



11.0 Engagement and Influencing

Devolution and Powers

Overview

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Introduction

The **Welsh Government** is responsible for the functions and powers devolved to it by the Crown and has a budget to administer and deliver public services in devolved areas in Wales.

It makes decisions, develops and implements policies and proposes Welsh law in areas such as health, education and local government.

Senedd Cymru or the **Welsh Parliament** is the democratically elected legislature of Wales that holds the Welsh Government to account and makes new laws in Wales.

The powers devolved to Wales have changed since the creation of the **National Assembly for Wales** in 1999. Changes have come about through the UK Parliament passing laws to increase and broaden the range of devolved policy matters over time. Specific changes were made following the 2011 referendum when a majority of voters in Wales voted in favour of giving the **National Assembly for Wales** full law-making powers.

The story of devolution in Wales has been a story of change, which explains the popularity of the phrase;

**‘devolution is a process,
not an event’**

A further significant change was made following the passing of the **Wales Act 2017**, moving from a 'conferred powers' model that listed a specific set of powers devolved to Wales, to a 'reserved powers' model where a list of powers maintained in Westminster is agreed, with Wales responsible for all other public policy areas.

In 2020, the National Assembly for Wales changed its name to the **Senedd Cymru / Welsh Parliament**. The story of devolution in Wales has been a story of change, which explains the popularity of the phrase 'devolution is a process, not an event'.

Powers

The Welsh Parliament operates under a reserved powers model. These powers include responsibility for:

- Education
- Health
- Local government
- Transport
- Planning
- Economic development
- Social services
- Culture
- Welsh language
- Environment
- Agriculture and rural affairs

This means that it can decide on matters relating to these areas for Wales, develop and implement policies in these areas and propose Welsh laws. Areas that are reserved to the UK Parliament include the criminal justice and policing, security, foreign affairs and defence. A number of areas pertaining to trade and work are also retained, including employment law, charity administration and fundraising operations and consumer protection.

When legislation is passed by the Senedd they occasionally include provisions for secondary legislation, laws that are made by Welsh Ministers under powers given to them by primary legislation passed by the Senedd. These can include orders, regulations, rules and schemes as well as statutory guidance and local orders.

The Welsh Government is one of the highest spending organisations in Wales, with an annual budget running into the tens of billions. The Welsh Government can use this budget to fund organisations in order to enact policies.

Financial Powers

Tax

The **Welsh Government** has devolved powers over Landfill Disposals Tax, Land Transaction Tax (**formerly stamp duty**) and to a limited degree, Income Tax. Landfill Tax was replaced by the **Welsh Government** with the Landfill Disposals Tax when devolved, and Stamp Duty was replaced by the Land Transaction Tax.



Information

From 6 April 2019, people with a main residence in Wales who pay income tax pay Welsh rates of income tax, set by the Welsh Government. Ministers are able to adjust income tax by 10p in every £1 for each band.

The income tax bands in Wales are reduced by 10 pence, and the Welsh rates set by the **Welsh Government** are then added to it. The funds raised from this go to the **Welsh Government's** Welsh Treasury. The **Welsh Government** has not yet changed income taxes in Wales.

Borrowing

Previously, the **Welsh Government** received a grant from the Treasury each year to fund public services in Wales but did not have the power to borrow money.

Since 2014 the **Welsh Government** has the power to borrow funds from the **UK Government** to make up for unexpected overpayments or a shortfall in receipts from devolved taxes.

The **Welsh Government** also has the power to borrow money from the UK Government for capital expenditure. There is a cap of £1bn on this borrowing, although it can be increased (**though not decreased**) by the UK Government.



Cefnogi Trydydd
Sector **Cymru**

Third Sector
Support **Wales**

Third Sector Support Wales is a network of support organisations for the whole of the third sector in Wales.

It consists of the 19 local and regional support bodies across Wales, the County Voluntary Councils (CVCs) and the national support body, Wales Council for Voluntary Action (WCVA).

For further information contact
<https://thirdsectorsupport.wales/contact/>

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