

# Consultation: ACCA response to Senedd Finance Committee consultation – November 2021

Comments from ACCA to Senedd Finance Committee

**Date: 29 November 2021**

## **About ACCA:**

ACCA (the Association of Chartered Certified Accountants) is the global professional body for professional accountants.

We're a thriving global community of **233,000** members and **536,000** future members based in **178** countries and regions, who work across a wide range of sectors and industries. We uphold the highest professional and ethical values.

We offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business and digital expertise essential for the creation of sustainable organisations and flourishing societies.

Since 1904, being a force for public good has been embedded in our purpose. We believe that accountancy is a cornerstone profession of society and is vital in helping economies, organisations and individuals to grow and prosper. It does this by creating robust trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities.

And through our cutting-edge research, we lead the profession by answering today's questions and preparing for the future. We're a not-for-profit organisation. Find out more at [accaglobal.com](https://accaglobal.com)

**Am fwy o wybodaeth cysylltwch â:**

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## **1. General Comments**

During the pandemic, as well as the huge investments in supporting public health, the Welsh Government has supported businesses to survive and recover, including emergency business support and investing in skills. We would urge that support for small businesses to help drive the economy forward continues, including targeted support for sectors that have been most affected. Provide them with certainty with a stable fiscal regime through the remainder of the Senedd term. Provide businesses with the certainty and stability that will help them recover and to help create a fairer, greener and prosperous future for Wales.

We welcome the work modernising the role of businesses in society through the Economic Contract. Continued focus is needed on encouraging purpose-driven behaviours in business and helping businesses better understand the broader contribution they make to society, whilst balancing the on-going needs of their businesses.

Alongside support for SMEs, continued investment in public services is required to address waiting times and immediate post covid catch up issues but also to invest in longer term issues including innovation in service delivery, infrastructure and decarbonisation.

## **2. Areas for consideration within the Welsh Budget 2022-23**

### **(i) Principles for tax policymaking**

ACCA's 2020 report [Foundations for a Sound Tax System: Simplicity, Certainty, Stability | ACCA Global](#) identified three essential principles which a tax framework should strive to balance: simplicity, certainty and stability. These should also act as the benchmarks by which policymakers and public can measure the maintenance and improvement of a tax system.

For businesses and for the wider economy, the issue of stability is most urgent, particularly for businesses facing restricted cashflows in the aftermath of the pandemic. Businesses planning any kind of long-term investment will be less likely to commit to a particular course of action if the financial outcome is uncertain. This particularly important in the current context where the Government is pursuing strategic objectives to deliver a sustainable and inclusive recovery that will require some level of business investment.

ACCA believes that a greater commitment to simplicity and genuine structural improvements to the tax system to improve taxpayer understanding of the tax framework, can in turn, produce greater transparency and accountability.

Given the current competitive lending landscape, there should be an appraisal of the use of the Government's capital borrowing within the current limits, to fund projects including housing, health, schools, transport, digital and public sector transformation, as well as exploring the possibility of increasing the existing borrowing limits.

(ii) Reform of Local Taxation

Following the report 'Reforming Local Government Finance in Wales: Summary of Findings', we await updates regarding future changes to local taxation in Wales – as noted above, the essential principles which a tax framework should strive to balance are simplicity, certainty and stability. Following the Chancellor's announcement of cuts in business rates for the retail, hospitality and leisure sectors in England, consideration should be given to whether additional support can be provided to these sectors in Wales in 22-23, given the on-going challenges they are facing, and whether other affected sectors could be supported.

We are keen to consider how the available fiscal levers in Wales can be used to embed a green recovery, at a time when many Welsh SMES are carrying a significant post-pandemic debt burden. While businesses may be encouraged to invest in climate positive property

improvements, ACCA believes there is scope to better align policies to incentivise business investment in net-zero technology and energy efficient building upgrades through the rates framework. It is vital that investment in adaptations, such as energy efficient property fit-outs which could include solar panelling, smart meters, thermal insulation or replacement of doors and windows does not materially alter the rateable value and result in a business rates uplift.

