

# Office of Tax Simplification Board Meeting

5 November 2014

## **Present**

John Whiting – Tax Director  
Teresa Graham  
Adam Broke  
Indra Morris – HM Treasury  
Edward Troup - HM Revenue & Customs

## **Apologies**

Rt Hon Michael Jack – Chairman  
Jeremy Sherwood

### **1. Apologies**

The Board sent best wishes to Jeremy Sherwood who has been away from the office with illness.

### **2. Minutes of the last meeting & Action points from meeting**

The Minutes of the last meeting had been agreed and published; action points were in the current agenda.

### **3. Competitiveness report**

The Board formally noted the publication of the Competitiveness report and reviewed the comments received from stakeholders. It was agreed that these were pleasing and rightly reflected that the report was well written with very sensible and appropriate recommendations and good challenges to those in charge of the tax system in terms of how to improve it. Edward Troup and Indra Morris confirmed that it had been well received in HMRC and HMT. John Whiting confirmed that there had been good working together with HMRC and HMT throughout the project.

It was noted that the Chancellor was expected to respond formally to the Report at the Autumn Statement. Until then there was no action needed from the OTS; afterwards it may well be appropriate to work with HMRC to develop an agreed programme to implement some of the short term recommendations.

***Action: to consider next steps in the light of the Autumn Statement***

### **4. Penalties report**

The final draft of the Penalties report had been circulated to Board members prior to the meeting. John Whiting introduced the report, reminding Board members that it had been a limited project, in many ways a scoping project for a later, larger exercise. Subject to the Board's views, the plan was to publish next week. There was general support for the report and approval of its recommendations. Board members suggested that the current regime was not designed for the fully digital era we were heading into and that was causing problems. It emphasised the need for a full review of the area, as OTS had concluded: this should be high up on any future OTS agenda.

Edward Troup said that HMRC were doing work on improving the operation of the penalties system as part of normal work and the OTS recommendations would dovetail well.

**Action: to proceed with finalisation and publication of the report.**

5. **Update on other current projects**

Partnerships – the tabled report on the various strands of continuing work were noted and approved. Teresa Graham emphasised the potential administrative savings to be gained from streamlining the partnership[s] returns/reporting process. This is firmly on the OTS & HMRC agenda. John Whiting confirmed that the aim was to publish a final report by Christmas.

Complexity – The final version of the OTS complexity index was approved. John Whiting reported back on its reception at the recent international conferences on tax simplification: there had been considerable interest in our work in this area. The Board were enthusiastic about the report and keen to see it published. It should be followed by an analysis schedule applying the index to areas of the tax code. This was an excellent legacy paper for the OTS, along with the Competitiveness report.

**Action: to publish main paper and continue work on analysis schedule**

6. Employment status

The new project is under way; the Board reviewed:

- Staffing – an excellent group of secondees but civil servant support was limited
- Consultative committee meeting – a good group; the Board were keen that we should get them to contribute properly; we should be able to ask them direct questions to generate data from their organisations to feed into the project
- Initial meetings schedule – Board members suggested adding Church groups, further low income representatives and farming/rural economy representatives

7. OTS evaluation

The Board noted that HMT were carrying out some limited fieldwork to gather views on the OTS and that John Whiting was planning to write a short report. The Board asked that we devote significant time at the February Board meeting to developing a general report/conclusion/recommendation.

**Action: to note for February Board**

6. Any other business

Noted that the list of OTS recommendations was with HMRC for response; tentative plans were to publish before the end of the year but Board members felt this was not a priority.

Date of next meetings – meetings were planned 16 December at 2pm and 9 February 2015 at 11am; a date for April 2015 was being finalised.

John Whiting  
OTS Tax Director