60's. HMRC were working to resolve the issue. The Board requested a future update.
6. Members had recently received briefing on digital security and some

questions were raised about the Senior Information Risk Owner (SIRO) role sitting within Welsh Government. The Board were informed that following recent Information Asset Owner (IAO) training, the team were reviewing the governance around data security which included the SIRO role. An update would be provided at a later date.

Reports, approval and discussion

2. Financial performance report

Information redacted ([Footnote 1](#)).

3. WRA purpose

1. The Cabinet Secretary joined the meeting. The Chair introduced the item, noting that the Board had already had input into the development of the purpose statement, and that the team were seeking final comments and an agreement in principle.
2. The Chair reminded the Board that statements of purpose were not idle pieces of text but serve as touchstones in decision making and prevent unconsidered diversification which can cause organisational strain, increased costs and which sometimes compromises delivery. Purpose statements explain what an organisation intends to do and what it does not intend to do.
3. Since the statement was last shared with the Board, discussions had taken place with partners in WG and further work had been done to refine the text. The following statement were presented to the Board:
 - design and deliver Welsh national revenue services (for the Welsh government)
 - be a trusted hub for [taxpayer] data and analysis to inform Welsh revenue services and wider public policy making

4. The Board were asked to consider the statement, particularly the text included within the brackets. Members discussed whether 'Welsh Government' should be included to narrow who the WRA could undertake work for. An extensive discussion took place and the Board agreed that there may be opportunities in the future where the organisation was required do things on behalf of local authorities and other government departments.
5. Next the Board were asked to consider whether 'taxpayer' should be included to define the type of data the WRA could hold. An extensive discussion took place and it was agreed that it felt appropriate to include taxpayer given the remit of the organisation.
6. The Board agreed the purpose statement subject to the proposed changes.
7. The next steps were shared with Members. These include but were not limited to: further work undertaken by the Tîm Arwain to ensure the statement is clear and has a consistent coherent explanation; communications and engagement with key stakeholders; and the development of the corporate plan on the foundation of this agreed purpose statement.
8. It was noted that WRA legislative powers are narrowly specified and related to tax. If the organisation were to undertake work outside of its current remit, changes would need to be made to the relevant legislation.
9. The Cabinet Secretary was content with the proposed statement. He was in favour of the inclusion of 'taxpayer', noting that it would help provide clarity to the public on what the organisation is entitled to know about its customers.
10. The Cabinet Secretary went on to say that it was clear from the status of the WRA, as a non-ministerial department, that the organisation was operating on behalf of WG. He also felt that there may be opportunities where the WRA could do things that WG are not directly responsible for and for that reason the Cabinet Secretary felt that WG should not be included in the statement.

11. The Chair concluded the discussion by noting that it was important to bear in mind that the purpose statement would be reviewed and revised as necessary.

4. Corporate plan

1. The Board were provided with an update on progress made against the 2018-19 corporate plan commitments. Over the summer, leads were asked to provide a progress update on each commitment. This information was then considered alongside the Remit Letter and year one priorities.
2. The Board were informed that work had commenced against all the commitments and that Tîm Arwain would undertake some detailed planning to summarise high priority activity over the next six months.
3. The Board reflected on work that had been done over the last 6 months. Members suggested that some examples of good work could be explicitly linked back to the corporate plan and used for communication purposes. It was noted that this would be captured as part of drafting the Annual Report.
4. The Cabinet Secretary stated that often, newly established organisations have a level of anxiety around the volume of what needs to be done. This can, in some cases, result in paralysis and reluctance to start new pieces of work or take on responsibility. This has not been the case for the WRA, which is an organisation where staff are eager to explore new ways of working and feel liberated to contribute. The Cabinet Secretary felt this was a real strength which should be celebrated.

5. Our approach to tax risk

1. Members had received briefing prior to the meeting. The team were seeking support from the Board on a strategic approach to identifying and managing tax risks.

2. The Board were informed that although Our Approach sets the organisation's high-level strategy for working with taxpayers and representatives to ensure the right tax is paid at the right time, the team recognise that people will sometimes get this wrong, either by making mistakes or deliberately. Success would not only be measured in respect of the quality service the WRA provide, but also the organisation's ability to identify and manage tax risk effectively. To do this the WRA would need to take a holistic view of risks where tax may not have been paid correctly, identifying the issue, the causes and end-to-end solutions that focus on minimising the recurrence of similar risks in future.
3. A proposed approach was presented and an extensive discussion took place. The Board agreed that this work was a centrally important decision to the organisation. Members acknowledged that the approach displayed innovation and was in line with the type of organisation the WRA wanted to be. It was also noted that this approach was a reflection of the earlier agreed purpose statement.
4. The Board acknowledged that this piece of work distinguished the organisation from other tax authorities. It is recognition of how the WRA wants to deal with its customers and of how it wants to be perceived. It mirrors the values and culture of the organisation and it would therefore be difficult to justify taking another approach. The Board thanked the team for an excellent piece of work and noted that this was a good management tool. However, members stressed the importance of ensuring the governance was in place, particularly where staff would be exercising discretion to determine which customers could pay and which customers could not.
5. A question was raised about whether the current legislation supported the approach the WRA wanted to take to particular pieces of work and it was suggested that some future minor alterations may be needed. The importance of measures was noted as they would need to be used to support any change requests.
6. The Cabinet Secretary was supportive of the approach. He felt that it would drive better outcomes, in a better way. He noted the importance of a good

reputation, explaining that if the WRA deals with people unfairly it will drive a negative change and people will view taxes and the work of the WRA in a different light. He went on to say that once an organisation's reputation was tarnished, it would be difficult to recover. The WRA's current reputation allows it to be innovative and do new things with customers in a different way.

