



Llywodraeth Cymru
Welsh Government

Tax Advisory Group

Note of the meeting – 14 November 2016

**Tax Advisory Group meeting
14 November 2016
Conference Room C, Tŷ Hywel, Cardiff Bay**

Tax Advisory Group

Mark Drakeford AM, Cabinet Secretary for Finance and Local Government (Chair)
Ben Cottam, Federation of Small Businesses (representing Janet Jones)
Andrew Evans, Geldards LLP
Frank Haskew, Institute of Chartered Accountants in England & Wales
Leighton Jenkins, Confederation of British Industry (representing Emma Watkins)
Robert Lloyd Griffiths, Institute of Directors
Martin Mansfield, Wales TUC
Ruth Marks, Wales Council for Voluntary Action
David Phillips, Institute for Fiscal Studies
Kay Powell, The Law Society
Martin Warren, Institute of Chartered Accountants in England & Wales (ICAEW)
Dr Victoria Winckler, The Bevan Foundation

Discussants

Guto Ifan, Research Assistant, Wales Governance Centre, Cardiff University
Steve Martin, Professor of Public Policy and Management and Director of the Centre for Local & Regional Government Research, Cardiff University
Ed Gareth Poole, Lecturer in Politics and International Relations, Wales Governance Centre, Cardiff University
Michael Trickey, Director of Wales Public Service 2025

Officials in attendance

Andrew Jeffreys, Director, Welsh Treasury
Dyfed Alsop, Director, Welsh Revenue Authority Implementation Programme
Georgina Haarhoff, Head of Tax Policy and Legislation, Welsh Treasury
Ed Sherriff, Head of Fiscal Strategy, Welsh Treasury
Ruth Leggett, Strategic Engagement and Communications Manager, Welsh Treasury
Lu Toscano-Davies, Policy & Operations Officer, Welsh Treasury (Secretariat)



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Welcome from the Cabinet Secretary for Finance and Local Government

1. The Cabinet Secretary for Finance and Local Government welcomed attendees to the ninth meeting of the Tax Advisory Group (TAG) for Wales. Apologies had been received from Janet Jones, Aaron Shotton and Emma Watkins.

Matters arising

2. The note of the previous meeting had been circulated to members prior to the meeting. All actions had been completed. The group confirmed the note was an accurate summary of the discussion.
3. The Cabinet Secretary welcomed the additional attendees who had been invited to discuss the draft paper on a Tax Principles Framework - Guto Ifan, Steve Martin, Ed Gareth Poole and Michael Trickey - and also Dyfed Alsop, who had taken up the post of Implementation Director for the Welsh Revenue Authority (WRA) in August.

Fiscal reform developments

4. The Cabinet Secretary confirmed he had met the Chief Secretary to the Treasury twice to discuss the fiscal framework. In September they had agreed the scope of the negotiations, and in October they had begun to explore the issues in more detail. The next meeting would follow the Autumn Statement on 23 November.
5. Ed Sheriff explained that several possible approaches to calculating the Block Grant Offset were being considered. The Scottish Fiscal Framework had provided a starting point for the talks; however the tax base of Wales differed from that of Scotland and this had to be taken into consideration.
6. It is intended that the fiscal framework will be agreed in line with the passage of the Wales Bill given the link between the fiscal framework and the Bill in the Assembly).

Update on tax devolution

7. Georgina Haarhoff summarised the progress in developing the devolved taxes. Her team was currently working on two Assembly Bills, the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Bill and the Landfill Disposals Tax (Wales) Bill. The first was introduced in September and was undergoing stage one scrutiny by the Finance Committee, while the latter would be introduced at the end of month.



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Welsh Revenue Authority (WRA)

8. Dyfed Alsop, WRA Implementation Director, provided an update on progress. The WRA would be a small organisation which would benefit from loans and secondments from other organisations (for instance HMRC). The priorities for the next months were: procuring the IT system, designing governance arrangements, defining skills and knowledge of the workforce and recruiting the Board, including the Chair. A public communication plan would be developed to raise awareness and understanding of the WRA, including a series of events across Wales

Tax Principles Framework

9. The Cabinet Secretary introduced the draft Tax Principles Framework, explaining that one of the Welsh Government's main aims in developing Welsh tax policy was to ensure clarity for taxpayers and stakeholders. The paper sought to advance this by providing a framework which would set high level objectives for devolved Welsh taxes and outlining the criteria against which tax policy in Wales would be developed. It could be used to produce an annual work plan, incorporating the latest data and analysis, and outlining tax policy priorities and options.
10. The Cabinet Secretary invited the group to consider three aspects of the paper: the strategic principles, stakeholder engagement, and the forward workplan. The group welcomed the paper and provided comments.
11. The Cabinet Secretary thanked the meeting for the thoughtful and practical suggestions for strengthening the paper - these would be incorporated into the next draft of the document. A workplan would be drafted for consideration at the next TAG meeting.

Any Other Business

12. No items were raised under AOB.
13. The Cabinet Secretary thanked the attendees for their helpful and constructive contributions.
14. The next meeting would take place in the New Year.