Engagement with the business community is essential regarding the impact of changes to taxation at a Welsh level, to ensure the most efficient use of Welsh taxes to support economic growth and social needs whilst not putting Welsh firms at a competitive disadvantage (e.g. changes to the multiplier).

(iii) Access to Finance & Embedding Green Recovery

Throughout the pandemic, we have surveyed our members regarding a range of issues, including business support. Our most recent surveys, which reported data from accountants representing nearly 7,000 SME clients in Wales, indicated that SMEs in Wales have generally had a strong return to trading with levels at or above expected levels (albeit with some decline in confidence in the most recent survey). However, areas of concern have included access to finance for small businesses and lack of action on net zero by SMEs.

Additional funding announced recently by the Welsh Government and also via the British Business Bank will help Welsh businesses to access additional funding, at a time when some SMEs are experiencing difficulties in accessing finance from traditional sources. Alongside this, the support for Business Wales and the Development Bank for Wales needs to be continued, whilst ensuring a clear and joined up approach to help businesses access sources of funding, and consideration given to specific funds to support firms to support net zero transition.

Small business owners in Wales said the number one issue holding businesses back from making their operations more sustainable is lack of time and the resources to implement environmental strategies. Professional advisers also highlighted that leadership often don't know where to start with sustainability plans, as well as the fact that the issue is not a current priority for the leaders of small enterprises in Wales, due to other immediate challenges. Mirroring these barriers, accountants in Wales reported that just 1% of Welsh clients have requested support from them on sustainability issues.

An area to explore is the implications of net zero reporting in Wales for organisations of all sizes and in all sectors. As part of global climate plans we expect to see an expansion of monitoring and reporting on emissions in coming years, whether in the public, private or third sectors. Increasingly, this will be pushed down supply chains (whether public or private) to smaller businesses and organisations. In our [recent report](#), published jointly with the ICC and Sage, we highlighted the urgent need to begin to streamline, simplify and automate this process to avoid an unnecessary burden on small businesses. The report called on governments to 'think small first'. The report focuses on breaking down practical barriers for SMEs and challenges large businesses to simplify and standardise the emissions related data requests of small businesses, for policy makers to consider the burden of reporting requirements and to provide the right incentives for SMEs to invest in technology that can automate reporting.

(iv) Skills and Training

The Apprenticeship scheme in Wales has been a success but with no funding beyond the (limited at present) Degree Apprenticeship programme there is a danger that learners are unable to progress and meet their full potential and that businesses suffer in the longer term. Consideration should be given to funding Level 7 Apprenticeships to develop high level skills, support high value jobs and to support sustainable economic growth through improved productivity, innovation and entrepreneurship. Accountants and finance professionals have

played an important role in supporting businesses during the covid-19 pandemic, and can play a key role in building a stronger, greener Welsh economy.

Finance teams can help their organisations and businesses, regardless of size or sector, to plan, measure and report on their efforts to reach net-zero. A recent ACCA report

[Professional accountants at the heart of sustainable organisations | ACCA Global](#)

highlighted accountants' role as trusted advisers, from raising awareness to supporting sustainable transformation of business models and reporting on non-financial information.

Accountants should take the lead and assist in making real, effective change at the heart of businesses and organisations in all sectors. As highlighted above, at our core is our mission to ensure the accountancy profession is a force for public good. Key to this is our activity to support the next generation of finance professionals in Wales by ensuring accessible routes into the profession.

Investment to improve the signposting of training and funding opportunities at all levels is essential to ensure that businesses, and those looking to begin their careers, upskill or reskill can access opportunities and funding. The work of Careers Wales and Working Wales and of programmes such as ReAct and Personal Learning Accounts is vital in this area. The recent announcement of additional support for PLAs is welcome, but ensuring that the initiative is accessible, well-understood and meets all skills needs (and levels) is essential. A further development would be the funding of would be the value of accredited, bite-sized modular learning, particularly now that working practices have become more flexible and individuals are more comfortable with virtual learning and development. Offering a broader range of accessible training options beyond traditional approaches, such as apprenticeships or degrees, is going to be key to boosting the reskilling and upskilling we need to see across our current workforce.

