

Agenda – Finance Committee

Meeting Venue:

Committee Room 2 – Senedd

Meeting date: Thursday, 19

November 2015

Meeting time: 09.00

For further information contact:

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Committee Clerk

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Private

1 Introductions, apologies and substitutions

(09.00)

2 Assembly Commission draft budget 2016–17: Consideration of response

(09.00 – 09.15)

(Pages 1 – 6)

Paper 1 – Letter to Chair of Finance Committee from Deputy Presiding Officer

3 Wales Audit Office: Consideration of draft report

(09.15 – 09.45)

(Pages 7 – 27)

Paper 2 – Draft report

4 Tax Collection and Management (Wales) Bill: Consideration of draft report

(09.45 – 10.30)

(Pages 28 – 112)

Paper 3 – Letter to Chair of Finance Committee from Minister for Finance and Government Business

Paper 4 – Draft report





Jocelyn Davies AM
Chair, Finance Committee
National Assembly for Wales
Tŷ Hywel
Cardiff Bay
Cardiff

4 November 2015

Dear Jocelyn

Thank you for your Committee's Report on the Scrutiny of the Assembly Commission Draft Budget 2016-2017, published on 16 October 2015. The Commission agrees with all the Finance Committee recommendations; our detailed response is set out in the attached annex.

I look forward to the debate on the Commission's budget motion next week. In the meantime, if there is any further information your Committee would like, please do not hesitate to let me know.

Yours sincerely

David Melding AM
Deputy Presiding Officer

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Finance Committee Recommendations

Recommendation 1. The Committee recommends that the Assembly Commission provide an update on the work undertaken in relation to preparing the Assembly for the new fiscal and legislative powers, including what new posts have been created to take this forward as identified in the draft budget documentation.

Agreed.

A vital part of the Commission's business planning cycle is an exercise to match staffing resource against need. This annual capacity planning assessment informs decisions on the creation of any new posts and ensures that we have the right staff in the right areas. Clearly, the arrival of fiscal responsibilities in the next Assembly, along with the implications of the forthcoming Wales Bill and the reality of a demanding legislative programme, have been, and remain, central to that capacity planning. We are currently in the middle of this year's review of our capacity plans. It is possible, therefore, that the staffing additions described below (for which staff have already been recruited) may be adjusted further.

The budget for 2016-17 currently funds 13 additional posts compared to 2015-16. Of these, posts relevant to the Committee's recommendation have been put in place to enhance:

- clerking support across a range of policy/legislative committees and the Finance, Public Accounts and Standards committees;
- bilingual service delivery in the Table Office;
- Research Service expertise in respect of financial scrutiny; and
- legal expertise to support legislative scrutiny.

The other additional posts will be seen in the Members' Business Support Service, in Human Resources (specifically to enhance staff training and support) and in the team responsible for the administration of the Members' pension scheme.

In addition to staffing enhancement, the Commission is prioritising the development of relevant skills and knowledge. A programme of briefing on the implications of new fiscal responsibilities and the forthcoming Wales Bill is already underway for current Members, their staff and those of the Commission. The bulk of this briefing work is being delivered by a specialist team, which acts as a centre of staff expertise and to drive up the Commission's internal capacity in respect of constitutional change. This constitutional change team has itself been enhanced with additional staffing in 2015. We are also strengthening links with the Scottish Parliament to learn from their experience of exercising new fiscal powers.

Also relevant to the Committee's recommendation is the Continuous Professional Development programme for Members and their staff. A key part of the programme next year will focus on ensuring Members elected in

May are ready to operate under the arrangements that will arise from the new financial powers of the Assembly which are expected over the next 1-2 years. The support available will build on the financial scrutiny programme delivered in the Fourth Assembly and will include providing specialist, targeted training and briefings.

Recommendation 2. The Committee recommends that the Assembly Commission provide clarity as to what happens to the funds which are not accessed by Assembly Members in relation to the Remuneration Board's determination.

Agreed.

Decisions over the pay and other costs of Assembly Members are the responsibility of the National Assembly for Wales Remuneration Board, established by Assembly legislation in 2010. The Board is entirely independent of the Assembly in order that Members have no direct role in setting their own pay, that of their staff nor the amounts that can be reimbursed for office and other costs. The Board's decisions are published in its National Assembly for Wales' Determination and, by statute, it is the Commission's responsibility to secure the funding necessary to meet the costs arising from the Determination.

