

## Agenda – Y Pwyllgor Menter a Busnes

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Lleoliad:	I gael rhagor o wybodaeth cysylltwch â:
Ystafell Bwyllgora 1 – Y Senedd	Gareth Price
Dyddiad: Dydd Mercher, 9 Rhagfyr 2015	Clerc y Pwyllgor 0300 200 6565
Amser: 09.15	<a href="mailto:SeneddBusnes@Cynulliad.Cymru">SeneddBusnes@Cynulliad.Cymru</a>

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### Rhag-gyfarfod preifat

(09.15–09.30)

#### 1 Cyflwyniad, ymddiheuriadau a dirprwyon

#### 2 Datganoli Ardrethi Busnes i Gymru – Sefydliad Ardrethu a Phrisio Refeniw

(09.30–10.15)

(Tudalennau 1 – 30)

David Magor, Prif Weithredwr, y Sefydliad Ardrethu a Phrisio Refeniw

Janet Alexander, Rheolwr Gwasanaethau Proffesiynol, y Sefydliad Ardrethu a Phrisio Refeniw

Dogfennau atodol:

Y Briff Ymchwil

EBC(4)–30–15 (p.1) Tystiolaeth gan y Sefydliad Ardrethu a Phrisio Refeniw

(Saesneg yn unig)

### Egwyl

(10.15–10.30)



### **3 Datganoli Ardrethi Busnes i Gymru – Ffederasiwn y Busnesau Bach**

(10.30–11.15) (Tudalennau 31 – 34)

Dr Rachel Bowen, Rheolwr Polisi, Ffederasiwn Busnesau Bach Cymru

Rhodri Evans, Uwch-ymgyngorydd Cyfathrebu, Ffederasiwn Busnesau Bach Cymru

Rhian Murphy, Rheolwr Gyfarwyddwr, SlideFold UK Ltd.

Dogfennau atodol:

EBC(4)–30–15 (p.2) Tystiolaeth gan Ffederasiwn y Busnesau Bach (Saesneg yn unig)

### **4 Datganoli Ardrethi Busnes i Gymru – Llywodraeth Cymru a CBI Cymru**

(11.15–12.15) (Tudalennau 35 – 38)

Edwina Hart AC, Gweinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth

Chris Sutton, Cadeirydd, Cydffederasiwn Diwydiant Prydain

Dogfennau atodol:

EBC(4)–30–15 (p.3) Tystiolaeth gan Lywodraeth Cymru

## **5 Papurau i'w nodi**

### **5.1 Cynllunio ac Ariannu Trafnidiaeth**

(Tudalen 39)

Dogfennau atodol:

EBC(4)–30–15 (p.4) Ymateb gan yr Ysgrifennydd Gwladol dros Drafnidiaeth ynghylch Cyllido Seilwaith Rheilffyrdd yng Nghymru (Saesneg yn unig)

## **5.2 Horizon 2020 ac Erasmus+**

(Tudalennau 40 – 41)

Dogfennau atodol:

EBC(4)-30-15 (p.5) Gwybodaeth bellach gan Golegau Cymru yn dilyn cyfarfod y Pwyllgor ar 21 Hydref (Saesneg yn unig)

## **6 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o weddill y cyfarfod a dechrau'r cyfarfod nesaf.**

## **7 Gwaddol Pwyllgorau'r Pedwerydd Cynulliad**

(12.15-12.20)

(Tudalennau 42 – 45)

Dogfennau atodol:

Llythyr oddi wrth y Pwyllgor Cyllid ar Waddol gydag ymateb drafft (Saesneg yn unig am y tro)

## **Ôl-drafodaeth breifat**

(12.20-12.30)

## Eitem 2

Mae cyfyngiadau ar y ddogfen hon



## **Devolution of Business Rates to Wales**

### **An Outline of the Institute of Revenues, Rating and Valuation's (IRRV) Evidence**

The Enterprise and Business Committee of the National Assembly for Wales

9:30am until 10.15am on the 9<sup>th</sup> December 2015.

#### **The potential for changes to business rates policy**

##### **Introduction**

The IRRV is the professional body concerned with all aspects of local taxation, valuation, appeals, financial management and local benefits administration in the United Kingdom. It has members within both the public and private sectors, including ratepayers and their agents. Institute members are engaged in local taxation collection, property valuation, the appeals process, advising and representing ratepayers and financial management within local government.

We are an Institute that represents the professional interests of members who work within a broad church. The Institute is the only professional body in the United Kingdom which specialises in the law and practice of local authority revenues and local taxation, together with the valuations, appeals, reliefs and benefits which support these processes.

