

Minutes of OTS Board meeting 13 July 2016

Present

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

Apologies

Edward Troup

In attendance

David Halsey (OTS Head of Office)

1. Minutes of previous meeting (26 May 2016)

These had been published on the OTS website and were agreed as a correct record.

It was noted that the Government had responded to the TSC report referred to in the minutes of the 31 March meeting.

It was noted that steps had been taken to set up the consultative committees discussed at the previous meeting.

2. Register of interests and conflicts

No changes were needed to the register of Board members' interests; no potential conflicts were considered to arise in relation to matters on the agenda.

3. Current review on income tax/NICs closer alignment

The Tax Director spoke to a brief report on the present work position in relation to the review, which is on track.

In particular, OTS is reviewing further data analysis of gainers and losers (e.g. by reference to gender, age and work pattern) and engaging in discussions about the administrative impacts of the potential changes being considered.

OTS will be taking stock in early September, and still plans to produce a final report in early October.

4. Current follow up work from Small Company taxation review

The Tax Director spoke to a brief report on the present work position on 'SEPA' and 'Lookthrough' and to drafts of interim consultative papers, which had been circulated.

The ensuing discussion identified a few specific points for the OTS to consider in finalising these documents before their publication in the near future.

On SEPA the Board also noted perspectives about other possible approaches and the potential significance of the perceptions others in business might have of SEPA status; and on Lookthrough the Board noted the continuing wider interest in issues around the self-employed/incorporation interface.

5. Current review on corporation tax computation review

The Head of Office provided a brief report on the present work position in relation to this review. Data is being gathered and initial discussions were continuing with stakeholders in business, the professions and HMRC.

The ensuing discussion noted the links with making tax digital and iXBRL, areas where there was commonality between corporation tax and income tax on business profits, and a particular interest in the position of smaller companies.

6. Other work streams

The Board considered updates from the Tax Director and Head of Office on these.

- Work was being started on exploring how simplification considerations could be more culturally embedded in the policy making process; as part of this the OTS was contributing to the current Institute for Government tax policy making project.
- The Board noted that OTS had recently published a response to an HMRC consultation on an aspect of gift aid, and were also considering the current CT losses consultation document.
- Work was about to commence on a stocktake of previous OTS recommendations, to feed into future strategy and work programme thinking.
- A discussion-starter paper was in preparation on the sharing or 'gig' economy, which OTS was planning to circulate in the Autumn.
- OTS would be engaging with Making Tax Digital consultations, when these were published.

7. OTS future work and strategy

The Head of Office outlined plans for the stakeholder event on 18 July; a good number of people had registered for this event from a wider range of organisations. Some very useful written submissions had also been received which were being considered. It was envisaged that a further strategy paper would be published after the summer, taking those responses and the output from the stakeholder event into account, and reflecting the context of the new Government.

The Head of Office reported on progress towards securing communications support.

The Board discussed the potential implications of the UK leaving the European Union in the tax context, noting the extent to which the potential ramifications were intertwined with much of the way in which UK tax law has evolved in recent decades. The effect on the focus of OTS efforts could be significant, but would clearly depend on the political direction of travel of the new Government.

8. OTS governance

The Board noted the passage of the OTS legislation through Finance Bill Committee Stage.

The Board noted a list of the significant meetings attended by the Chair, Tax Director or Head of Office since the last meeting, and of some upcoming meetings.

The Board received an update on progress as regards appointing new Board members and the recruitment of a new Tax Director.

9. OTS operations

The Head of Office reported on OTS finances and staffing, noting the arrival of the new members of staff referred to at the last meeting and reporting on progress with the current recruitment round.

David Halsey
OTS Head of Office