The budget for 2016-17 has therefore been set in two distinct parts:

- £36.5million for the provision of Commission services which has been subject to a 1.5% real terms cut compared to 2015-16;
- £15.5million for the costs associated with the Remuneration Board's determination for Assembly Members' pay and allowances.

In our Annual Report and Accounts each year, we set out details of actual expenditure. This includes information on underspends as well as outcomes delivered. In future, in order to increase transparency and accountability, and as recommended by the Committee, we will set out what has happened to any funds not drawn down by Assembly Members in relation to the Remuneration Board's Determination. This will reflect expenditure decisions taken by the Commission's Investment and Resourcing Board, which has responsibility for ensuring that the Commission's budgets are used as effectively as possible to deliver the Commission's priorities and achieve value for money. Any funds that are identified as surplus to the Commission's requirements would be returned to the Welsh Block via a Supplementary Budget.

Recommendation 3. The Committee recommends that the Commission publishes a detailed breakdown on the estimate of the pre-election costs, specifying how it is expected the requested £2.5 million will be used.

Agreed.

For 2016-17 we are seeking a £2.5million budget for election related costs to cover the costs of our statutory obligations to Members who do not retain their seats, either because they are stepping down or because they are defeated. It also includes funds to cover the cost of providing ICT equipment and support for incoming Members, any accommodation requirements that need to be met and the costs associated with managing these processes.

We have no way of knowing what the outcome of the next election will be, but with a number of Members having already announced their intention to step down and the UK elections indicating there may be a large scale change to the political make up, we have set the budget on the assumption that there will be a 50% turnover to ensure there is adequate coverage for potential costs.

The breakdown is:

Members' Resettlement Grants	£ 900,000
AMSS – Redundancy	£ 450,000
Salary and other costs associated with winding up period	£ 650,000
Services for incoming Members (ICT, accommodation etc)	£ 500,000
Total	£2,500,000

This budget is strictly ring-fenced for election costs and any unused funds will be returned to the Welsh Block via a Supplementary Budget. Details of the breakdown of actual spend will be set out in full for Assembly Members when they consider that Supplementary Budget and in our Annual Report and Accounts for 2016-17.

Recommendation 4. The Committee recommends that the issues associated with the Assembly website are reviewed as a matter of priority, and would like to receive an update on progress in this area before the end of the Assembly.

Agreed.

Making improvements to the Assembly's website has been a priority for us since we brought the Commission's ICT services in-house in July 2014. The Commission is undertaking a major revision of the website and has completed the first phase to provide a new content management system to deliver information and improve the search capability.

The current phase of change will see the delivery of other short term improvements including:

- a new website homepage to make Assembly Business more prominent and to make access to news and topical information easier;
- new layouts for committee information, including embedded video and imagery;
- further improvements to general search capability; and
- more data and information available online and in a reusable format.

The third phase will require us to make organisational changes to how we produce, manage and publish information as well as changing how data is stored. This is a significant undertaking for the Commission but the planning work is under way for this. Our aim is to transform the way we produce, use and make available all Assembly information in order to make looking for and using what we publish much easier for everyone.

We want to be recognised as a parliament that is open, accessible and easy to engage with. The website is an important part of that so the Commission is committed to ensuring that the website delivers what Members and the public need.

We will update the Finance Committee on progress with the website improvements before the end of this Assembly.

Recommendation 5. The Committee recommends the review of the pilot looks to ensure that any changes made do not impact on the quality of the Record of Proceedings.

Agreed.

The Finance Committee will be aware that the Commission initiated a review in 2014 to explore any new opportunities for our approach to reporting on proceedings, including how it could be used to increase engagement and understanding of the work of the Assembly. The Review was completed earlier this year and proposals for the future are now in the development phase. Our aim is to make the Record available:

- earlier, rather than publish after 24 hours;
- in an accessible format so that it is more searchable; and
- in a format that allows re-use by users as the current software does not allow copying and pasting.

An important improvement introduced in January was a change to the editing style so that the written record and the audio visual record on Senedd TV are more closely aligned. Along with other improvements, we want to make the Record of Proceedings an integral part of our communications strategy to make our proceedings more transparent so that the people of Wales understand what is being debated and decided by the Assembly. With this in mind, the Assembly Commission will be asked to consider options for the future at its December meeting.