##### **The approach taken to modelling the costs and economic benefits of business rates policy options**

The Institute often models the impact of government policy and in recent months has looked critically at the government's proposals for 100% rate retention in England. This modelling approach takes account of the impact of rate liability and its effect on both the ratepayer and local economic conditions. This approach is partially helpful when dealing with issues such as;

local discretions, particularly those related to stimulation of the tax base, regeneration and local economic activity.

### **The likely timetable for any changes and how this will be communicated to businesses in Wales**

Using our experience from England, it is important that business ratepayers are given a reasonable lead time in order to take into account of any adjustments in their outgoings. This is particularly important with rate liability because it is regarded by business as the most significant outgoing after all the costs of employment. We would therefore suggest that a lead in time of at least 12 months is essential to give business the opportunity to make these adjustments.

### **The potential for differential tax rates within Wales.**

We believe the application of differential tax rates for rate liability would give local authorities and the Welsh Assembly Government the opportunity to introduce innovative approaches to encourage businesses to relocate in Wales. This will be particularly important if it were to be considered alongside any potential changes in the levels of Corporation Tax. This will also give a possible incentive for dealing with the porous nature of the border between England and Wales.

### **Local retention of business rates**

The Institute has taken a positive stance on the introduction of business rates retention schemes. There is no doubt in our mind that it has encouraged billing authorities to take a more active role in the administration of the tax which has led to an increase in yield. The localisation mechanism and the potential to retain income have also begun to yield results particularly in relation to the funds available to improve the infrastructure in areas of economic decline such as the traditional high street.

### **The condition of the Rating List for Wales**

We have carried out a study of the quality of rating lists in England and Scotland which has revealed a significant incidence of missing rateable value. This situation has been fuelled by the “nationalisation” of the non domestic rate in 1990 which led to billing authorities reducing the administrative effort in relation to the maintenance of the rating lists. We believe there is significant missing value in Wales.

The introduction of an incentive scheme to Billing Authorities in England was probably the most significant change to the non domestic rate since its inception in 1990. It introduced two major challenges to Billing Authorities (BAs), firstly it demanded improved budgetary forecasting in an area generally unfamiliar to finance managers, but it also gave financial encouragement to BAs to improve resource commitment to the rating team. In England this incentive has already realised over £50m of missing value

### **Rates Avoidance**

The Institute fully supports the premise that clarification and/or change is required regarding aspects of empty business rating, both in terms of its application and its administration. The Institute also fully supports the Government commitment to “continue to support law abiding ratepayers who are genuinely entitled to the reliefs and exemptions”. This support should apply to all who work by legal means to minimise business rates liability; and by extension it should not include those who adopt practices by which they seek to evade tax liability.

Tax avoidance is, of course, a strategy which involves exploiting legal means of reducing taxes with the goal of minimizing tax liability. Avoidance is a perfectly legal approach to handling taxes. There is a point at which practices of a minority stray into the realm of being abusive; and thereby cross the line into tax evasion. It is important to emphasise however that there is nothing illegal in seeking to minimise that tax liability, either for oneself or on the behalf of others. To state that avoidance places an unfair burden on the “honest majority” could be seen to portray those who seek to minimise liability legitimately as ‘dishonest’ and this is not the case.

It is felt that avoidance is “undermining confidence in the rates system”. It could well be argued that the interaction of the empty property rating system as introduced from 2008, with the now high level of business rates multiplier are also contributory factors to any perceived undermining of confidence in the system.

### **The timetable for revaluations**

One of the disadvantages of five yearly revaluations is that where there is a large swing in rental or capital values inter-quinquennium, this is not reflected until the following revaluation. Where rents and costs are increasing, the ratepayer is unlikely to be upset; however, where

these values fall, dissatisfaction can arise (notwithstanding provisions relating to material change which may assist in these cases).

We contend that shorter periods between revaluations would be preferred by the majority of ratepayers as this would help to even out some of the changes in levels of value which can occur within the revaluation cycle.

The revaluation cycle has traditionally lent itself to a five-year valuation cycle, due in part to the timescale required to handle large volumes of appeals between revaluations.

It may assist ratepayers to move towards a three-yearly revaluation cycle; possibly as a stepping stone to annual or two-yearly revaluations. We accept however that these changes would probably only be achieved if all leases are supplied as a matter of course to the VOA (direct or via Land Registry). Such a move to more frequent revaluation would generally reduce the number of appeals, keep rateable values more aligned to passing rents and could negate any need for transitional relief schemes.

More frequent revaluations would generally result in a more acceptable change to rate poundage levels; thereby giving rateable occupiers a greater degree of certainty. Three-yearly revaluations could level out the appeal workload for rating surveyors, minimise increases / reductions in revaluation assessments for occupiers and allow the Government and billing authorities a greater degree of certainty of income level.

