

# GWYNEDD COUNCIL CABINET



## Report to a meeting of Gwynedd Council's Cabinet

**Date of Meeting:** 13 March 2018  
**Cabinet Member** Dyfrig Siencyn, Leader  
**Contact Officer:** Dilwyn Williams, Chief Executive  
**Title:** Welsh Government's Taxation Powers

### Decision Sought

In order for it to consider whether it wishes to express its opinions on the proposals, the opportunity is given for the Cabinet to discuss the Welsh Government's intention to introduce new taxes.

### Background

1. Between the 6 November 2017 and 5 December 2017, the Welsh Government conducted a poll on social media on a short list of 4 ideas in relation to new taxation in Wales.
2. It is not entirely clear what the status of the "social media poll" was, but it appears from their web site that its intention was to raise awareness and seek opinions.
3. Nor is it clear whether there was an opportunity for organisations such as ourselves to submit observations.
4. The taxes under consideration are noted below.
  - **Vacant land tax** – a new tax to increase the cost of holding empty land to act as an incentive to build new homes.
  - **Social Care levy** – a tax to help fund social care in Wales in the long term.
  - **Disposable Plastic Tax** – a new tax to change our behaviours in relation to disposable plastic.
  - **Tourism Tax** – a tax to raise small contributions from those visiting areas to help pay for facilities which are important for visitors and local communities.

5. The Cabinet Secretary for Finance has recently announced that the Government will be using the idea for a vacant land tax to test the powers given to them under the Wales Act, but work on the other three ideas will also continue.
6. It isn't clear what that will mean nor what the possible timetable looks like.
7. It is interesting to note that in the "social media poll", of the just over a thousand responses received, this was the outcome.

	<b>Agree</b>	<b>Disagree</b>
Vacant Land Tax	60%	40%
Social Care Levy	49%	51%
Disposable Plastic Tax	78%	22%
Tourism Tax	37%	63%

8. In order for it to consider whether it wishes to express its opinions on the proposals, the opportunity is given for the Cabinet to discuss the matter.
9. In view of the danger that the above result could influence Government policy, and in view of the fact that the two which would directly affect local government are the two which have received the fewest votes in favour, no doubt the Cabinet will wish to consider this aspect in particular.

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### **Statutory Officers' Observations**

#### **Monitoring Officer**

Nothing to add from a propriety viewpoint.

#### **Head of Finance**

The Welsh Government had not asked for local authorities' views, nor even drawn our attention to the existence of its "on-line poll" before it closed in December. I made enquiries of the responsible civil servant in December, and a reply was received in January confirming that the on-line poll was only informal and that they would welcome ideas. There is therefore an opportunity for the Cabinet or other bodies to express an opinion by sending them to - [FinancialReformMailbox@gov.wales](mailto:FinancialReformMailbox@gov.wales) . I welcome the intention to have a discussion on the matter.