6. Report from the Chair

1. The Board were reminded of planned three-stage Board appraisal process due to take place over the coming months. The focus of the Board appraisal would be to ensure members are operating effectively and as a high performing team.
2. The Chair thanked the teams for recent briefing on a number topics. These included digital security and the WRA's plans for security developments. The Board took assurance from the briefing and discussed reasonable priorities for the future. Another briefing would be scheduled in due course.
3. The Board were also presented with examples of work where Our Approach had been used. For example a piece of work that had been done on water discounts which was a direct result of stakeholder engagement with both landfill operators and waste producers.
4. Members were informed that the next Partnership Group meeting with WT and the Permanent Secretary meeting was due to take place later that week, the discussion would focus on a performance update and review of the purpose statement. The Chair, Chief Executive and members of the team would also attend the British Isles Tax Forum in November.
5. The Chair provided a summary of recent celebrations in addition to those in the CE Organisational Performance report.

7. Report from the Chief Executive

1. The Chief Executive presented the organisational performance report. Further celebrations and customer feedback were shared with the Board along with an overview of recent progress trends.
2. The data was discussed by the Board. Members noted that from now on reports should focus on business-as-usual operations, such as: the volume of LTT transactions; how much tax is/is not paid; the time it takes to successfully collect debt etc. The Board were informed that this data is currently being pulled together and slides are being produced to illustrate this information. The Chief Executive informed members that he was eager to get more information automated to improve the level of data provided, however, given the maturity of the organisation this was taking time.
3. It was noted that trends in the housing market would impact the amount of tax collected and so it would be useful for the Board to be aware of these trends and the impact on our work.
4. The Board were pleased to see the continuation of the partnership work between WRA and WT and that it had become a permanent feature in the work of the organisation.

8. Reports from committees - ARAC

1. The Chair of ARAC provided an overview of recent activity. Members were informed that the Committee had continued to review and make improvements to the risk management process. The risk appetite statement discussed at the Board workshop had further been considered by ARAC members. There would be a range of appetites that could be linked back to different risks. These would be shared with members for consideration, initially outside of the meeting and then for formal agreement at a future Board meeting.
2. The Committee have been overseeing preparations for the WRA's first

annual report. This has mainly involved ensuring that processes and a timetable are in place.

3. The first internal audit review of WRA governance was now concluding, with preliminary observations indicating nothing substantial to be addressed.
4. Members requested that the ARAC forward look be shared alongside the Committee's minutes for future Board meetings to provide an overview of future areas of work.

9. Cabinet Secretary for Finance

1. The Cabinet Secretary congratulated the organisation on a successful first year. He went on to say that the organisation has built a very good reputation and the stakeholder perception of the organisation was positive. He cited as an example the Finance Committee, who were supportive of the WRA's work and continued success.
2. The Cabinet Secretary informed the Board that there was a growing interest in the authority beyond Welsh Government, informing members that the WRA had been the subject of recent conversations with the Treasury Secretary.
3. He noted that the figures presented to him, in his regular meetings with the WRA Chair and Chief Executive, had been reassuring and were developmental metrics for an organisation now in its stride. He went on to say that the organisation had got off to a successful start and now the challenge for the WRA would be to continue the good work and build on its existing reputation and success.

10. Report from the Director, Welsh Treasury

1. The Director, Welsh Treasury provided an update on recent activity. He informed the Board that the Welsh Government's budget was published earlier that month. More detail would be published over the coming weeks

and would include a forecast for Welsh devolved taxes.

2. The UK budget would be published on the 29 October and there could potentially be changes to Stamp Duty Land Tax. Further information would be provided at a later date.
3. A brief update on the Welsh housing market was provided and the Board were informed that the public economic and fiscal forecast would shortly be published. No changes were anticipated for WG.
4. The Wales Audit Office (WAO) were currently conducting their third review of Welsh fiscal devolution. Some WRA staff have been interviewed and the report would be published in December.
5. Some work would be done with the National Assembly for Wales (NAW) to develop procedures that would allow quick changes to tax legislation.
6. Those eligible to pay Welsh Rate of Income Tax (WRIT) would receive a letter from HMRC informing them of the change, and this letter would be accompanied by an information leaflet produced by WG.

11. Any other business

1. No other business was raised.

12. Forward look

1. The Board were content with the agenda for its next meeting.

13. Meeting review

Information redacted ([Footnote 1](#)).

[1] There are certain circumstances where it is not appropriate to share all of the

information contained within the Board minutes, for example, where it contains personal or commercial data or relates to the formulation of government policy etc. or the effective conduct of public affairs. In such circumstances, the information has been redacted and the text is marked clearly that this has been the case.

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