

Minutes of OTS Board meeting 24 January 2018

Present

Angela Knight (Chair)
Teresa Graham (SID)
Paul Morton (Tax Director)
John Cullinane
Kathleen Russ
Beth Russell (HMT)
Jim Harra (HMRC)

Apologies

Paul Johnson

In attendance

David Halsey (OTS Head of Office)
Eileen Rafferty (OTS)
Andrew Parrock (OTS)
Rachel Pasqual (HMRC)
Sue Youngman (OTS)

1. Introductions

The Board welcomed Jim Harra to his first Board meeting.

The Board noted that congratulations were due to Paul Johnson on becoming an Honorary Fellow of the Chartered Institute of Taxation (CIOT), and on his team's victory in the University Challenge competition broadcast over Christmas.

2. Minutes of previous meeting (29th November 2017)

These had been circulated prior to the meeting. The minutes were confirmed as a correct record. There were no outstanding action points that were not on the meeting agenda.

3. Register of interests and potential conflicts

The current register of Board members' interests was circulated. No potential conflicts in relation to matters on the agenda were identified.

4. Tax Director's Report

The Tax Director presented his report, which was discussed by the Board.

(i) The discussion focused initially on some general matters, including

- the style and approach adopted in presenting OTS reports
- the question of when adding an additional relatively minor complexity to the tax system might be worthwhile if it would help address a wider or underlying issue
- the place of technology in securing a simplified 'user experience'
- the merit of the OTS covering most major areas of the tax system over time
- different ways in which the OTS could collaborate or engage with others in its work

- the different nature of the forthcoming Spring Statement from a traditional Budget

(ii) The Board then considered updates on current areas of OTS work, including

- the capital allowances/accounts depreciation review (substantive material about the likely shape of the findings and recommendations would be brought to the next meeting for discussion)
- the work on savings and investments (including issues concerning the PSA and ISAs)
- the review of Inheritance Tax, which the Chancellor had recently requested (in relation to which the scoping document would be finalised shortly),
- work following up last year's focus paper on the gig economy (including consideration of the potential role of platforms in relation to tax administration)
- consideration of work on areas of tax complexity affecting people on relatively low incomes
- work on HMRC guidance, in line with the interest of the Financial Secretary to the Treasury and in parallel with HMRC work in this area, (including consideration of a draft scoping paper)
- ongoing work on technology (building on the first meeting of the OTS technology advisory group)
- work on developing a clearer view of relevant international comparisons (in relation to which a draft scoping paper was presented)
- continuing to monitor government activity in relation to past reports and recommendations (which would need to be referenced in the Annual Report).

(iii) The Board then considered the future work program, in the context of the current work program, in particular

- the potential for work on people on middle incomes who have tended not to have an adviser in the past but whose affairs have become more complex as a result of changes relating, for example to the withdrawal of child benefit or pension changes
- the potential for work in support of the government's development of a new Customs code, during the period that it is being developed

5. Business Lifecycle Paper

Following the discussion at the previous meeting, a revised draft of this paper had been circulated, which the Board welcomed the opportunity to discuss further.

A range of points emerged, including

- the best way to present what was potentially a significant paper which would lead to further work, so that the overall story came across clearly from a business perspective,
- its relationship to the recent changes following the Patient Capital Review, and to the growth agenda more widely.

The OTS would take these points forward and recirculate the Board in due course.

6. Administrative matters

The Board received a report on meetings recently held by the OTS.

The Head of Office updated the Board on staffing and finances.