



Llywodraeth Cymru
Welsh Government

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Welsh Revenue Authority Board minutes: 28 September 2022

Minutes from the Welsh Revenue Authority (WRA) Board meeting held on 28 September 2022.

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Present

Members

- Kathryn Bishop, Chair
- Dyfed Edwards, Deputy Chair
- Mary Champion, Non-Executive
- Jocelyn Davies, Non-Executive
- Jim Scopes, Non-Executive
- Rheon Tomos, Non-Executive
- Dyfed Alsop, Chief Executive/Accounting Officer
- Sam Cairns, Chief Operations Officer
- Karen Athanatos, Staff Elected Member

Ymgynghorwyr (Advisors)

Anna Adams, Deputy Director, Tax Strategy and Intergovernmental Relations, Welsh Treasury

Guest

Ruth Glazzard, present for items 1 and 2 only

Opening

1. Welcome and introductions

1. The Chair noted that the day would fall into two parts: an initial informal discussion with the new Chair as part of her induction, and then the formal board meeting itself. She welcomed Ruth Glazzard to the meeting, and all members of the Board had the opportunity to introduce themselves.
2. All those present were invited to share their reflections on the events of the last five years since the establishment of the WRA. These personal reflections were not minuted, since this was an informal conversation as part of the induction for new Chair.

2. Apologies, conflicts of interest

No apologies were received. No conflicts or interest were declared.

3. Minutes of the last meetings

1. Minutes of the board meetings on 25 May and 11 to 12 July 2022 had been circulated in advance and were now agreed. Minutes for the 25 May meeting reflected amendments offered by correspondence.

Action: The Board requested a table of outstanding actions to be circulated as a matter of routine. Board secretary to action.

Action: The Board requested redacted versions of the Minutes from the May and July meetings, for publication, be circulated for approval. Board secretary to action.

2. Matters arising. A rate change was expected on 10 October. A Ministerial announcement had been made on 27 September. The WRA calculator had been altered successfully, thanks to several teams' collaborative efforts. Welsh Treasury commented on the proficient and speedy collaboration across Welsh Government. The Board also congratulated all those who were involved in the preparation and completion of the accounts.

Action: The Board Secretary would write to those involved in the work on the accounts and the calculator to express the Board's appreciation.

4. Forward look

1. The discussion on the Forward Look paper focused on the accommodation decisions only. The Services Director summarised the key points in the Board's paper on this matter.

Redacted.

9. The Chair commented on the changing nature of leadership in a hybrid environment. It was also noted that further changes in our ways of working may be more difficult as a result of post-pandemic fatigue, as in many organisations in every sector.

Redacted.

5. Corporate risk register

Redacted.

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Reports, approvals and decisions

6. Welsh Treasury report

1. As part of the Chancellor's mini-budget in the previous week, UK Government had announced stamp duty changes. As in the past, when the UKG made a lower tax effort, Welsh Government would receive compensation, normally from estimates from the OBR. But this time the estimates had been provided by HMT, amounting to approximately £70m over the three-year spending review period. The Minister had announced changes to LTT, bringing forward changes that she was considering including in the Draft Budget. Approximately one-third of the additional revenue from the UKG covered the costs related to the LTT changes, with the remainder used for spending on public services.
2. As a result of the Chancellor's announcement on income tax, a Senedd power had been removed, now leaving powers to adjust only two tax bands. This presented new challenges, not only in terms of the relationship between UKG and WG, but in how the devolution settlement itself had been affected. Combined with already significant challenges in the Northern Ireland and Scotland policy arenas, intergovernmental relations within the UK were now significantly more complex.
3. LTT variations would be a focus in the coming months, alongside the Visitor Levy (VL). The VL consultation had launched the previous week in North Wales. The launch event had gone well, but had been overshadowed by the Chancellor's statement in parallel.

7. Chair's welcome to the afternoon session and Chair's report

1. This was the Chair's final meeting, with her term of office due to end on 18

October. The Chair noted that it had been a privilege to serve in this role, establishing the organisation and raising revenue in Wales for the first time in 800 years. She commented that it had also been a pleasure to work with so many dedicated and talented civil servants on this historic development. She thanked all those present, and all those in the organisation and recorded her best wishes to all members of the organisation for their future role in supporting Wales.

