



Llywodraeth Cymru
Welsh Government

PUBLICATION

Tax Engagement Group meeting: 16 September 2021

Minutes of a meeting of the Tax Engagement Group on 16
September 2021.

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1. Introduction and apologies

Apologies

- Leighton Jenkins, CBI Wales
- Ben Francis, Federation of Small Businesses (FSB)

2. Update to the Tax Policy Framework

2.1 The Tax Policy Framework published in 2017 is being updated to make it more accessible and to reflect the developments in devolved taxes and the wider strategic and policy agendas of the new Welsh Government. A draft version of the updated framework was circulated to members for review before the meeting.

2.2 Repa Antonio, Welsh Government, presented the key points to note in the update to the Framework. Members were invited to comment and ask questions.

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2.3 A member asked what could be done in Wales to encourage and support entrepreneurships and small businesses.

2.4 The Minister for Finance and Local Government stated there are many ways businesses can be supported - the business rates holiday for retail, leisure and hospitality businesses being one example. However, budget discussions for 2022-23 are ongoing and much depends on the UK Government's Comprehensive Spending Review on 27 October.

Action

Members to communicate any further feedback by end of September 2021.

3. Plans for a consultation on a local tourism levy

3.1 Anna Adams, Welsh Government, gave an update on the Programme for Government 2021-2026 commitment to consult on legislation permitting local authorities to raise a tourism levy.

3.2 Richard Jones, Welsh Government, presented the findings of the exercise, reviewing the use of tourism taxation in other countries to inform the development of a tourism levy in Wales. The presentation highlighted the design and implementation issues the Welsh Government would be considering as the work progresses. The Tax Engagement Group members and other partners will be kept informed as work progresses.

3.3 Officials were invited to attend a Welsh Technical Committee meeting to present a session on the tourism levy.

3.4 Anna Adams, confirmed officials would be happy to attend to discuss issues at events or meetings suggested by members.

3.5 Members discussed issues around the levy, including the role of VAT and commented it would be helpful to outline what it would be used for. It is important

there are clear economic benefits and any levy should be tied in with tourism development plans.

3.6 Further targeted engagement is needed in this area.

4. Tax levers in relation to considerations around 2nd homes

4.1 Nicola Moorhouse, Welsh Government, presented the current context on the potential use of national and local tax levers to address issues related to second home ownership.

4.2 A Welsh Government consultation on local taxes for 2nd homes and self-catering accommodation is currently open. The deadline for responses is 17 November 2021.

Action

Officials to circulate a link to the consultation to TEG members.

Local taxes for second homes and self-catering accommodation

4.3 Some members welcomed the effort and consideration given to both a tourism levy and the role of tax within the second homes issue. They supported aligning the consideration of the taxes as there is a risk they could be contradictory if progressed separately.

4.4 The minister agreed that progressing these taxes should be done in a coherent and complementary way and noted the issues raised in the presentation have been brought to members at an early stage for their consideration.

4.5 Debra Carter, Welsh Government, welcomed the opportunity to talk to stakeholder groups before the consultation ends in November

Action

Debra Carter to attend a future Welsh Technical Committee meeting to discuss changes to local taxes and council tax reform.

Action

Welsh Government officials to keep members informed on developments with these taxes in the months ahead.

5. Any other business

5.1 Councillor Anthony Hunt would welcome a debate on local taxation.

Action

Officials to arrange a meeting between the minister and Cllr Hunt.

5.2 Current TEG membership does not include anyone with expertise on environmental policy. Officials are looking to invite someone with these skills to join the group.

5.3 Members were invited to comment on a paper detailing the Welsh Government's 2022-23 Draft Budget process. Members can contact the group's secretariat with any comments or questions.

5.4 A note of the meeting will be circulated to members before publication on the Welsh Government's website.

About this document

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