

HMRC Board Committee: summary minutes

5 January 2010, Room 2/51 100 Parliament St

Members

Mike Clasper – Chairman
Lesley Strathie - CEO
Dave Hartnett – Permanent Secretary for Tax
Simon Bowles – Chief Finance Officer
Colin Cobain – Non Executive Director
Mike Eland - Director General Enforcement and Compliance
Mark Haysom - Non Executive Director
Philippa Hird - Non Executive Director
Phil Hodgkinson - Non Executive Director
Anthony Inglese - General Counsel and Solicitor
Bernadette Kenny - Director General Personal Tax
Steve Lamey – Director General Benefits and Credits
Phil Pavitt – Chief Information Officer
John Spence - Non Executive Director
Sue Street - Non Executive Director

Invitees

Mike Falvey (Item 1)
Simon Hopkins (Item 3)
Barbara Grose (Item 5)

Secretariat

Jane Bean

Apologies

Melanie Dawes - Director General Business Tax

1 Chief People Officer

Mike Clasper welcomed members to the first meeting of the New Year and introduced Mike Falvey, the new Chief People Officer due to take up post at the end of January 2010. Mike (F) gave a brief summary of his career history which spanned across public and private sector organisations. Board members introduced themselves and their area of responsibility.

2 Matters arising

Minutes of the Board meeting on 8 December 2009 were reviewed and agreed. Members decided that, in future, draft minutes should be circulated to executive members for comment, to ensure final drafts were ready for the following meeting. The action point log was reviewed and updated.

3 Business update

Simon Hopkins advised the Board that the financial position was progressing well, with the current forecast pressure reduced to £11m in near cash. He added that Finance was closely monitoring some emerging issues which may cause the pressure to increase.

Members discussed the potential financial impact of legal costs, the correlation between paybill and staff number reductions, and the sustainability of cost reduction measures taken this year. They also noted the forthcoming PAC for the HMRC Estates Private Finance Initiative Value for Money audit.

The Board reviewed the November 2009 performance report and discussed the latest estimate of the VAT gap, data security controls for the Government Banking Service and management of workloads relating to Annual Coding.

4 Business plan 2010-11

Simon Bowles and Simon Hopkins presented the 2010-11 business plan model to the Board, which focuses on strategic alignment, investment and driving up performance, thereby positioning and right-sizing HMRC ready for the next Spending Review period. The non-executive members congratulated the executive on the progress made in the planning round to date and explored the cost of change and the extent to which change would be achieved by doing the work differently, structural changes or good housekeeping.

5 Litigation Settlement Strategy

Dave Hartnett and Barbara Grose presented the key recommendations arising from two reviews: Litigation Settlement Strategy and Managing Tax Disputes, which major around:

- increasing capability in this area
- alternative dispute resolutions
- improved internal communication
- improved governance

The Board acknowledged the direction of travel. It was agreed that assurance would be needed to confirm that a robust implementation plan is in place, which reflects the supporting capability needed to deliver, with a re-iteration of the Strategy if required.

6 Forward Look and AOB

The Board noted the following information papers:

- report from the Ethics and Responsibilities Committee
- Energy Milestones
- Finance – the mix of cost base between fixed and variable costs

Dave Hartnett gave a brief outline of the key measures announced at the PBR in December 2009.

Lesley Strathie gave an update on the business workforce change plans and the outcome of the ExCom mobilisation of the strategy event on 15 December 2009.

The forward look was reviewed and updated.

The next meeting of the Board Committee will be on 4 February 2010.

Board Secretariat