**Any evidence to support the Minister's comment that the border between Wales and England is "long and porous"**


The 160 mile border between Wales and England is often described as "porous". This is understandable. 90% of the Welsh population lives within 50 miles of the English border. 30% of the *combined* English and Welsh population—some 16 million people—live within 50 miles of the border. As a result, there is a huge degree of travel and integration between England and Wales throughout the year, be it commuters, business people, freight or leisure seekers.

The Welsh and English economies and geographies are highly integrated however this integration has not been fully researched in relation to variable tax regimes and the impact of any such variable regimes. An obvious example of this is the impact of the corporation tax



regime in the Irish Republic in contrast with the higher tax levels in Northern Ireland. In response to this there are proposals to reduce the level of this burden in Northern Ireland in order to attract an increase in business activity.

In the context of non domestic rates would the introduction of variable local multipliers in Wales influence the relocation of business activity from England to Wales? If this is the case it raises the potential for increased revenue as the tax relationship between Wales and the Treasury matures.

A handwritten signature in black ink, appearing to read 'D. Magor'. The signature is stylized with a large loop on the left and a horizontal line underneath.

David Magor  
IRRV Chief Executive

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## Devolution of Business Rates

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FSB Wales  
response to  
Enterprise &  
Business  
Committee

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24 November 2015

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## **Devolution of Business Rates to Wales**

### **FSB Wales**

FSB Wales welcomes the opportunity to present its views to the Enterprise and Business Committee. FSB Wales is the authoritative voice of businesses in Wales. With 10,000 members, a Welsh Policy Unit, two regional committees and twelve branch committees; FSB Wales is in constant contact with business at a grassroots level. It undertakes regular online surveys of its members as well as a biennial membership survey on a wide range of issues and concerns facing small business.

### **Key Points**

FSB Wales has called for a number of changes to the system of business rates in Wales in our manifesto for the incoming 2016 Welsh Government<sup>1</sup>. Most significantly for the proceedings of this committee we have called for the Welsh Government to do the following:

- Agree a position on the local retention of Business Rates within 100 days.
- Undertake more regular revaluations, to ensure that rates bills are more reflective of economic circumstance and rents. The Welsh Government should look to do this within its first three years.
- Instruct the Valuation Office Agency to value land and property separately. This will allow a more meaningful evaluation of the impact of moving towards a system of Land Value Taxation. This should also be undertaken within the first three years.
- Take forward the recommendations in 'The Devolution of Business Rates to Wales' Report (February 2015)<sup>2</sup> and undertake a full assessment of alternative options for business rates.
- Split the uniform business rate multiplier in line with the split between small and large multipliers operating in England

FSB Wales has general concerns about the levels of data available for modelling the impacts of business rates in Wales. It has therefore been difficult for us to fully assess the impact of business rates policy changes on our members and the wider economy. Welsh Government and local Government should do more to ensure that good quality data relating to business rates is available to policymakers. In this light, we find it difficult to comment as fully as we would like on potential reforms to Business Rates in Wales. It is our view that the costs and benefits of business rates policy are not fully explored.

It will be essential that any changes to business rates are clearly communicated to Welsh businesses, and that any changes to the system of Business Rates in Wales are phased in clearly and with

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<sup>1</sup> Available at:

[http://www.fsb.org.uk/policy/rpu/wales/images/the\\_fsb\\_wales\\_business\\_manifesto\\_for\\_the\\_2016-21\\_welsh\\_government%20\(1\).pdf%20final.pdf](http://www.fsb.org.uk/policy/rpu/wales/images/the_fsb_wales_business_manifesto_for_the_2016-21_welsh_government%20(1).pdf%20final.pdf)

<sup>2</sup> Available at: <http://gov.wales/docs/det/publications/150202-devolution-of-business-rates-en.pdf>



adequate warning. Whilst some changes, such as local retention could be made relatively quickly (i.e. those which are not 'customer facing'), others may take more time and preparation. Such changes should be consulted on fully, and subject to a full and proper impact assessment, as FSB Wales has outlined in our report "Better Regulation for Wales"<sup>3</sup>.

Non-Domestic Rates are a source of c£1bn a year in revenue for the Welsh Government (and subsequently Local Authorities) and FSB Wales recognises the need to protect this revenue stream, and to grow it in line with economic growth. Indeed business rates' relatively "static" pot, whilst not reflecting business conditions, is a virtue from the point of view of the Government as it provides a predictable and secure stream of revenue. However, it is our view that the tax currently falls disproportionately on those small businesses with premises, something implicitly recognised by the now year-on-year retention of the Small Business Rates Relief scheme, which should be extended and made permanent. It is also clear that some Local Authorities substantially benefit from the current "shared pot" whilst other, normally more prosperous Local Authorities effectively lose out. There is however, a clear need for some element of redistribution to be preserved in order that Welsh Local Authorities are able to deliver their statutory (and non-statutory) services.

