

# Year to go: First Welsh Taxes in 800 years to be introduced

The devolution of tax powers to Wales marks a significant milestone in devolution as Wales will become responsible for raising a proportion of its own revenue to spend on public services.

From 1 April 2018, Wales will have two new taxes – land transaction tax will replace stamp duty land tax and landfill disposals tax will replace landfill tax.

Together they are estimated to generate more than £1bn in the first four years.

Two Bills to establish these new taxes are currently being scrutinised by the National Assembly for Wales – Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Bill passed stage three in the National Assembly earlier this week.

The Welsh Revenue Authority (WRA) will be responsible for collecting these two Welsh taxes. Finance Secretary Mark Drakeford has announced that Kathryn Bishop will be the first chair of the WRA; the non-executive board members will be appointed in the summer.

From April 2018, Wales will also be able to use new borrowing powers of £1bn to invest in capital projects in areas of devolved responsibility.

Professor Drakeford said:

“In just over a year, stamp duty land tax and landfill tax will be devolved and Wales will introduce the first Welsh taxes in almost 800 years.

“This is an historic milestone in Wales’ devolution journey as we become responsible for raising our own money to spend on public services. The next step will be Welsh rates of income tax, which we are committed to introducing in April 2019.

“These taxes bring additional responsibility for the Welsh Government and the National Assembly – to those who pay taxes and those who depend on the public services which are funded by them.

“These new tax powers provide us with the opportunity to reshape and make changes to improve existing taxes to better meet Wales’

needs and priorities. We will use them to help improve fairness and support jobs and economic growth in Wales.

“A huge amount of work is already underway to prepare for these tax powers. We have consulted widely and listened to a range of stakeholders to help us develop these taxes and will continue to do so as they make their way through National Assembly scrutiny.”

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## The Great Repeal Bill: Welsh economy needs certainty, clarity and reassurance – Carwyn Jones

The final bill will set out one of the largest and most complex legislative projects in British history. However, the First Minister is demanding that the UK government must not lose sight of the needs of businesses, workers and potential investors in order to protect the Welsh economy.

The First Minister said:

“We stand ready to work with the UK government to help make the Great Repeal Bill succeed and ensure it provides the clarity and reassurance the Welsh economy urgently needs.

“The process of incorporating thousands of EU rules into UK legislation may sound like a mere bureaucratic process but, in reality, each law will have a direct impact on the people of Wales, our employers and potential investors. It is crucial we get this right.

“Uncertainty restricts economic growth and so it is vital disruption is kept to a minimum to help keep confidence in the economy and protect Welsh jobs.”

The First Minister also expressed disappointment that the Welsh Government was not directly involved in contributing to the white paper, adding:

“While the white paper talks about increasing the decision-making power of devolved administrations, it is not clear that we share a similar view of where powers currently lie and how we should proceed in the future.

“We have been clear we see benefit in agreeing common UK approaches on some policy areas that are devolved where this is important for the functioning of the UK market, provided that these are agreed by the UK government and all 3 devolved administrations and are subject to independent dispute resolution mechanisms. The starting point for such common approaches and frameworks must be through agreement and consensus.

“In discussions we have had so far, the UK government have assured us they share this view – how the white paper is now taken forward will be the opportunity to demonstrate a real commitment to those warm words.

“The final bill, when it comes forward, must respect and protect devolution. This is what the people of Wales voted for in 1997 and again 2011. We will continue our discussions with the UK government to ensure that the bill does not ride roughshod over the devolution settlement and brings clarity to our future.”

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## **Kathryn Bishop confirmed as first chair of the Welsh Revenue Authority**

In just over a year, Wales will raise taxes for the first time in 800 years when stamp duty land tax and landfill tax are devolved. Land transaction tax and landfill disposals tax will replace these two taxes in Wales from 1 April 2018.

The Tax Collection and Management (Wales) Act, which was passed by the National Assembly in April 2016, established devolved tax arrangements in Wales, including the creation of the Welsh Revenue Authority (WRA) to collect and manage devolved Welsh taxes.

The WRA is the first non-ministerial department of the Welsh Government and will become operational in April 2018. Over the next four years, the WRA will collect more than £1bn of tax revenues.

Confirming Ms Bishop’s appointment, Professor Drakeford said: “In just over a year, Wales will be responsible for collecting and managing our own taxes when land transaction tax and landfill disposals tax are introduced.

“We are making significant progress in our preparations for tax devolution and the WRA will play an integral part in this.

“It will be responsible for collecting and managing more than £1bn of tax revenues over the next four years – revenue which is crucial for our public services.

