

Minutes of OTS Board meeting 16 September 2020

(held on Video conference)

Present

Kathryn Cearns (Chair)

John Cullinane

Judith Freedman

Ruth Stanier

Bill Dodwell (Tax Director)

Kathleen Russ

Beth Russell

Apologies – Teresa Graham (SID)

In attendance

David Halsey (OTS Head of Office), Mark Pickard (OTS), Bethan Kay (OTS), Sue Youngman (OTS), Hannah Smith (OTS), Chloe Evenson (HMT), Caroline Eele (HMRC)

1. Minutes of previous meeting (23 July 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

An updated register of Board members' interests had been circulated.

There were no potential conflicts to declare.

3. Tax Director's Report

Bill Dodwell spoke to his report, noting

- the range of continuing external engagement, including through the 10-year anniversary conference on 7 September
- the very busy recent period of work for the staff team, reflected in the drafts of the capital gains tax report and of the Claims and Elections report that were before the Board
- potential areas of future work, including in relation to the Reform of the Tax Administration Framework announced by the government over the summer, and a further evaluation paper relating to a previous OTS review or reviews
- a proposal to begin using an official OTS Twitter account – which the Board supported.

4. OTS conference

The conference on 7 September had attracted 289 registrations, with 191 people joining the event (of whom 31 were from within government). A recording had been posted on the OTS website later that day. A short survey had been sent to participants, who were very positive about the event.

In discussion it was noted that it would be good in future events (perhaps about particular areas of work or interest) to give more time to questions and interaction generally.

A fuller report, picking up on areas raised (one of which concerned the date of the end of the tax year) and with suggestions for future events, would be brought to the next Board.

5. Reputation survey

David Halsey and Sue Youngman spoke to a summary of the reputation survey Sue had carried out over the summer, building on a similar exercise carried out towards the end of 2016.

This showed strong appreciation of the independence, work and influence of the OTS, and a recognition that it is for government to decide what extent and when to adopt its recommendations.

In discussion it was noted that comments were made

- about the OTS's openness to considering some bigger picture policy questions, which was mostly supported
- offering ideas for broadening the scope of the OTS's remit and role
- about the extent to which it might be desirable for the OTS and its work to be more widely known publicly, as well as within the tax and financial community
- highlighting the merit of reiterating selected OTS recommendations

and it was suggested the OTS consider producing an index of all its reports, for reference purposes.

6. Capital gains tax review

Bill Dodwell introduced a draft of the report, highlighting its long gestation, the consideration of distortions and the expectation that there would be two reports - the first focusing on the bigger picture policy issues, and then ran through the main areas where recommendations were envisaged.

Bill noted the pace of work, and the extent of consultation carried out in the short time since the review had been launched, and thanked Mark Pickard for his leadership of the work. It was also noted that the OTS had benefitted from two very productive meetings of the Consultative Committee, in July and September.

In discussion, a range of points were made and responded to, concerning

- the process followed in relation to this first report, and the breadth of consultation
- the merit - and challenge involved - in opening up broad principles for discussion
- the nature and firmness of recommendations in this first report in particular areas (including in relation to the AEA, the taxation of share-based remuneration, owner-managed businesses, and the questions that arise in distinguishing between employees and entrepreneurs)
- the framing of the economic principles that impact on the design of the tax

Board members also made a number of specific suggestions on the report.

Board members were invited to offer further specific comments on the draft in writing. A further draft of the report would be circulated in due course.

7. Claims and Elections review

Bethan Kay introduced a draft of the report, highlighting the main areas in which recommendations were proposed.

In discussion, it was suggested that consideration be given to offering more specific recommendations in some areas, and some suggested priorities.

It was also noted that while taxpayer choices can often be helpful, they do add complexity and so it may be helpful to reflect on principles that could guide policy decisions in this respect.

A further draft of the report would be circulated to the Board in due course.

Administrative matters

The Board received a report on meetings recently held by the OTS. Some Board members noted other events in which they were participating.

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

8. Any other business

The Board noted the meeting dates which had now been fixed up to the end of 2021.