On 5<sup>th</sup> October 2015 the UK Chancellor, George Osborne MP, announced that Local Authorities in England will retain 100% of their business rates, alongside the abolition of the Uniform Multiplier. These announcements will have significant impacts in England and are likely to have cross border implications for the business environment in England and Wales and those businesses which operate on both sides of the border. We await further detail with interest, but it is now even more pressing for Welsh Government to agree a position on the retention (or not) of Business Rates in Wales, and to move ahead with examination of alternative models of taxation.

It appears that Wales and England are on divergent paths with regards to Business Rates, and comments relating to a "long and porous border" are less relevant than they may have been in the past. However, it has historically been true that Wales and England have divergent rates regimes, with England splitting a large and small business rates multiplier where Wales has not. The multiplier has also been set at differing levels on either side of the border – in part to reflect differing levels of prosperity. In general, despite a "long and porous border", Wales and England have rarely, if ever, since 1999 had aligned Business Rates regimes. In this light, over the medium term, the Government should look to examine best practice elsewhere in the UK and globally in order to devise a system of business taxation that works for Wales and its political and social aspirations.

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<sup>3</sup> Available at: <http://www.fsb.org.uk/policy/rpu/wales/images/better%20regulation%20wales.pdf>



### **Federation of Small Businesses Wales**

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### **The Federation of Small Businesses Wales**

The FSB Wales is non-profit making and non-party political. The Federation of Small Businesses is the UK's largest campaigning pressure group promoting and protecting the interests of the self-employed and owners of small firms. Formed in 1974, it now has 200,000 members across 33 regions and 194 branches. FSB Wales currently has around 10,000 members, a Welsh Policy Unit, two regional committees and twelve branch committees meaning FSB Wales is in constant contact with small businesses at a grassroots level in Wales.

### **Lobbying**

From the Press and Parliamentary Affairs Office in Cardiff, FSB Wales campaigns with AMs, MPs and MEPs in Cardiff Bay, Westminster and Brussels in order to promote our members' interests. FSB Wales also works closely with local, regional and national media outlets to highlight our members' concerns. Development Managers work alongside members in our regions to further FSB Wales influence at a regional level. More widely, the FSB has Press and Parliamentary Offices in Westminster, Glasgow, Belfast and Brussels to lobby the respective Governments.

### **Member Benefits**

In addition, Member Services is committed to delivering a wide range of high quality, good value business services to members of the FSB. These services will be subject to continuing review and will represent a positive enhancement to the benefit of membership of the Leading Business organisation in the UK.

### **Vision**

A community that recognises, values and adequately rewards the endeavours of those who are self employed and small business owners within the UK.

The Federation of Small Businesses is the trading name of the National Federation of Self Employed and Small Businesses Limited. Our registered office is Sir Frank Whittle Way, Blackpool Business Park, Blackpool, Lancashire, FY4 2FE. Our company number is 1263540 and our Data Protection Act registration number is Z7356876. We are a non-profit making organisation and we have registered with the Information Commissioner on a voluntary basis.

## **Papur Tystiolaeth Ysgrifenedig ar Ddatganoli Ardrethi Busnes yng Nghymru gan Weinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth**

### **1. Cyflwyniad**

- 1.1 Diben y papur hwn yw cynorthwyo'r Pwyllgor Menter a Busnes wrth iddo gynnal sesiwn i graffu ar Ddatganoli Ardrethi Busnes yng Nghymru.
- 1.2 Mae'r papur yn mynd i'r afael â'r meysydd a nodwyd gan y Pwyllgor fel rhai sydd o ddiddordeb penodol i'r sesiwn graffu hon. Mae hyn yn cynnwys newidiadau posibl ac opsiynau sy'n cael eu hystyried.

