

## Minutes of OTS Board meeting 23 May 2019

### Present

Kathryn Cearns (Chair)  
Bill Dodwell (Tax Director)  
John Cullinane  
Kathleen Russ  
Beth Russell (HMT)  
Jon Sherman (HMRC, for Jim Harra)

### Apologies

Teresa Graham  
Paul Johnson

### In attendance

David Halsey (OTS Head of Office), Eileen Rafferty (OTS), Daphna Jowell (OTS), Sue Youngman (OTS), Bethan Kay (OTS), Lucy Greenslade (HMT), Alistair Sutcliffe (HMRC)

#### 1. Minutes of previous meeting (26 March 2019)

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

There were no matters arising.

#### 2. Register of interests and potential conflicts

An updated register of Board members' interests had been circulated. There were no other potential conflicts to declare.

#### 3. Tax Director's Report

Bill Dodwell spoke to his report, including noting the meeting he and the Chair had recently had with the Financial Secretary to the Treasury, the evidence he had recently given on behalf of the OTS to the Public Bill Committee on the NICs (termination awards and sporting testimonials), and updating the Board on the likely timetable for publishing future reports.

Bill also drew attention to Eileen Rafferty's pivotal role in drawing together the 'Simplifying everyday tax for smaller businesses' report (published on 16 May – see below under item 6). The Board noted that she would shortly be leaving the OTS to work elsewhere in government, and recorded its grateful thanks to her for her work and contribution to the OTS.

#### 4. Future work

A number of planned areas of future work were discussed.

##### a) Reporting and payment

The Board considered a draft scoping document for the relatively short-term piece of work, which had been discussed at the March meeting, to explore ways in which self-employed people might be provided with the potential for a 'PAYE-like experience'. A number of comments, were offered; Board members were asked to provide any further observations by the end of the following week.

b) Capital Gains Tax

Bill Dodwell informed the Board that recent discussions with the Treasury indicated an interest in the OTS conducting a review relating to Capital Gains Tax (including the taxation of chargeable gains made by companies - which are charged to Corporation Tax). He outlined the initial thinking that had begun about the scope of this work; Board members were asked to feed in any initial suggestions or comments over the next couple of weeks.

c) Tax Administration

Work was continuing to consider areas of tax administration where there could be value in the OTS conducting one or more pieces of work over time; it was hoped that it would become clearer quite soon which of these it would be best to proceed with first.

The Board agreed that it would consider the potential medium and longer-term work programme in more detail at the July Board. This would include consideration of previous reports where a brief review or evaluation of what has happened since and what the OTS and others can learn from this would be desirable, and when the OTS might conduct such work.

**5. Annual Report**

The Board considered a full draft of the Annual Report, and offered a few minor comments. The report would be finalized over the coming week, with a view to publication in July.

**6. Simplifying everyday tax for smaller businesses report**

This report, previously known as a further Business lifecycle report, had been published on 16 May and had attracted some favourable comment. Bill Dodwell noted the significant recommendations, including those relating to PAYE/RTI processes and HMRC's leveraging of Agents' contribution, Board members commenting that the report contributed to the evidence base for the benefits available being worth the necessary money being spent to achieve them.

**7. Inheritance Tax – Second Report**

The Board considered a full draft of the report, which had been circulated, and was introduced by Bill Dodwell and Daphna Jowell. Bill outlined the key features of the recommendations and Board members offered a number of comments on aspects of the report.

A further draft in near-final form would be circulated before very long; Board members were asked to provide any further comments of significance in the next few days.

**8. 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.