“I am pleased to be able to confirm Kathryn Bishop’s appointment as the first chair of the WRA. Kathryn brings a wealth of experience to the role and will provide the WRA with the leadership and vision to ensure a smooth transition as Wales takes on tax powers.”

Ms Bishop said:

“I am delighted to be appointed as chair of the WRA – a new public body with an important function in Wales – and I look forward to working with the implementation team and the stakeholders.”

Ms Bishop’s appointment as chair of the WRA follows a fair and open recruitment exercise regulated by the Commission for Public Appointments. A pre-appointment hearing by the National Assembly’s Finance Committee endorsed her appointment.

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## Wales broadens its horizons attracting €66m to drive innovation

Speaking at a conference to celebrate Welsh successes in the EU-funded programme, he revealed that Welsh activity in Horizon 2020 had doubled in the last year.

A day after Article 50 was triggered, the Finance Secretary called for continued participation in the programme after the UK leaves the EU – as outlined in the Welsh Government’s White Paper Securing Wales’s Future.

The Welsh Government’s 2016 annual report about Horizon 2020 highlights Wales’ performance in the programme including:

- International collaborations doubled to more than 1,000;
- Around a third of Welsh participations in Horizon 2020 projects are as lead co-ordinators;
- Welsh businesses won more than €10m through the programme;
- A higher proportion of private sector participations than the equivalent in the UK;
- Welsh universities performing well, accounting for 63% of total Welsh participations.

This positive trend has continued into 2017, as the latest figures show Welsh organisations have secured €66m of Horizon 2020 funds and the number of Welsh participants has topped 140.

Professor Drakeford said:

“Horizon 2020 provides a real opportunity for businesses and organisations to be at the forefront of research and innovation. The Welsh Government is committed to supporting Welsh participation in this EU programme.

“Our White Paper, Securing Wales’ Future, highlights the economic importance of retaining UK access to European research and innovation programmes, and their successors, beyond 2020 to help drive world-class science and innovation and sustainable jobs and growth in Wales.”

At the event, the Finance Secretary met businesses including Wrexham-based Ecodek Ltd and Newport-based SPTS Technologies, learning about their ground-breaking work on Horizon 2020 projects, such as recycling of building materials and filtered waste of water treatment plants to develop new, innovative products and the development of semiconductor technologies in innovative new medical devices.

Professor Drakeford added:

“Today is a celebration of Welsh success in Horizon 2020 and the contribution EU funds are making to driving our knowledge economy. It is vital that we continue to maximise the opportunities that this programme presents and attract further investments which will bring significant benefits to our region.”

Horizon 2020 is open for business – successful applications made while the UK remains part of the EU will be protected by the UK Government’s lifetime expenditure guarantee.

The Welsh Government’s SCoRE Cymru fund provides financial support to help Welsh organisations with travel costs to forge partnerships and to develop Horizon 2020 proposals.

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## [Improved arrangements to support those](#)

## affected by contaminated blood announced

The new arrangements will provide broader assistance over and above financial support by offering a support service for every affected individual. This will help individuals with difficulties accessing healthcare services, home or travel insurance, other financial benefits or suitable public services. Arrangements will also address concerns about discretionary funding. All regular payments will be increased to include an amount towards additional expenses such as increased winter fuels, treatment (travel/overnight accommodation) and insurance (personal/travel).

More will also be done to support those who have been bereaved, especially important during the early years when distress and financial difficulty may be greatest.

The one-off payment will be retained and, in addition, spouses, civil partners or partners will receive 75% of the regular payments for three years after bereavement. For the newly bereaved, payments will reflect the regular payment rate at the time of death. For those bereaved in earlier years, the 2016-17 rate will be applied and one payment made in full.

Health Secretary Vaughan Gething said:

“Today’s announcement brings an end to the uncertainty about support in future and will introduce a new scheme that is supportive, transparent and as equitable as possible.

“We’ve taken account of the views expressed by those affected which have helped shape the new arrangements, giving us a deeper understanding of the impact of the tragedy on their lives and those of their families in many cases.”

The new scheme will be administered by Velindre NHS Trust through the NHS Wales Shared Services Partnership.

Wales’ beneficiaries will transfer to the new scheme that will operate from October 2017. Enhanced regular payments (annual, quarterly or monthly) will be backdated to April 2017.

Welsh Government officials will work with HM Revenue and Customs and the Department of Works and Pensions to ensure that future payments continue to be exempt from taxation liability or state benefits entitlement calculations.

They will continue to work also with the Department of Health and the current scheme administrators to ensure the transition to the new scheme is as smooth as possible.