### **2. Costau a manteision economaidd yr opsiynau polisi**

- 2.1 Mae ystyried y costau a'r manteision yn ganolog i'r gwaith o ddatblygu opsiynau polisi. Mae hynny, ynghyd ag ystyried materion eraill megis pa mor gystadleuol yw'r system ardrethi busnes, o gymorth i benderfynu a yw'r cynigion yn ddilys, yn werth chweil ac yn briodol.
- 2.2 Mae data Asiantaeth y Swyddfa Brisio ar werth ardrethol adeiladau annomestig yn cael eu defnyddio i ddatblygu a phrisio'r opsiynau polisi. Bydd y data hynny'n cael eu gwirio yn erbyn y data lleol sydd gan yr Awdurdodau Bilio. Gan ddibynnu ar natur y cynllun, gellir hefyd wneud rhagdybiaethau am y data hynny. Er enghraifft defnyddiwyd y cyfraddau eiddo gwag yn achos y Cynllun ar Agor am Fusnes.
- 2.3 Wrth lunio opsiynau polisi, cymerir camau i ystyried yr ymyriadau posibl eraill, i amcangyfrif y costau a'r manteision a ragwelir, ac i edrych ar y dadansoddiad o sensitifrwydd er mwyn adlewyrchu, er enghraifft, y gwahaniaeth yn lefelau'r niferoedd a fydd yn manteisio ar y cynlluniau hynny. Mae'r dull cyfrannol hwn yn gymesur â'r dull a ddefnyddir ar gyfer ardrethi annomestig ('ardrethi busnes') mewn lleoedd eraill.
- 2.4 Hefyd, cesglir data am y cynlluniau wrth iddynt gael eu rhoi ar waith er mwyn monitro'r nifer sy'n eu defnyddio a'u heffaith. Fodd bynnag, nid yw mesur neu hyd yn oed nodi'r holl gostau a'r manteision posibl bob amser yn broses syml. Yn aml, maent yn fwy na ffactorau economaidd yn unig.

### **3. Amserlen ar gyfer y newidiadau**

- 3.1 Mae angen penderfynu ar y newidiadau i'r modd sylfaenol y caiff ardrethi busnes ei weinyddu ymhell cyn dechrau'r flwyddyn ariannol y byddant yn cael effaith. Mae hyn yn caniatáu i'r Awdurdodau Bilio wneud y trefniadau angenrheidiol ac yn caniatáu i unrhyw is-ddeddfwriaeth angenrheidiol gael ei llunio.
- 3.2 Mewn rhai achosion, gellir rhoi rhyddhad ardrethi dros dro yn seiliedig ar grantiau. Nid oes angen cymaint o amser i gyflwyno cynlluniau o'r fath a hynny am eu bod yn targedu rhywbeth mwy penodol. Er hynny, mae angen parhau i

sicrhau bod digon o amser a gwybodaeth gan yr Awdurdodau Bilio i gyflwyno'r newidiadau.

#### **4. Y potensial ar gyfer ardrethi gwahaniaethol yng Nghymru**

4.1 Tra bo Llywodraeth y DU wedi cyhoeddi y bydd yn diddymu'r Ardrethi Busnes Unffurf ac yn caniatáu i'r Awdurdodau Bilio leihau'r lluosydd er mwyn denu buddsoddiad, ni wnaed penderfyniad ar hynny yng Nghymru. Mae'r potensial yno i gyflwyno cyfraddau trethi gwahaniaethol ond mae anawsterau'n gysylltiedig â hynny. Er enghraifft, byddai angen deddfwriaeth sylfaenol a byddai goblygiadau o ran refeniw trethi lleol. Yn ychwanegol at hynny, daeth y Panel Ardrethi Busnes i'r casgliad y gallai gweithredu cyfraddau trethi gwahaniaethol o fewn Cymru greu system gymhleth gyda chyfraddau amrywiol a byddai llai o sicrwydd i breswylwyr o safbwynt eu cyllidebau.

#### **5. Cadw ardrethi lleol**

5.1 Gallai cyflwyno system o gadw ardrethi lleol fod yn fodd i gymell awdurdodau lleol i ganolbwyntio ar dwf. Roedd y Panel Ardrethi Busnes yn cefnogi'r egwyddor o sefydlu system i gadw ardrethi'n lleol.

5.2 Fodd bynnag, ar hyn o bryd mae angen mynd i'r afael â nifer o ffactorau wrth ystyried y posibilrwydd o gyflwyno system o gadw ardrethi'n lleol yng Nghymru. Er enghraifft, nid oes cysondeb o ran faint o refeniw y gall amryfal awdurdod lleol Cymru ei godi drwy ardrethi. Yn ogystal â hynny, mae'r ardrethi busnes yn elfen graidd o'r cyllid ar gyfer gwasanaethau lleol ledled Cymru. Er enghraifft, mae'r cyfraddau treth y gall awdurdodau lleol Cymru eu codi yn anghyson o ran y modd y cant eu dosbarthu. Yn ogystal â hyn, mae'r ardrethi busnes yn elfen graidd o'r cyllid a roddir ar gyfer gwasanaethau lleol ledled Cymru.

5.3 Byddai cadw ardrethi'n lleol yn peri risg. O gadw ardrethi'n lleol byddai'r risgiau hynny, yr enillion a'r cyllid a fyddai ar gael i wasanaethau lleol wedi hynny, ynghyd â photensial yr awdurdodau i sicrhau cynnydd net yn swm yr ardrethi a gesglir, yn amrywio'n sylweddol rhwng yr awdurdodau lleol. Byddai angen ystyried dulliau o amddiffyn awdurdodau sy'n dibynnu'n fawr ar nifer bach o drethdalwyr. Gallai'r rhain leihau'r cymhelliad a ddaw fel arall o gyflwyno system i gadw'r ardrethi'n lleol. Hefyd, gallant ychwanegu ymhellach at gymhlethdod y system.