Throughout the project we have been mindful of efficiencies and, where savings have been made, they have been reinvested to improve services for users. The pilot suspension of Plenary logging took place during the half term which ended on 23 October. Initial indications are that the time savings produced, reinvested to make more bilingual text available earlier, have not been detrimental to the quality of the Record (although there has been a small increase in the number of times “inaudible” is used when sedentary

remarks are made and the Member cannot be identified). The Commission will continue to ensure that any efficiencies proposed do not compromise the quality of the Record of Proceedings.

Recommendation 6. The Committee recommends that the current Commission and the Fifth Assembly Commission continue to prioritise working towards challenging sustainability targets leading up to 2021.

Agreed.

We are grateful for the Finance Committee's support for our ambitious sustainability targets. Our updated Carbon Management Plan sets challenging targets to reduce the carbon footprint of the Commission by a further 30% (compared to a 2012/13 baseline) by 2021.

Through the ten year Estates Forward Work plan we plan and prioritise work to improve the Estate and invest in the fabric of our buildings using affordable new technologies and renewable energy. These investment choices contribute to greater sustainability and reduce our carbon footprint.

Achieving the further 30% reduction will indeed be challenging given that a 35% reduction in energy emissions since 2008-09 has already been achieved and many of the 'quick wins' have been realised. To achieve this target, the Commission is committed to investigating and adopting innovative and effective solutions to improving our sustainability performance.

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Llywodraeth Cymru
Welsh Government

Jocelyn Davies AM
Chair, Finance Committee
National Assembly for Wales
Cardiff Bay
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4⁵ November 2015

Dear Jocelyn,

At the Finance Committee's evidence session on 21 October in relation to the Tax Collection and Management (Wales) Bill, I committed to provide further information concerning Section 37 of GOWA 2006, and to review the record and clarify the current situation in discussions with HMRC about the management of Land Transaction Tax (LTT). In relation to Landfill Disposals Tax (LDT) collection, I referred to Councillor Shotton's letter concerning local government's response to the invitation to consider devolved tax collection and therefore I attach a copy for information.

I also confirmed in my Written Statement in June this year and at my attendances at Committee that I would provide the Assembly with an update on work to establish collection and management arrangements. This letter fulfils that commitment.

Assembly scrutiny of the Welsh Revenue Authority

When discussing how the Assembly might approach the future scrutiny of the Welsh Revenue Authority (WRA) I briefly mentioned section 37 of the Government of Wales Act 2006. I drew attention to this because the section confers broad powers on the Assembly to require a person to attend to give evidence or produce documents. The powers can be exercised by the Audit Committee or such other committee as the Assembly expressly authorise (by standing orders or otherwise).

I also mentioned that the Tax Collection and Management Bill (the Bill) includes several measures that provide the Assembly with information to assist it to scrutinise the WRA. Specifically, the Bill requires that the WRA's Charter of Standards and Values, [section 25], corporate plan [section 26], annual report [section 27], annual accounts [section 28] and annual tax statement [section 29] are laid before the Assembly. Also, the responsibilities of the Chief Executive Officer as accounting officer of the WRA may include responsibilities owed to the Assembly or a committee of the Assembly [section 32].

Taken together these provisions enable the Assembly to undertake scrutiny of the WRA, separate from the Welsh Ministers, however the Bill does not specify how the

Assembly should scrutinise the WRA. Arrangements such as which Committee should undertake scrutiny are for the Assembly to decide, not for the Welsh Government to prescribe in legislation. This is in line with other Assembly Acts, such as the Public Audit (Wales) Act 2013 which contains no provisions relating to the scrutiny of the Wales Audit Office by the Assembly, in response to recommendations in its Stage 1 report.

Charter

I consider the introduction of a Charter of Standards and Values [section 25] to be an appropriate approach to promoting positive behaviours and standards on the part of both the WRA and taxpayers. The proposed wording in this section of the Bill is consistent with the existing HMRC approach, and sets out the standards of administration that WRA intends to follow and to make clear to the public how they can expect to be treated by WRA.

The Charter is not intended to impose procedural or practical obligations on WRA over and above those imposed by the Bill itself. Any dispute between a taxpayer and WRA as to compliance with the Charter will be a matter for the Public Services Ombudsman for Wales to consider, rather than the Courts or Tribunals

We discussed at Committee whether WRA and taxpayers should *aspire* to the standards and behaviours set out in it (as is the case with the HMRC Charter) or whether they should be *expected to adhere* to those standards and behaviours. I am happy to reflect on the point further and will consider amending the wording at stage 2.

