



**Note of the Tax Advisory Group  
26 June 2014  
Conference Room C, Tŷ Hywel, Cardiff**

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**Members of the Tax Advisory Group**

Minister for Finance, Jane Hutt AM (Chair)

Andrew Evans - Geldards

Frank Haskew - The Institute of Chartered Accountants in England and Wales (ICAEW)

David Phillips - Institute for Fiscal Studies (IFS)

Victoria Winckler - Bevan Foundation

Leighton Jenkins on behalf of Emma Watkins – Confederation of British Industry (CBI) Wales

Janet Jones - Federation of Small Businesses

Robert Lloyd Griffiths – Institute of Directors (IoD) Wales

Kay Powell - The Law Society

Martin Mansfield - Wales Trades Union Congress (TUC) Cymru

Phil Jarrold – Wales Council for Voluntary Action (WCVA)

**In attendance:**

Andrew Jeffreys – Director, Treasury

Gareth Morgan – Deputy Director, Financial Reform

Georgina Haarhoff - Head of Tax Policy & Legislation

John Howells -Director of Housing & Regeneration, Sustainable Futures

Tracey Burke - Director, Strategy, Department for Economy, Science & Transport

Jeff Andrews - Specialist Advisor to the Minister for Finance

Sarah Woodall – Observer

Tom Nicholls - Economic Advisor

Ben Crudge - Financial Reform Analyst

Ruth Leggett - Strategic Communications & Engagement Manager, Welsh Treasury Implementation Programme



## Tax Advisory Group

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Lucy Robinson – Secretariat

### Welcome from the Minister for Finance

1. The Minister for Finance welcomed the group to the second meeting of the Tax Advisory Group (TAG) for Wales. The Minister acknowledged that apologies had been received from Emma Watkins of CBI Wales and Leighton Jenkins was in attendance on her behalf.
2. The Minister had invited Sarah Woodall to attend the meeting as an observer. Sarah is a former Senior Civil Servant from HMRC with a wealth of experience in tax administration.

### Matters arising

3. The Minister advised that the note of the previous TAG had been circulated to members prior to the meeting. The Group confirmed the note was an accurate summary of the discussion.
4. A paper providing information on the establishment of Revenue Scotland had been distributed to attendees as a result of discussion at the last meeting.
5. The Minister advised that, although deputies could be sent with sufficient notice, maintaining consistency and continuity of attendance would be vital to the group's success.

### Update on Wales Bill

6. Gareth Morgan provided a brief update on the latest developments with the Wales Bill.
7. In discussion, the following points were raised.
  - Further analysis is essential to determine the cost of tax devolution and understand its overall impact on the resources available for public spending in Wales.
  - The cost of implementing tax devolution should be kept to a minimum while ensuring benefits are delivered.
  - Members acknowledged how important the new Joint Exchequer Committee would be and advised that full use be made of the Committee in creating an impact for the people of Wales.



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### Non- Domestic Rates (NDR)

8. Ben Crudge provided a brief presentation on work to implement full devolution of NDR and the expected timeline.
9. In discussion, the following points were raised.
  - Accurate forecasting would be essential for Welsh Government to mitigate the inherent unpredictability of tax income.

### Welsh Tax on Transactions involving interests in Land (WTTiiL)

10. Tom Nicholls presented an overview of work to develop a WTTiiL.
11. In discussion, the following points were raised.
  - Wales should look carefully at a wide range of options to change the shape of the tax, including – but not only – the approaches taken in Ireland and Scotland. Links with Council Tax and NDR should be part of the consideration.
  - The vital importance of forecasting given the cyclical nature of this kind of tax, and the need to accurately calculate an appropriate level for the offset to the block grant.
  - The need to ensure that consultation and engagement on a new Welsh tax in this area is extensive and thorough to ensure that the right policy approach is taken.

### AOB

13. Georgina Haarhoff provided an update on Tax Collection and Management. There will be substantive discussion on the consultation, planned for autumn, at the next meeting.
14. No other items were raised under AOB.