5.4 Mae'n bwysig bod cadw ardrethi'n lleol felly yn cael ei ystyried yng nghyd-destun y cynigion ehangach ar gyfer diwygio llywodraeth leol yng Nghymru ac ar yr un pryd â system ar gyfer cyllido gwasanaethau lleol.

#### **6. Ailbrisió**

6.1 Yng Nghymru a Lloegr, cynhaliwyd y broses ailbrisió ddiweddaraf ar 1 Ebrill 2010. Cynhelir yr un nesaf yn 2017. Gwnaeth y Panel Ardrethi Busnes ystyried hyd y cylch ailbrisió a'r effaith y mae hynny'n ei chael ar fusnesau. Yn ei adroddiad, bu'r Panel yn ystyried barn sy'n gyffredin ymhlith busnesau a gweithwyr proffesiynol ym maes ardrethu masnachol, sef y gallai ailbrisió'n

amlach fod yn fodd i sicrhau bod y sylfaen drethu'n adlewyrchu amgylchiadau economaidd yn well.

- 6.2 Mae pa mor aml y dylid ailbriso yn cael ei ystyried ar lefel y DU ac mae Asiantaeth y Swyddfa Briso (VOA) wedi cynnal dadansoddiad manwl o'r mater hwn. Daeth y VOA i'r casgliad na fyddai ailbriso'n amlach o reidrwydd yn gwella'r sefyllfa o ran sefydlogrwydd biliau. Byddai hynny'n dibynnu ar y newid ym mhrisiau eiddo ar draws y farchnad ac ar y graddau y mae tueddiad cyson i'w weld yn y prisiau hynny
- 6.3 Yn amlwg, mae manteision ac anfanteision i ailbriso'n amlach ac i fabwysiadu dull gwahanol yng Nghymru i'r un a ddefnyddir yn Lloegr. Wrth newid unrhyw ddull gweithredu, mae angen ystyried ffactorau megis y manteision i fusnesau, y gost i Lywodraeth Cymru a'r effaith ar yr arenillion a sefydlogrwydd y ffynhonnell hon o referniw ar gyfer gwasanaethau lleol.

## **7. Economi integredig a ffin hydraid**

- 7.1 Mae economi Cymru wedi'i hintegreiddio i raddau helaeth gyda Lloegr. Mae nwyddau a gwasanaethau yn cael eu masnachu'n rhydd ar draws y ffin a hynny o fewn fframwaith sy'n seiliedig ar gyfreithiau cyffredin o safbwynt y farchnad gyfalaf a llafur.
- 7.2 Mae ffin Cymru - Lloegr yn fwy hydraid na ffin yr Alban - Lloegr. Er enghraifft, mae 16.4 miliwn o bobl yn byw o fewn 50 milltir i ffin Cymru - Lloegr ac mae 6.3 miliwn o bobl yn byw o fewn 25 milltir i'r ffin. Mewn gwrthgyferbyniad, dim ond 3 miliwn o bobl sy'n byw o fewn 50 milltir i ffin yr Alban-Lloegr a dim ond 0.5 miliwn o bobl sy'n byw o fewn 25 milltir i'r ffin.
- 7.3 Mae'r llif o gymudwyr rhwng ffin Cymru - Lloegr hefyd yn sylweddol uwch na'r llif yn yr Alban. Yn ôl data cyfrifiad 2011, roedd dros 75,000 o bobl yn teithio o Gymru i weithio yn Lloegr a 44,370 o bobl yn teithio o Loegr i weithio yng Nghymru. Mewn gwrthgyferbyniad, roedd y llif o gymudwyr rhwng yr Alban a Lloegr dipyn yn is. Yn 2011, roedd oddeutu 16,000 o bobl yn byw yn yr Alban ond yn gweithio'n Lloegr tra bo 26,000 o bobl yn byw yn Lloegr ac yn gweithio yn yr Alban.
- 7.4 O ystyried hyn, mae'n bwysig nad yw penderfyniadau ar ardrethi busnes, ac ar gystadleurwydd ein system, yn cael eu hystyried fel materion ar wahân.

## **8. Cyfrannu at dwf economaidd a mesur perfformiad**

- 8.1 Mae'r Grŵp Gorchwyl a Gorffen a'r Panel Ardrethi Busnes wedi datgan yn glir nad yw polisi ardrethi busnes yn ateb pob problem o safbwynt twf economaidd. Gwnaethant hefyd nodi mai tystiolaeth gyfyngedig sydd ar gael am yr effaith y byddai cyflwyno newidiadau i'r system ardrethi yn ei chael ar yr economi'n ehangach. Fodd bynnag, gwnaethant gydnabod bod ardrethi yn dueddol o gyfrannu at gyfran uwch o gyfanswm costau gweithredu busnesau bach ac mae tystiolaeth i brofi bod ardrethi busnes yn parhau i fod yn bryder mawr i BBaChau.