Amendments to the Bill

I also wanted to confirm the specific amendment that I mentioned at Committee, which I intend bringing forward at stage 2. This relates to the General directions power [section 14 (6)] of the Bill where I propose removing the caveat so that all directions are published. I will also bring forward an amendment giving Wales Audit Office the power to charge a fee for the audit of the tax statement.

Delegation options

There was a good deal of discussion at committee around the potential future delegation options and the approach to this.

As previously discussed, the Welsh Government leads on tax policy and legislation. The Bill confirms that the Welsh Ministers will be able to prescribe in regulations who the WRA might delegate its functions to, make the non-executive appointments to the WRA Board and approve the WRA's Corporate Plan.

It is important to reiterate that the WRA's main role is to collect and manage devolved taxes. The WRA will be wholly accountable for the particular functions as set out in section 11 of the Bill. The WRA will retain legal responsibility for the exercise of its functions and the discretion over whether to delegate its functions, for how long and to what extent. The WRA can vary or revoke any delegations that it has made at any time. The delegation of a function does not affect the WRA's responsibility for the exercise of that function.

It will be for the next Welsh Government to prescribe in regulations, subject to the Assembly's approval, to whom the WRA might ultimately delegate its functions. It will then be for the WRA to consider what functions it might then delegate, the format of

the delegations and how it will monitor the performance of those performing functions on its behalf.

Collection and Management arrangements

The arrangements set out below have been informed by detailed and continuing discussions with my preferred partners, HMRC and Natural Resources Wales (NRW).

I announced in June this year that the Welsh Revenue Authority (WRA) would work with HMRC and NRW to collect and manage Land Transaction Tax (LTT) and Landfill Disposals Tax (LDT). My preferred way forward is for HMRC to provide facilities to submit online and manual LTT returns and payments, and undertake the transactional and routine compliance functions. The WRA will undertake complex compliance, anti-avoidance and enforcement work for LTT. The WRA will undertake the collection and management functions for LDT, with NRW undertaking compliance and enforcement.

All Welsh devolved tax data and information would be the property of the WRA, and would be separately provided to the WRA for use in complex compliance work, performance reporting and other analysis (for example forecasting). The Committee referred to a close link between Welsh and non-devolved taxes, but as confirmed at Committee, this would not be the case and Welsh taxes will be kept discreet from the other non-devolved taxes that are managed by HMRC.

Welsh Ministers will require the WRA to develop strong and collaborative relationships with bodies to which it delegates functions, and a commitment to transparent ways of working. In particular, the WRA must publish information about the delegation arrangements and we would expect this to include agreed service standards. The WRA will ensure that devolved Welsh tax collection and management meets the Welsh language standards required by the Welsh Language Commissioner, and the commitments under its Charter of Standards and Values.

Further details on the proposed roles and responsibilities of the WRA, HMRC and NRW in the collection and management of devolved taxes is set out below.

WRA

Preparatory work on establishing the WRA is underway. A WRA Implementation Director (Chief Operating Officer) will be appointed in summer 2016 and it is envisaged that a Chief Executive will be appointed in the autumn of 2017. Both appointments will be to the Senior Civil Service.

The WRA, in accordance with the Tax Collection and Management (Wales) Bill, will require a governance structure to ensure that taxpayers' details and information are protected and managed properly. The Bill, as currently drafted, provides for a range of membership: not fewer than 3 and not more than 8 Non-Executive Board members including the Chair. To ensure that the WRA has the necessary level of expertise on this Board I expect these appointments to be paid and I anticipate, given the taxes devolved, that the Board could have 5 Non-Executive members, not including the Chair, from April 2018. Consistent with the comments made by the Committee and external stakeholders, I expect that the next Government will wish to ensure a range of tax and professional expertise on the Board, as well as seeking to ensure the Board is representative of the community, including an appropriate gender balance. I expect the Chair and Board members to have taken post by autumn 2017 and I anticipate in its first year the Board may need to commit to meeting as regularly as necessary to ensure an effective transition to April 2018.

The WRA will be expected to fulfil its wider corporate functions to a high standard, including provision of performance and other information to Ministers and the Assembly across the range of its responsibilities. It is anticipated that it will be required to collect LDT and undertake full compliance work in relation to more complex LTT cases, and will need ICT provision to ensure that all its functions can be undertaken efficiently and effectively. Our current estimate is that the WRA would have between 25 and 32 staff.

