

## Minutes of OTS Board meeting 18 February 2016

### Present

Angela Knight (chair)  
Teresa Graham  
John Whiting  
James Bowler  
Adam Broke  
Edward Troup

### In attendance

David Halsey (OTS Head of Office)

#### 1. Introduction

Members of the Board welcomed Angela Knight to her first meeting.

Angela Knight thanked the Board members for their welcome and commented on the valuable role that the OTS had played to date, guided by the tax director and the previous Chair.

#### 2. Minutes of previous meeting (10 December 2015)

These have been published on the OTS website and were agreed as a correct record. There were no matters arising that were not going to be covered on the Agenda.

#### 3. Project on income tax/NICs closer alignment

Board members reviewed a working draft of *an overview and* the summary section of the report and discussed the most effective way of introducing and presenting it. In particular, it was desirable that this be done

- in a way which will cast the issues in the context of wider economic and social changes which are both affecting and being influenced by changing work patterns; and
- with a view to facilitating public discussion of the extent to which key simplifications in view could have potentially significant impacts (both positive and adverse) on different people and to preparing the way for the future work needed to take them forward.

#### 4. Project on Small Company taxation

Board members reviewed a working draft of the summary section of the report and discussed the most effective way of introducing and presenting it, noting

- the variety of motivations of businesses (in particular as to whether to grow or not) and thus different motivations for incorporation, and the ways legal or business structures are used;
- the businesses for whom some form of 'look-through' arrangement might have merit; and

- more generally, the very different position of companies with no more than 2 directors or employees as compared with those with nearer 10.

## **5. OTS future work and strategy**

In relation to the OTS's next reviews, it was agreed that there was scope for further work (whether or not constituting a formal review) for the OTS arising from both its present reviews. There was also a brief discussion of other potential areas for review which OTS will develop into formal proposals.

More widely, there was support for the suggestion that OTS consult stakeholders widely about its future strategic direction and how best to leverage its contribution to engender change. It was agreed a workshop or conference in May might work well.

## **6. OTS Constitution and Board arrangements**

The Board noted the recent Treasury Select Committee hearing in relation to the Chair's appointment, and that it was for HM Treasury (rather than OTS) to respond.

The draft legislation for the OTS was attracting support though some points were being raised. The Board noted that the Tax Director had appeared before the House of Lords Economic Affairs Finance Bill sub-committee to discuss the draft legislation.

The Chair would be reflecting shortly on the potential membership of the Board and clarifying the responsibilities of its members. In that context it was fully intended that there be a Senior Independent Director as this could be done whether or not there were any changes to the proposed legislation.

## **7. OTS finances and staffing**

The Board considered a paper from the Head of Office on the financial position of the office for 2015-16 against its budget, progress with securing a larger budget for 2016-17 and on future staffing, with which the Board was content.

David Halsey  
OTS Head of Office