## Ymateb ACCA i ymgynghoriad Pwyllgor Cyllid y Senedd - Tachwedd 2021

### Ynglŷn ag ACCA

ACCA (Cymdeithas y Cyfrifwyr Ardystiedig Siartredig) yw'r corff proffesiynol byd-eang ar gyfer cyfrifwyr proffesiynol.

Rydym yn gymuned fyd-eang ffyniannus o 233,000 o aelodau a 536,000 o aelodau yn y dyfodol wedi'u lleoli mewn 178 o wledydd a rhanbarthau, sy'n gweithio ar draws ystod eang o sectorau a diwydiannau. Yng Nghymru, mae gennym dros 6,000 o aelodau a myfyrwyr yn gweithio ym mhob sector gan gynnwys felcyfrifwyr bersonol, gwasanaethau ariannol, yn y sector gyhoeddus, gweithgynhyrchu a hamdden a lletygarwch. Rydym yn cynnal y gwerthoedd proffesiynol a moesegol uchaf.

Rydym yn cynnig cyfle i bawb ym mhobman brofi gyrfwa werth chweil ym maes cyfrifeg, cyllid a rheolaeth. Mae ein cymwysterau a'n cyfleoedd dysgu yn datblygu arweinwyr busnes strategol, gweithwyr proffesiynol blaengar sydd â'r arbenigedd ariannol, busnes a digidol sy'n hanfodol ar gyfer creu sefydliadau cynaliadwy a chymdeithasau llewyrchus.

Ers 1904, mae bod yn rym er budd y cyhoedd wedi cael ei ymgorffori yn [ein pwrpas](#). Credwn fod cyfrifeg yn broffesiwn conglaen i gymdeithas ac mae'n hanfodol helpu economïau, sefydliadau ac unigolion i dyfu a ffynnu. Rydym yn gwneud hyn trwy greu rheolaeth ariannol a busnes ddibynadwy gadarn, brwydro yn erbyn llygredd, sicrhau bod sefydliadau'n cael eu rheoli'n foesegol, gyrru cynaliadwyedd, a darparu cyfleoedd gyrfwa gwerth chweil. Trwy ein hymchwil arloesol, rydym yn arwain y proffesiwn trwy ateb cwestiynau heddiw a pharatoi ar gyfer y dyfodol. Rydym yn sefydliad dielw. Darganfyddwch fwy: [accaglobal.com](http://accaglobal.com)

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### 1. Sylwadau Cyffredinol

Yn ystod y pandemig, yn ogystal â'r buddsoddiadau enfawr mewn cefnogi iechyd y cyhoedd, mae Llywodraeth Cymru wedi cefnogi busnesau i oroesi ac adfer, gan gynnwys cymorth busnes brys a buddsoddi mewn sgiliau. Byddem yn annog bod cefnogaeth i fusnesau bach i helpu i yrru'r economi yn ei blaen yn parhau, gan gynnwys cefnogaeth wedi'i thargedu ar gyfer sectorau sydd wedi cael eu heffeithio fwyaf. Rhowch drefn ariannol sefydlog iddynt gyda sicrwydd trwy weddill tymor y Senedd. Rhoi sicrwydd a sefydlogrwydd i fusnesau a fydd yn eu helpu i wella ac i helpu i greu dyfodol tecach, gwyrdd a llewyrchus i Gymru.

Rydym yn croesawu'r gwaith sy'n moderneiddio rôl busnesau mewn cymdeithas trwy'r Cytundeb Economaidd. Mae angen i ffocws parhaus ar annog ymddygiadau pwrpasol mewn busnes a helpu busnesau i ddeall yn well y cyfraniad ehangach y maent yn ei wneud i gymdeithas, wrth gydbwysu anghenion parhaus eu busnesau.

Ochr yn ochr a chefnogaeth i fusnesau bach a chanolig, mae angen buddsoddiad parhaus mewn gwasanaethau cyhoeddus i wella'r amseroedd aros a materion dal i fyny ond hefyd i fuddsoddi mewn materion tymor hirach gan gynnwys arloesi wrth ddarparu gwasanaethau, isadeiledd a datgarboneiddio.