- 8.2 Gwelwyd bod cynlluniau rhyddhad ardrethi wedi cynorthwyo rhai trethdalwyr penodol o ran llif arian, cynaliadwyedd a chadw costau'n isel. Yn sgil y trafodaethau a gefais gyda busnesau, mae'n gwbl amlwg imi fod hynny'n bwysig.
- 8.3 Caiff perfformiad ei fesur fesul cynllun ac rydym yn gweithio gydag awdurdodau lleol yn hynny o beth. Cesglir data yn rheolaidd gan gynnwys sawl busnes sy'n cael rhyddhad, a lefel y rhyddhad hwnnw. Mae'r cymorth hwn yn ein galluogi ni i ddeall natur y rhai sy'n defnyddio'r cynlluniau. Mae hefyd yn bwysig ein bod yn cydnabod y baich posibl y gall anghenion adrodd ei osod ar fusnesau ac awdurdodau lleol.
- 8.4 Eleni, cymerwyd nifer o gamau pwysig ym maes ardrethi busnes a hynny er mwyn cefnogi busnesau. Er enghraifft, penderfynwyd estyn y Cynllun Rhyddhad Ardrethi i Fusnesau Bach am flwyddyn arall. Mae'r cynllun hwn yn cefnogi oddeutu tri chwarter o'r adeiladau busnes sydd yng Nghymru. Mae'n golygu nad oes unrhyw atebolrwydd o gwbl ar hanner y busnesau sy'n gymwys o dan y cynllun.
- 8.5 Cafodd y Cynllun Rhyddhad Ardrethi i Fanwerthwyr Cymru ei estyn a'i wella yn 2015-16. Yn 2014-15, gwnaeth y cynllun hwn sicrhau gostyngiad o hyd at £1,000 oddi ar fil treth dros 10,500 o adeiladau busnes yng Nghymru, gan gostio £9.5 miliwn. Mae Cynllun 2015-16 yn adeiladu ar hynny gan gynnig hyd at £1,500 oddi ar y biliau ardrethi. Mae hynny'n rhoi cefnogaeth bwysig i fusnesau bach a chanol trefi.
- 8.6 Yn ogystal, gosodwyd cap pellach ar gynyddu'r lluosydd ardrethi busnes, a bydd yn aros ar 2% yn 2015-16. Mae'r mesur hwn yn lleihau'r bil ardrethi busnes i bob trethdalwr annomestig ac amcangyfrifir y bydd yn costio £4 miliwn yn 2015-16.
- 8.7 Cyflwynwyd y cynllun Datblygiadau Newydd ym mis Hydref 2013. Ei nod yw ysgogi gwaith adeiladu ac annog datblygu yng Nghymru. O dan y cynllun hwn, mae eiddo masnachol newydd gwag yn cael ei esemptio rhag talu ardrethi busnes am 18 mis o'i adeiladu cyn belled â bod yr adeilad yn cael ei godi ar neu ar ôl 1 Hydref 2013 a chyn 30 Medi 2016.
- 8.8 Agorwyd cylch pellach o Gynllun Ardrethi Buses Ardaloedd Menter Cymru yn 2015-16. Dros bedair blwyddyn ariannol, mae Cynllun Ardrethi Busnes Ardaloedd Menter Cymru wedi cefnogi 136 o fusnesau ac mae busnesau wedi cael cynnig dros £8 miliwn o gyllid.
- 8.9 Mewn egwyddor, rydym o blaid parhau â'r Cynllun Rhyddhad Ardrethi ar gyfer Busnesau Bach ar gyfer 2016-17. Fodd bynnag, bydd angen edrych ar hwn a mathau eraill o ryddhad yng ngoleuni Adolygiad y Du o Wariant a phwysau a roddir ar Gyllid Llywodraeth Cymru.



## Department for Transport

From the Secretary of State  
The Rt. Hon. Patrick McLoughlin

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Our Ref: MC/145170  
Your Ref:

- 9 NOV 2015

William Graham AM  
Chair, Enterprise and Business Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CD99 1NA

*William,*

Dear ~~Mr Graham,~~

Thank you for your letter of 30 September 2015, seeking further information following the evidence given by my officials to your Committee on 17 September. I am glad that their evidence was helpful.

The Government believes that it would be undesirable to generally re-open discussion on Silk recommendations around which there was no consensus. We therefore do not intend to revisit the question of devolving Network Rail funding given the discussions on the issue during the St David's Day process.