2. The Board, Ymgynghorwyr (Advisers) and others assembled, expressed their thanks to the chair for her insightful leadership in which the WRA was successfully established.

8. CEO report

1. The CE/AO noted that he had valued the earlier conversation on accommodation, and welcomed any further input. In his role as Accounting Officer, he noted a number of challenges in the current environment: financial pressures on the wider Welsh Government, and the WRA relationship with the rest of WG. He commented that management of underspend, for instance, may be viewed differently in future.
2. Recent financial pressures had been managed by some difficult decisions including reconsideration of scheduled activity. The next WG pay offer would be one such issue. The CE/AO assured the Board that the financial consequences of future pressures would be anticipated as far as possible, but reminded the Board that WRA decisions would need to be taken in the context of WG decisions, for instance on staff associated costs. WRA recruitment and development policy largely followed that of WG.
3. The Board acknowledged the CEO's approach and gave it their full support.
4. The CEO reported that recent evidence on the low volume of cheque payments suggested that at some point, it may be appropriate to cease accepting cheque payments from organisations. This matter had been discussed by the Board previously, but transaction levels had now reduced

further. Any decisions or recommendations to cease cheque receipts would be made in the wider context of the WRA's functions and other commitments.

9. CFO quarterly report to ARAC

Redacted.

3. The Board welcomed the CFO's report. The Board was assured that, although financial headroom was reduced, monitoring systems were effective and were overlooked by ARAC. The Board thanked Nic Greenwood for her continued contribution as head of Finance.

Action: The CE/AO would communicate to the Board planned changes to LTT funding, and how that was expected to impact WRA work.

10. SDLG quarterly report, update on delivery plan, including preparations for future changes to services

1. The Chief Operating Officer presented the report, which had been circulated in advance. This report was prepared following the SDLG meeting at the end of July to review Q1 performance.
2. In summary, in the first quarter of 2022 to 2023, the focus was the development and publication of the WRA Annual Report and Accounts, the development the SDLG Delivery Plan to support the delivery of the WRA 2022 to 2025 Corporate Plan, and continuing work across the various future design strands.
3. Despite those pressures, SDLG made good progress across a number of the key deliverables within its Delivery Plan, such as the establishment and further development of the Debt Service Team, progress on reviewing and developing the WRA Tax Risk Strategy, developing initial ideas for a GAAR

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Panel and areas to build capability for potential work on avoidance cases. Current work included collaboration with Natural Resources Wales (NRW) on a Joint Strategy to manage tax evasion risks, and develop work on Unauthorised Disposals, amongst other areas.

Redacted.

7. LTT: Year-on-year figures were similar, but signalled a potential slowdown in activity, impacting tax income.

8. LDT: Volumes of waste had now recovered to 2018 levels. Fluctuations in levels of waste and tax recovered were within forecast limits. Work was required to understand how the recovery had happened, and it was hoped a 3-year plan would be developed to address LDT assessment and collection. Ongoing work with NRW supported risk assessment.

Redacted.

13. Debt Management. This remained a challenging area, in terms of maximising the impact of public funds. The figures reflected well our targeted mitigations, and the new debt team was to be congratulated on good data management, demonstrating a successful data-driven approach.

Redacted.

11. Reports from committees

1. ARAC

The Chair of ARAC assured the Board that the matters considered by ARAC had been covered under the CFO and SDLG reports earlier in the meeting and that she had nothing further to add.

2. Remuneration Committee

The Chair of the Remuneration Committee reported that the committee had not yet met, but was expected to meet in October.

Meeting closing

12. Any other business

1. The WRA would be expected to be compliant with Welsh Language Standards (WLS) next year. WLS would be an agenda item at a future Board meeting.
2. The WRA's work with other Welsh Government departments on the requirements of The Wellbeing of Future Generations Act would also be suggested as a future agenda item.
3. The CE/AO, and all assembled, thanked Sam Cairns and Kathryn Bishop for their substantial contributions to the WRA.

13. Chair's review of the meeting

Kathryn Bishop and Sam Cairns shared their reflections on their time with the WRA. This was Sam Cairns' last meeting as Chief Operating Officer and Board member.

14. Next meeting

The next meeting, a Board Conversation, would be held on 19 October.

Redacted information

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 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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