## **2. Meysydd i'w hystyried yng Nghyllideb Cymru 2022-23**

### **(i) Egwyddorion llunio polisi treth**

Mewn adroddiad ACCA ym 2020, [Foundations for a Sound Tax System: Simplicity, Certainty, Stability | ACCA Global](#), nodwyd dair egwyddor hanfodol y dylai fframwaith treth geisio eu cydbwysu: symlrwydd, sicrwydd a sefydlogrwydd. Dylai rhain hefyd weithredu fel meincnodau lle gall llunwyr polisi a'r cyhoedd fesur cynnal a gwella'r system dreth.

Ar gyfer busnesau ac i'r economi ehangach, y mater o sefydlogrwydd sy mwyaf bwysig, yn enwedig i fusnesau sy'n wynebu llifau arian cyfyngedig yn dilyn y pandemig. Bydd busnesau sy'n cynllunio unrhyw fath o fuddsoddiad tymor hir yn llai tebygol o ymrwymo i gamau penodol os yw'r canlyniad ariannol yn ansicr. Mae hyn yn arbennig o bwysig yn y cyd-destun



presennol lle mae'r Llywodraeth yn dilyn amcanion strategol i sicrhau adferiad cynaliadwy a chynhwysol a fydd yn gofyn am ryw lefel o fuddsoddiad busnes.

Cred ACCA y gall mwy o ymrwymiad i symlrwydd a gwelliannau strwythurol gwirioneddol i'r system dreth i wella dealltwriaeth trethdalwyr o'r fframwaith treth, yn ei dro, gynhyrchu mwy o dryloywder ac atebolrwydd.

O ystyried y dirwedd benthyca cystdleuol gyfredol, dylid cynnal arfarniad o'r defnydd o fenthyca cyfalaf y Llywodraeth o fewn y terfynau cyfredol I ariannu prosiectau gan gynnwys tai, iechyd, ysgolion, trafnidiaeth, trawsnewid digidol a'r sector cyhoeddus, ynghyd ag archwilio'r posibilrwydd o cynyddu'r terfynau benthyca presennol.

(ii) Diwygio Trethi Lleol

Yn dilyn yr adroddiad 'Diwygio Cyllid Llywodraeth Leol yng Nghymru: Crynodeb o'r Canfyddiadau', rydym yn aros am ddiweddariadau ynghylch newidiadau i drethi lleol yng Nghymru yn y dyfodol - fel y nodwyd uchod, yr egwyddorion hanfodol y dylai fframwaith treth geisio eu cydbwysu yw symlrwydd, sicrwydd a sefydlogrwydd. Yn dilyn cyhoeddiad y Canghellor am doriadau mewn cyfraddau busnes ar gyfer y sectorau manwerthu, lletygarwch a hamdden yng Nghymru, dylid ystyried a ellir darparu cymorth ychwanegol i'r sectorau hyn yng Nghymru yn 22-23, o gofio'r heriau parhaus y maent yn eu hwynebu, ac a ellid cefnogi sectorau eraill a effeithiwyd arnynt.

Rydym yn awyddus i ystyried sut y gellir defnyddio'r system gyllidol sydd ar gael yng Nghymru i gefnogi adferiad gwyrdd, ar adeg pan mae llawer o fusnesau bach a chanolig Cymru yn cario baich dyled ôl-bandemig sylweddol. Er y gellir annog busnesau i fuddsoddi mewn gwelliannau i eiddo sy'n gadarnhaol yn yr hinsawdd, Cred ACCA fod lle i bolisiau i gymell buddsoddiad busnes mewn technoleg net-sero ac uwchraddio adeiladau ynni- effeithlon trwy'r fframwaith cyfraddau. Mae'n hanfodol nad yw buddsoddi mewn addasiadau, megis gosodiadau eiddo ynni effeithlon a allai gynnwys paneli solar, mesuryddion 'smart',

inswleiddio thermol neu newid drysau a ffenestri yn newid y gwerth ardrethol yn sylweddol ac yn arwain at godiad ardrethi busnes.

