

## **Office of Tax Simplification Board Meeting**

**3 September 2014**

### **Present**

Rt Hon Michael Jack – Chairman

John Whiting – Tax Director

Teresa Graham

Adam Broke

Indra Morris - HM Treasury

Marie-Claire Uhart - HM Revenue & Customs

### **Secretary**

Jeremy Sherwood

### **Apologies**

Edward Troup – HM Revenue & Customs

#### **1. Minutes of the last meeting**

The minutes of the 9 July 2014 meeting were formally agreed.

#### **2. Action points from 9 July meeting**

HMRC had been asked why an administrative easement to allow reimbursement of private car fuel by 6 July after the tax year had been put in HMRC guidance rather than legislation. An explanation had been sent to John Whiting saying that the issue only affected very few people so the decision had been taken not to legislate. The Board accepted the decision but noted that putting such easements in guidance rather than legislation reduced awareness of them among taxpayers and HMRC staff.

#### **3. Response to employee benefits final report**

John Whiting reported back on media coverage of the employee benefits report published in July, with simplification proposals on accommodation benefits and termination payments. There was no coverage in the mainstream press but some interest in tax and payroll publications that was largely positive. In addition the OTS had received positive feedback from employers and tax experts involved in the review. The Board also noted a recent article on the OTS on the AccountingWeb website which included comments from John Whiting,

#### **4. Review of UK tax competitiveness - emerging recommendations**

John Whiting set out the high level recommendations that were emerging following more than 60 meetings the team had held with businesses and tax experts, meeting around 1,500 people. The team would be discussing the outline proposals with the Financial Secretary to the Treasury shortly. The report would cover the main business taxes – corporation tax, VAT and payroll taxes, as well as HMRC administrative processes. The Board discussed the content and presentation of the report, and how best to focus and sharpen the recommendations to resonate with stakeholders' and Ministers' priorities. It was important

the report was presented as a whole package of recommendations aimed at improving the UK's competitiveness of tax administration, not just improving our ranking in the World Bank "Paying Taxes" survey (although the report should state the possible effect of its recommendations on the UK's ranking). It would also be helpful for the OTS to give an order of magnitude estimate for the savings in business administrative costs its proposals might generate.

The aim would be to publish the report around the end of September or early October, and the expectation was that the Government would respond at the Autumn Statement on December 3<sup>rd</sup>.

## **5. Employment status project**

The Board discussed and agreed the proposed membership of the Consultative Committee for the project, due to meet for the first time on 15 September. One suggestion was to invite one or two major staff providers to join the Committee and/or large employers.

Recruitment of secondees for the project was going well, and John Whiting expected to have an experienced and expert team in place by early October.

## **6. OTS staffing**

Jeremy Sherwood set out the staffing plans for the Office until March 2015. As two key project managers were leaving in September, HMRC and HM Treasury agreed to support the OTS in its efforts to find suitably qualified replacements.

## **7. Any other business**

**Update on projects** – John Whiting gave a brief update on the partnerships review, which was now expected to produce a final report by the end of the year following some very detailed and helpful responses to the call for evidence on technical issues published in July. John was travelling to Italy in September to present a paper on the OTS complexity index at an international academic symposium. The index would be published for comment afterwards.

**OTS conference** – The provisional date of 20 November has been set for a half day conference on tax simplification and the work of the OTS. Details would be worked up over the next few weeks.

**Next meeting** – The next meeting would be held on 5 November at 2pm.

**Jeremy Sherwood**  
**OTS Secretariat**