

Minutes of OTS Board meeting 28 January 2019

Present

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

Apologies

Paul Johnson

In attendance

Paul Morton (Tax Director until 18/1), David Halsey (OTS Head of Office), Daphna Jowell (OTS), Sue Youngman (OTS), Tom Smith, (HMRC), Chloe Evenson (HMT), Alistair Sutcliffe (HMRC)

1. Minutes of previous meeting (29 November 2018)

These had been circulated prior to the meeting. The minutes were confirmed as a correct record.

Matters arising: Work on life events was well in hand and a report will be brought to the next meeting. Consideration of potential work on appeals remains at an early stage.

2. Register of interests and potential conflicts

The current register of Board members' interests was circulated. Kathleen Russ was congratulated on being appointed Senior partner at Travers Smith.

3. Board appointments

The Chair thanked Paul Morton for his very significant contribution to the OTS as its Tax Director, and made a presentation.

The Chair welcomed Bill Dodwell to his first Board meeting.

Beth Russell updated the Board on the position with the process for recruiting a new Chair, and on anticipated timings.

4. Tax Director's Report

Paul Morton presented his report, covering both the ongoing work of the Office and some wider reflections. He thanked the Board for their support and help during his time as Tax Director and HM Treasury and HMRC for their excellent spirit of collaboration with the OTS.

In the discussion which followed, points considered included

- the potential for work on HMRC powers
- the potential merit of some work on aspects of complexity affecting larger businesses
- the level of public education or understanding about tax and the extent to which the OTS could usefully play a role in this area
- the energy of technology start-ups with roots in FinTech and how this could be harnessed for tax issues
- the effect tax complexity may have on cross-border business

- the nature of work that could be fruitful for the OTS to undertake on tax reliefs and related claims
- the continuing focus on administrative as well as technical changes

5. New Tax Director's reflections

Bill Dowell outlined some initial reflections on his taking up his new role. These included

- a focus on practical propositions, and maintaining both a challenging and collaborative dynamic
- an interest in exploring broader areas such as a further paper or report building on the recent technology paper and the potential roles of platforms
- the significance of the work currently in hand, on Inheritance tax, business lifecycle and life events.

6. Conference – planned for 28 February

The Board discussed the plans for this event.

7. Technology

The Board considered the Technology paper, which was published on 17 January, and were informed that it had been well-received, including in the media.

In discussion, the following points were considered

- ways of gauging public attitudes to technology and what actions other parts of government were taking in this regard
- the potential for exploring further the concept of optional withholding tax regimes for self-employed people in the platform economy, and the merit of identifying what each party involved would seek or gain from such a regime. If any such work was undertaken, it would clearly need to include those actually involved in creating technology applications
- potential developments in the capacity and role of HMRC's personal tax account

8. Inheritance Tax

The Board considered a paper outlining potential recommendations for the second IHT report, which was introduced by Daphna Jowell.

In discussion the Board offered comments and suggestions in a number of areas, including options relating to lifetime gifts and the residence nil rate band and the overall handling of the report, once completed.

9. Business lifecycle

The Board considered a paper outlining emerging themes from this review and a summary of the results from the on-line survey.

Bill Dodwell drew attention to the issues concerning businesses' pre-formalisation stage, the support offered to agents, the impact of taking on an employee and a range of corporation tax points.

In the following discussion, a number of specific points and observations were made, including noting the value of the human stories emerging from the on-line survey, which give an insight into how people feel about the practical consequences of the complexity they face.

10. 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.