

Minutes of OTS Board meeting 15 March 2021

(held online)

Present

Kathryn Cearns (Chair)

John Cullinane

Judith Freedman

Beth Russell

Teresa Graham (Observer)

Bill Dodwell (Tax Director)

Kathleen Russ

Paul Aplin

Ruth Stanier

In attendance

David Halsey (OTS Head of Office), Bethan Kay (OTS), Hannah Smith (OTS), Sue Youngman (OTS), Stuart Gregory (HMT), Alison Robins (HMT), Caroline Eele (HMRC)

1. Board changes

The Chair welcomed Paul Aplin to the Board and Dame Teresa Graham to her new role as an Observer, following the [announcements](#) made on 8 March.

2. Minutes of previous meeting (19 January 2021)

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

There were no matters arising.

3. Register of interests and potential conflicts

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

There were no potential conflicts to declare.

4. Tax Director's Report

Bill Dodwell spoke to his report.

There continued to be a range of external engagement, including events with advisory firms and their clients, and a webinar for the Centre for Social and Financial Innovation. On 21 April, Bill will be joining a panel discussion on the Tax Administration Framework at the HMRC stakeholder conference.

The OTS's current recruitment activity is progressing well, initial planning has started for an OTS event in July and the OTS now has over 300 followers on Twitter.

In the ensuing discussion, Board members made comments and suggestions about widening the reach of external engagement, progressing the plans for an event in July and the approach to the office's use of Twitter.

Beth Russell advised the Board that it was expected that the government would formally respond to the first Inheritance Tax Report in conjunction with other announcements planned for 23 March.

5. 2021 review

Alison Robinson from HM Treasury spoke to a paper on the preparations for the review, which it was planned would also be launched on 23 March, and a draft of its Terms of Reference.

Discussion touched on the membership of the proposed external advisory panel, and the significance of the OTS's access to and use of data from HMRC's Knowledge, Analysis and Intelligence (KAI) Directorate as an integral part of its relationship with HMRC and HM Treasury.

David Halsey then outlined areas it was envisaged the OTS would cover in a paper to be published in the summer, as evidence for the review. Board members made a number of suggestions on this.

6. Capital gains tax review

Bill Dodwell spoke to a draft of the second report, which would be considered by the Consultative Committee later in the week and discussed further with HM Treasury and HMRC. A later draft would be shared with the Board by email before publication – hopefully the first half of May.

The Board discussed and offered a range of comments and advice on the different areas covered in the draft, including in relation to administration and awareness, land pooling, main home nominations in relation to private residence relief, and qualifying corporate bonds. It was also suggested that the key recommendations with greatest impact be highlighted.

7. Third party data review

Bethan Kay provided an update on progress with this review, based on the meetings and discussions held so far, ahead of the end of the consultation period on 9 April.

The ensuing discussion included consideration of the level of public support for changes in this area, issues of trust, possible unique taxpayer identifiers (including the NINO), and the data that the OTS was looking for from HMRC's KAI Directorate to inform its work.

8. Tax Year Date

Bill Dodwell spoke to draft scoping material for this proposed work, to be led by Hannah Smith, which aimed to take a high-level look at the costs and impacts of a change of date from 5 April to either 31 March or 31 December.

The Board discussion considered the potential appetite for change, the connection with HMRC's work on Making Tax Digital, the importance of including relevant KAI data for the report to help inform debate, and the relatively short timescale envisaged.

9. Guidance evaluation paper

Bill Dodwell spoke to this paper, the work on which had been led by Nigel Mellor.

Board members welcomed the progress made by HMRC in this area generally. They offered a specific suggestion in one area, which the team agreed to address.

10. Potential future review

Bill Dodwell spoke to a draft scoping document for a potential future review, to start in the summer, which had been discussed with HMT and HMRC.

11. 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.

12. Any other business

The Board noted the meeting dates for the remainder of 2021.