There are likely to be other operational costs associated with the WRA, including costs relating to audit, and data sharing with Valuation Office Agency and Her Majesty's Land Registry. Further work is required to assess and quantify these costs.

HMRC

HMRC have been constructive in discussions with my officials and are keen to take on the role in administering devolved Welsh taxes.

They have a wealth of tax knowledge and experience - HMRC collected almost £11bn in Stamp Duty Land Tax, (SDLT) in 2014-15, handling well over 1 million transactions. They have an end-to-end processing and management office in Birmingham, which includes all transactional elements of SDLT collection (based on their existing ICT system), as well as addressing more complex and challenging compliance and avoidance issues, and making wider links to other UK taxes. Over 96% of SDLT returns are received online with over 60% of payments being made online and this proportion is rising. The WRA would gain the benefit of these service improvements.

HMRC have made it clear that their current SDLT return would be adapted to ensure that the LTT return meets the distinct needs of the Welsh Government and WRA. They would use the experienced staff working on SDLT to carry out administration activities (for example, processing returns, following-up errors). All data would remain the property of the WRA: the WRA will use this information to undertake more complex compliance and avoidance activity.

Alongside this, HMRC have offered a small, separate, ring-fenced Welsh Taxes Team, which could be based in Wales and possibly co-located with the WRA. This team would ensure that there is close liaison in Wales between HMRC and WRA on more complex compliance and avoidance in relation to LTT, and would transfer knowledge and expertise. This team could lead on LTT technical queries and guidance, risk analysis and liaison with WRA drawing on their experience of the HMRC office in Porthmadog.

Stakeholders, and in particular the business community, have consistently expressed support for working with HMRC on collection of LTT, to ensure a smooth transition to April 2018. The priority now is to clarify and confirm the service standards that will be needed within this relationship and to ensure that the most cost-effective solution is being delivered.

NRW

NRW lead on permitting of landfill sites, so they already have an extensive knowledge of the tax base and have established relationships with landfill site operators. Compliance activity for LDT would be new to NRW and it is anticipated that a small number of additional NRW staff will be required to undertake this activity. The Welsh Government will be working closely with NRW over the coming period to ensure that

there is clear management of compliance and avoidance in relation to LDT and that we exploit the opportunities to improve coordinated and effective management of waste sites within Wales.

Next Steps

At Annex A is my initial estimate of costs for the set up and operation of collection and management arrangements for devolved taxes. Set up costs are estimated to be £4.8m–£6.3m over the period 2016/17 to 2018/19. Operating costs are estimated to be £2.8m–£4m annually, beginning in 2018/19.

At this stage, I am providing a range, rather than a specific figure, to reflect the degree of uncertainty remaining over some elements of these arrangements. This estimate will be further refined in discussions with HMRC and NRW in relation to service standards for LTT and LDT, and underpinning ICT issues in particular. It should also be noted that the next Government will introduce two further pieces of legislation on LTT and LDT and the policy decisions agreed in the passage of these bills may well have cost implications.

As the UK Government is not prepared to transfer the funding needed to cover this new area of work, the Welsh Government has to ensure that we develop a service that not only meets Welsh taxpayers needs but that also provides value for money in the short term whilst allowing for flexibility if and when further taxes are devolved to Wales.

I have confirmed that there will be a review of the WRA's delegation arrangements after 3-5 years of operation (2021-23), which will consider a range of partnership options. We are also establishing a working group with local government to ensure that we share expertise and knowledge around the collection and management of devolved Welsh taxes.

I intend to keep the Finance Committee updated on costs throughout the journey of the Tax Collection and Management (Wales) Bill and beyond. I anticipate that the next Welsh Government will wish to provide an update on the outcome of the discussions with HMRC and NRW soon after the Assembly elections next year.

Yours sincerely,
Jane

Jane Hutt AC / AM

Y Gweinidog Cyllid a Busnes y Llywodraeth
Minister for Finance and Government Business

Estimated Costs for Set Up and Operation of Collection and Management Arrangements for Devolved Taxes

Estimated Set Up Cost for the period 2016/17-2018/19		
£k	Low	High
Welsh Government – Staff <i>(Gross staff cost incl. salaries & overhead)</i>	1,700	2,000
Welsh Government – Non-Staff <i>(Incl. ICT development, Board & staff recruitment)</i>	550	1,200
HM Revenue and Customs – Staff and Non-Staff <i>(Incl. ICT development & project implementation)</i>	2,500	2,970
Natural Resources Wales – Staff and Non-Staff <i>(Incl. ICT development & project implementation)</i>	100	180
Total	4,850	6,350