Mae ymgysylltu â'r gymuned fusnes yn hanfodol o ran effaith newidiadau i drethiant ar lefel Cymru, er mwyn sicrhau'r defnydd mwyaf effeithlon o drethi Cymru i gefnogi twf economaidd ac anghenion cymdeithasol wrth beidio â rhoi cwmnïau Cymru dan anfantais gystadleuol (e.e. newidiadau i'r lluosydd).

(iii) Manteisio ar Gyllid ac Ymgorffori Adferiad Gwyrdd

Trwy gydol y pandemig, rydym wedi cynnal arolwg o'n haelodau ynghylch ystod o faterion, gan gynnwys cymorth busnes. Nododd ein harolygon diweddaraf, a nododd ddata gan gyfrifwyr sy'n cynrychioli bron i 7,000 o gleientiaid busnesau bach a chanolig yng Nghymru, fod busnesau bach a chanolig yng Nghymru yn gyffredinol wedi cael elw cryf ar fasnachu gyda lefelau ar y lefelau disgwylid neu'n uwch (er gyda rhywfaint o ostyngiad mewn hyder yn yr arolwg diweddaraf). Fodd bynnag, mae'r pryderion wedi cynnwys manteisio ar gyllid ar gyfer busnesau bach a diffyg gweithredu ar sero net gan fusnesau bach a chanolig.

Bydd cyllid ychwanegol a gyhoeddwyd yn ddiweddar gan Lywodraeth Cymru a hefyd trwy Fanc Busnes Prydain yn helpu busnesau Cymru i gael gafael ar gyllid ychwanegol, ar adeg pan mae rhai busnesau bach a chanolig yn cael anawsterau wrth gael gafael ar gyllid o ffynonellau traddodiadol. Ochr yn ochr â hyn, mae angen parhau â'r gefnogaeth i Fusnes Cymru a Banc Datblygu Cymru, wrth sicrhau dull clir a chydgysylltiedig i helpu busnesau i gael gafael ar ffynonellau cyllid, a rhoi ystyriaeth i gronfeydd penodol i gefnogi cwmnïau i gefnogi trosglwyddo sero net.

Dywedodd perchnogion busnesau bach yng Nghymru mai'r prif fater sy'n dal busnesau yn ôl rhag gwneud eu gweithrediadau'n fwy cynaliadwy yw diffyg amser a'r adnoddau i weithredu strategaethau amgylcheddol. Dywedodd cynghorwyr proffesiynol hefyd nad yw arweinyddion

cwmniau yn aml yn gwybod ble i ddechrau gyda chynlluniau cynaliadwyedd, yn ogystal â'r ffaith nad yw'r mater yn flaenoriaeth gyfredol i arweinwyr mentrau bach yng Nghymru, oherwydd heriau eraill. Yn yr arolwg, dywedodd cyfrifwyr yng Nghymru mai dim ond 1% o'u gleientiaid Cymru sydd wedi gofyn am gefnogaeth ganddynt ar faterion cynaliadwyedd.

Maes i'w archwilio yw goblygiadau adrodd sero net yng Nghymru i sefydliadau o bob maint ac ym mhob sector. Fel rhan o gynlluniau hinsawdd byd - eang rydym yn disgwyl gweld ehangu monitro ac adrodd ar allyriadau yn y blynyddoedd i ddod, boed hynny yn y sector cyhoeddus, y sector preifat neu'r trydydd sector. Yn gynyddol, bydd hyn yn cael ei wthio i lawr cadwyni cyflenwi (boed yn gyhoeddus neu'n breifat) i fusnesau a sefydliadau llai. Yn ein [hadroddiad diweddar](#), a gyhoeddwyd ar y cyd â'r ICC a Sage, gwnaethom dynnu sylw at yr angen brys i ddechrau symleiddio, symleiddio ac awtomeiddio'r broses hon er mwyn osgoi baich diangen ar fusnesau bach. Galwodd yr adroddiad ar lywodraethau i 'feddwl yn fach yn gyntaf'. Mae'r adroddiad yn canolbwyntio ar lleihau'r rhwystrau ymarferol i fusnesau bach a chanolig ac yn herio busnesau mawr i symleiddio a safoni ceisiadau data busnesau bach sy'n gysylltiedig ag allyriadau, i lunwyr polisi ystyried baich gofynion adrodd a darparu'r adnoddau i fusnesau bach a chanolig fuddsoddi mewn technoleg a all awtomeiddio adrodd.

