

## Minutes of OTS Board meeting 26 May 2016

### Present

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

### Apologies

Adam Broke

### In attendance

David Halsey (OTS Head of Office)  
Ellen Milner (HMRC, shadowing Edward Troup)

#### 1. Minutes of previous meeting (31 March 2016)

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

It was noted there had been an exchange of letters between the OTS and Andrew Tyrie (Chair of the Treasury Select Committee (TSC)) following publication of the FST's letter to the OTS. These would be published.

It was expected that HM Treasury would respond to the TSC hearing referred to in the previous minutes in the near future.

#### 2. Current reviews on income tax/NICs closer alignment

The Board noted the publication, on 12 May, of the terms of reference for the reviews into

- (a) putting employee NICs onto an annual, accumulative and aggregated basis and
- (b) putting employer's NICs onto a payroll basis.

Board members were provided with an update on the planning and present work position in relation to these reviews. The OTS would be engaging both with tax practitioners and business representatives in a variety of ways, and with DWP.

The Board considered and agreed proposals relating to the membership of an ongoing consultative committee in relation to these reviews.

#### 3. Current follow up work from Small Company taxation review

Board members were provided with an update on the planning and present work position in relation to this work, on 'sole enterprise protected assets (SEPA)' and 'Look-through'.

There was, in particular, an effective cross departmental liaison/working group (including BIS) in place on SEPA, which was also giving consideration to other potential models, which were discussed, as were some related accounting issues.

The Board considered proposals relating to ongoing external engagement, in particular with the members of the consultative committee previously involved with this work, and agreed these, subject to some specific suggestions made.

#### **4. Current review on corporation tax computation review**

The Board noted the publication, on 12 May, of the terms of reference for this review, and were provided with an update on the planning and present work position in relation to this review.

Interest was expressed in the potential for considering different approaches to smaller and larger companies, or in different sectors, and in the potential links with HMRC's making tax digital agenda.

The Board considered and agreed outline proposals relating to the membership of a fresh consultative committee in relation to this review and agreed these, delegating specific decisions within the outline provided to the Tax Director and Head of Office.

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

The Board noted the publication of the OTS high level strategy consultation document on 12 May, and the plans for a stakeholder event on 18 July.

The document had been widely circulated and attracted some useful comment in the tax press and in meetings. A small number of responses had already been received.

There was particular interest in the OTS's engagement in the policy process and with the digital agenda, which the Board discussed, along with work to consider the sharing economy more widely and a planned stocktake of the OTS's previous projects.

In addition, the Board gave consideration to the OTS' approach to managing its communications.

#### **6. OTS legislation**

The Board noted the publication of a revised framework document (based on the legislation included in the Finance Bill) on 12 May. Where this made particular provision it was noted that it was important this was followed.

#### **7. OTS internal governance**

Board members noted and considered a draft register of interests which would be highlighted at each meeting. It was agreed that in the event of a conflict of interest, the Board member concerned should advise the Board of this and neither speak or vote on the matter in question.

The Board noted with interest a list of the significant meeting attended by the Chair or Tax Director since the beginning of the year, and a slightly revised version of the document setting out the roles and responsibilities of the Board and its members.

The Board gave further consideration to the criteria and process in relation to identifying and approaching potential Board members, mindful in particular of potential conflicts of interest. It was noted that new Board members would benefit from induction.

The Board also gave consideration to the criteria and process involved in recruiting a new Tax Director to take over from John Whiting in the Autumn.

#### **8. OTS operations**

The Head of Office reported on a fruitful 'lessons learned' exercise the OTS had conducted with HMT and HMRC following the completion of its reviews in March. This prompted a short discussion, centred on the benefits of the new type of OTS reports in terms of informing wider public discussion and debate, particularly around the implications of different options and the potential downsides.

The Head of Office reported on the OTS's budget and staffing position, noting with pleasure that a number of new members of staff were currently coming on board.

David Halsey  
OTS Head of Office