

Office of Tax Simplification Board Meeting, 24 September 2015

Present

John Whiting – Tax Director
Teresa Graham – Acting chair
Edward Troup - HM Revenue & Customs
James Bowler – HM Treasury

In attendance

Matt Henty

Apologies

Adam Broke

John Whiting opened the meeting, noting that Adam Broke was unable to attend but had sent in comments on a number of items.

1. OTS Board & Chair

With Michael Jack having stepped down, Ministers have decided that it is important for there to be an open recruitment exercise for a new Chair. This would emphasise the independence of the Office. In discussion it was agreed that the Chair role was one of strategy and direction, not 'doing'; the Tax Director and secretariat are responsible for day-to-day running of the OTS and detailed content of reports. This needs to be reflected in the job outline. The likely time commitment and remuneration position were discussed and agreed. Further detailed comments invited after the meeting; recruitment will commence next week.

In view of the likely timescale for getting a new Chair in position, the Board agreed that an interim chair was needed; Teresa Graham was nominated and agreed to take the role.

2. Last meeting

The July meeting had been cancelled but various matters, including Terms of Reference for the new projects had been agreed in correspondence.

3. OTS constitution

It was noted that the plan was for the OTS to be put on a statutory basis in FB16, meaning a draft clause would be published with the draft Finance Bill in December. The outline of a potential clause was discussed; it was agreed that the clause:

- Needed to say more than 'there will be an OTS'

- Needed to set out the purpose of the OTS
- Should not be too detailed, as operational detail is best in the Framework Agreement between OTS & HMT, which will still be needed
- Matters to consider include: requirement of HMRC/HMT to respond to recommendations; the Chair & Tax Director roles; the OTS's Annual Report; financial arrangements.

It was confirmed that Treasury solicitors would be briefing draftsmen shortly.

4. OTS staffing

It was noted Jeremy Sherwood was about to take up a short research fellowship at Sydney University, working on tax complexity. The Board agreed this was an excellent way of building on the work Jeremy has been doing and wished him well. Arrangements for recruiting Jeremy's successor were agreed. Recruitment is in hand for two 'Range E' staff members to act as (broadly) project managers for the current projects.

John Whiting reported that recruitment of private sector staff was almost complete. The Board agreed that the OTS has two very good teams.

The Board noted the demands the OTS is likely to place on HMRC's KAI team. John Whiting confirmed that OTS were already talking to KAI about likely needs and that a lot could be delivered post-Autumn Statement. The Board encouraged the OTS to consider hiring its own economist/statistician resource, subject to agreement with KAI.

5. Finances: OTS Budget

The OTS had been given a holding budget equivalent to 2014/15's. Adjustments were agreed to reflect likely staffing and approved by James Bowler as the OTS's accounting officer. A budget for 2016/17 will be prepared in January 2016.

6. Consultative Committees

CC members for the two new projects were endorsed with some further suggestions.

7. New projects

Terms of Reference for the new projects had been agreed and published. The outline project plans were noted and the draft key questions supported as a principle, though various additions and emphases were suggested. John Whiting will revise the drafts and they will be published once the new staff have had an opportunity to consider them.

8. Any other business

The next Board meeting will be in the wake of the Autumn Statement, around 1 December.

John Whiting, OTS Tax Director