I also do not think it would be productive to speculate on how funding for rail infrastructure in Wales would be devolved when there is no such proposal under consideration at the present time.

I note that your Committee is planning to undertake an inquiry into the future of Welsh rail infrastructure in the spring. My Department would of course be happy to assist your Committee with that inquiry. As you will be aware from my officials' evidence, I expect to receive three reports over the next few months containing recommendations relating to the planning and delivery of Network Rail's rail enhancement projects, and Network Rail's longer term shape and financing. The terms of reference for these reports can be found at

<https://www.gov.uk/government/publications/government-reports-on-network-rail-publication-of-terms-of-reference>

Yours sincerely

*Patrick*

**THE RT. HON. PATRICK McLOUGHLIN**  
Tudalen y pecyn 39

## How CITB Cymru Wales works with FE

### Wales Funding Model

CITB Cymru Wales has appointed a consortium led by The University of Wales Trinity St David (UWTSD) as the preferred bidder to develop a new approach to training for the construction industry in Wales.

CITB Cymru Wales published plans in March to invest up to £5m in a new scheme. A number of quality bids were received with the UWTSD led consortium achieving the highest score in the bidding process. UWTSD will now work with CITB on the details of the initiative, which will deliver training to meet construction employer needs throughout Wales.

Supporting partners of the UWTSD consortium include, Building Research Establishment (BRE), Chartered Institute of Building (CIOB), City & County of Swansea Council, Coleg Cambria, Coleg Ceredigion, Coleg Sir Gâr, Coleg y Cymoedd, Cyfle Building Skills, Tidal Lagoon Power Ltd.

This exciting new initiative will offer training opportunities for individuals and construction companies throughout Wales.

### Sector Qualification Advisory Panel

CITB Cymru Wales currently operates the Sector Qualification Advisory Panel for Construction (SQAP). The SQAP brings together employers, learners, awarding organisation and providers to facilitate a forum to oversee the decisions relating to vocational construction qualifications eligible for Welsh Government funding in Wales in the Sector Subject Area of Construction, Planning and the Built Environment.

The current SQAP includes representatives from Coleg Sir Gar, Grwp Llandrillo-Menai, Grwp NPTC and Coleg y Cymoedd.

### CITB's Work-Based Learning Provision

CITB Cymru Wales sub-contracts with every college that delivers construction provision in Wales and are proud of our partnership arrangements to the benefit of both parties. Counting any learner that attended college in 2014, including those that finished their programme in June and those that started in September, we have 1641 learners attending off-site training at a college. This includes the following colleges:

- Bridgend College
- Cardiff and Vale College
- Coleg Cambria
- Coleg Ceredigion
- Coleg Gwent
- Coleg Sir Gar
- Coleg y Cymoedd
- Grŵp Llandrillo Menai
- NPTC Group
- The College Merthyr Tydfil
- Pembrokeshire College

## British Association of Construction Heads

The British Association of Construction Heads (BACH) is an association formed largely from those managing and delivering the construction curriculum from pre-apprenticeship to post graduate level. CITB has a long standing positive relationship with BACH Wales looking at Curriculum development and planning solutions to qualification challenges and enhancement projects such as Essential Skills.

CITB attends all BACH meetings with allocated time to update colleges on apprenticeship performance, work-based learning developments and qualification changes. CITB is also advising BACH on industry needs and BACH and Colegau Cymru jointly chair a strategic group namely Built Environment Strategic Advisory Group (BESAG) which strategically advises colleges and associated work-based learning providers on changes in provision and focus as requested by industry and Welsh Government.

The BESAG group has also been tasked to respond to the ESTYN thematic report on construction and the built environment and has subsequently made recommendations to colleges on changing quality related practice.

CITB and BACH have recently launched a jointly funded project employing a lead construction lecturer with the aim of sharing best practice across colleges and developing a website for best practice examples. The All In It Together project will deliver on the recommendations set out in the Estyn Remit Report Training for Construction, Planning and the Built Environment.

This will include establishing a network of Excellence Mentors (EMs) within the field of vocational education and training (VET) in order to support, guide and enhance the quality of all construction provision in Wales.

## ERASMUS+

The Erasmus+ programme offers opportunities for students enrolled on apprenticeships and vocational training to study abroad as part of their programme. CITB Cymru Wales is working with Colegau Cymru as part of the Wales Steering Group on European Initiatives in Vocational Education and Training (VET) to examine how these opportunities can be maximised for the benefit of learners, employers and education providers.

## Find out more

For further information, please contact our Welsh Public Affairs Officer, Joshua Miles, by email at [joshua.miles@citb.co.uk](mailto:joshua.miles@citb.co.uk) or by calling **07557136563**.

# Eitem 7

Mae cyfyngiadau ar y ddogfen hon