#### (iv) Sgiliau a Hyfforddiant

Mae'r cynllun Prentisiaethau yng Nghymru wedi bod yn llwyddiant ond heb unrhyw gyllid I raglenni uwch na'r rhaglen Prentisiaeth Gradd (gyfyngedig ar hyn o bryd) mae perygl na all dysgwyr symud ymlaen a chyflawni eu potensial llawn a bod busnesau'n dioddef yn y tymor hirach. Dylid ystyried cyllido i brentisiaethau Lefel 7 i ddatblygu sgiliau lefel uchel, cefnogi swyddi gwerth uchel ac i gefnogi twf economaidd cynaliadwy trwy well cynhyrchiant, arloesedd ac entrepreneuriaeth. Mae cyfrifwyr a gweithwyr cyllid proffesiynol wedi chwarae rhan bwysig wrth gefnogi busnesau yn ystod y pandemig covid-19, a gallant chwarae rhan allweddol wrth adeiladu economi Gymreig gryfach a gwyrddach.

Gall timau cyllid helpu eu sefydliadau a'u busnesau, waeth beth fo'u maint neu sector, i gynllunio, mesur ac adrodd ar eu hymdrechion i gyrraedd net-sero. Mewn adroddiad diweddar gan ACCA [Professional accountants at the heart of sustainable organisations](#) | [ACCA Global](#) rôl cyfrifwyr fel cynghorwyr dibynadwy, o godi ymwybyddiaeth i gefnogi trawsnewid modelau busnes yn gynaliadwy ac adrodd ar wybodaeth anariannol. Dylai cyfrifwyr gymryd yr awenau a chynorthwyo i wneud newid gwirioneddol, effeithiol wrth wraidd busnesau a sefydliadau ym mhob sector. Fel nodwyd uchod, ein cenhadaeth yw sicrhau bod y proffesiwn cyfrifeg yn rym er budd y cyhoedd. Yn allweddol i hyn yw ein gweithgaredd i gefnogi'r genhedlaeth nesaf o weithwyr cyllid proffesiynol yng Nghymru trwy sicrhau llwybrau agored i'r proffesiwn.

Mae buddsoddi i wella cyfeiriadu at gyfleoedd hyfforddi ac ariannu ar bob lefel yn hanfodol i sicrhau bod busnesau, a'r rhai sy'n edrych i ddechrau eu gyrfaedd, uwchsgilio neu ailsgilio yn gallu cyrchu cyfleoedd a chyllid. Mae gwaith Gyrfaedd Cymru a Working Wales a rhaglenni fel ReAct a Chyfrifon Dysgu Personol (PLA) yn hanfodol yn y maes hwn. Croesewir y cyhoeddiad diweddar am gefnogaeth ychwanegol i'r cynllun PLA, ond mae'n hanfodol sicrhau bod y fenter yn hygyrch, yn ddealladwy ac yn ceisio datrys yr holl anghenion (a lefelau) sgiliau. Datblygiad arall fyddai cyllido fyddai gwerth dysgu modiwlaidd achrededig, maint brathiad, yn enwedig nawr bod arferion gwaith wedi dod yn fwy hyblyg a bod unigolion yn fwy cyfforddus gyda dysgu a datblygu rhithwir. Bydd cynnig ystod ehangach o opsiynau hyfforddi hygyrch y tu hwnt i ddulliau traddodiadol, megis prentisiaethau neu raddau, yn allweddol i roi hwb i'r ailsgilio a'r uwchsgilio y mae angen i ni eu gweld ar draws ein gweithlu presennol.