Estimated Annual Running Cost		
£k	Low	High
Welsh Revenue Authority – Staff <i>(Gross staff cost incl. salaries & overhead)</i>	1,400	1,800
Welsh Revenue Authority – Non-Staff <i>(Board, Audit, ICT, accommodation, etc)</i>	400	840
HM Revenue and Customs – Staff and Non-Staff <i>(LTT processing, ICT provision & Welsh Taxes Team)</i>	840	1,000
Natural Resources Wales – Staff and Non-Staff <i>(LDT Compliance & Enforcement Team)</i>	200	315
Total	2,840	3,955

Our Ref/Ein Cyf:
Your Ref/Eich Cyf:
Date/Dyddiad:
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26th March 2015
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WLGA • CLILC

Jane Hutt AM
Minister for Finance and Government Business
Welsh Government
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Dear Minister,

Management and Collection of Devolved Taxes

An essential part of the WLGA's vision is that local government should have maximum freedom and flexibility to control the resources needed to deliver services locally to communities. The tax raising powers which local government already possesses are a key feature of the resource landscape at the local level and are a key element in our vision for greater local control of resources.

The WLGA would argue that in the new tax management environment, local democratic responsibility for taxation remains a key feature. Just as there is recognition in the consultation proposals that the new devolved taxes should be brought together, there must equally be recognition of the link between nationally devolved taxes and their administration with the management and control of local taxation. Gerry Holtham's recent paper to the Institute of Welsh Affairs¹ recognised the strategic links between locally collected property taxes, newly devolved taxes and taxes that have the potential to be devolved.

The WLGA has welcomed invitations already made to participate in the Tax Advisory Group and our officers are contributing constructively in other fora. We believe that there is a need for Local Government to have a close relationship with the WRA and a means for high level and meaningful interaction with the new body.

Local authorities in Wales are best placed to collect and manage devolved taxes. They already have systems in place to undertake the management and collection of taxes and/or sundry debtor accounts. Local authorities have experienced staff with relevant qualifications from the Institute of Revenues Rating and Valuation (IRRV) who have practical experience in all aspects of collection, minimisation of tax

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¹ IWA Senedd Paper 2: Taxation in Wales, Spring 2014 (<http://www.iwa.org.uk/en/publications/view/233>)

avoidance, revenue leakage and managing outstanding debt. Experienced staff would ensure a smooth transition and utilising existing systems would keep costs to a minimum.

The track record of local authorities in Wales in collecting taxes and income due is good. Collection rates for council tax are at historic highs. Compared to unitary authorities in England and Scotland collection rates here are higher. Outstanding debt is falling and revenues practitioners are constantly striving to improve their service.

Unfortunately, there are a number of factors that mitigate against local authorities putting forward a proposal to undertake the management and collection of Welsh devolved taxes at the current time:

- The future shape of local government is not yet determined, but the transition process will encompass April 2018 when the Welsh devolved taxes become operational. The degree of uncertainty means that it is extremely difficult for individual authorities to commit to new responsibilities from 2018;
- Timescales have not allowed for the development of a sufficiently robust proposal with all of the consultation that this would require. Councils are currently focused on achieving balanced budgets for 2015-16 and implementing savings plans. The level and scale of cuts that need to be addressed means that there is not the capacity at the senior level required to give this proposition the serious consideration needed within the timescales available;
- A detailed process map needs to be developed which sets out all the steps involved, what can be provided within current systems and what needs to be developed separately;
- Discussions need to take place at an all-Wales level at both political and officer fora to agree whether one or more authorities should seek to provide these services, and which authority(ies) this should be;
- Further work would be required with the authority(ies) to discuss the details of how this might work and to provide robust estimates of the potential costs involved.

It is my understanding that you intend to review the arrangements to collect and manage Welsh devolved taxes after some three to five years of operation, which is a more opportune time for local government to put forward a firm proposal for the provision of these services. This will allow time between now and the review for the detailed planning required for provision of the management and collection of Welsh devolved taxes within local government, and also for the future shape of local authorities to be more certain.

I would emphasise that Local Government wishes to continue working closely with Welsh Government both to share our tax expertise and also to maximise opportunities to allow business intelligence and information to be routinely shared, to ensure that yield is maximised and that the cost of collection is minimised.

Yours sincerely,



Cllr Aaron Shotton
WLGA Finance Spokesperson

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