

## Minutes of OTS Board meeting 19 March 2020

(held by dial-in, in the light of the Corona virus situation)

### Present

Kathryn Cearns (Chair)  
Bill Dodwell (Tax Director)  
John Cullinane  
Teresa Graham  
Beth Russell  
Jon Sherman (for Ruth Stanier)

### Apologies

Kathleen Russ  
Beth Russell  
Ruth Stanier

### In attendance

David Halsey (OTS Head of Office), Mark Pickard (OTS), Sue Youngman (OTS)  
Lucy Greenslade (HMT), Caroline Eele (HMRC)

#### 1. Minutes of previous meeting (21 January 2020)

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

No updates to the register of Board members' interests were reported.

There were no potential conflicts to declare.

#### 3. Board membership

David Halsey reported that an advertisement had been placed earlier in the week for a new Board member, following Paul Johnson's resignation. A timetable is in place to sift responses and carry out interviews.

Separately, the Chancellor had appointed Ruth Stanier as the HMRC representative on the Board, in succession to Jim Harra.

#### 4. Tax Director's Report

Bill Dodwell spoke to his report, noting

- the evidence he had given to the House of Lords in relation to the intended off-payrolling changes (now postponed for a year in the context of the Corona virus situation), in which he has advocated consideration of a Statutory Employment Test
- wider engagement with representatives of the Scottish and Welsh Governments, representative bodies, and other groupings of interested stakeholders
- various announcements in the March Budget which had related to previous OTS work
- the state of play with OTS current and potential future work

Work on the current Claims and Elections review is progressing well, despite the need to hold consultation meetings online or by phone rather than in person.

The Office was also well-placed to progress the proposed review of Capital Gains Tax, in particular having had fruitful conversations with HMRC and HMT colleagues. The Board considered and offered some comments on a draft Call for Evidence in this regard.

## **5. OTS Conference**

David Halsey spoke to an updated proposal for a conference in September 2020.

The Board welcomed the proposals and offered some further comments by way of refinement.

It clearly remained to be seen if it would be feasible to proceed, depending on how the Coronavirus situation develops. It was noted that it would remain possible to cancel the venue booking without incurring costs until the first week of June. The position would be reviewed at the May meeting.

## **6. Corporation Tax update**

David Halsey and Bill Dodwell introduced an initial draft of an evaluation and update note on the 2017 Corporation Tax review and the 2018 Depreciation or Capital Allowances review. The paper, on which current pressures had prevented HMT and HMRC colleagues from fully commenting as yet, included renewed consideration of ways of personal service and other small companies, and of the potential merits of exploring a statutory employment test.

It was noted that the proposed paper explored a wider scope of issues that might have been anticipated purely from an evaluation standpoint, and that as such it was framed as a refreshed starting point for future thinking as well as an evaluation of past thinking.

It was nevertheless considered it could usefully be a little clearer about where the OTS's thinking had moved on, as distinct from areas where the Office continued to consider that government should actively pursue its previous recommendations, and that it should highlight the fact that the pointers for future work or activity were necessarily provisional. A redraft would be circulated to the Board either out of meeting or at the May meeting.

## **7. Clearances and Rulings**

The Board considered a draft scoping note for a potential project on clearances and rulings and offered some observations.

The note would be considered further in the light of these, and fuller discussions with HMT and HMRC colleagues than current pressures had meant had been possible so far.

## **8. Future work**

The Board gave initial consideration to a note outlining potential areas of, and priorities for, future OTS work. This would continue to be the subject of further discussion with HMT and HMRC, in particular once wider governmental priorities were a little clearer.

## **9. 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.

**10. Any other business**

The Board noted the meeting dates for the period up to November 2020 and considered how best to conduct the meeting scheduled for May.