

Official Sensitive

Meeting of the Revenue Scotland Board - 20 November 2019 - Minute

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MINUTE

12:00 – 15:30 on 20 November 2019, Conference Room 3E-91, Victoria Quay, Edinburgh

Present:

Dr Keith Nicholson
Lynn Bradley
Ian Tait
Jane Ryder OBE
Jean Lindsay
Martin McEwen

In attendance:

Elaine Lorimer, Chief Executive, Revenue Scotland
Stephen Crilly, Head of Legal, Revenue Scotland
Mike Paterson, Head of Tax, Revenue Scotland
Andrew Fleming, Head of Strategy and Corporate Functions, Revenue Scotland
Gary Sharp, Head of Governance, Revenue Scotland
Veronica McAleaney, Secretariat, Revenue Scotland
Lucy O'Carroll, SG Director of Tax (for Item 6 only)
Neil Ferguson, Head of Strategy and Engagement (for Item 7 only)
Louise Carlin, Head of Dispute Resolution, Revenue Scotland (for item 8 only)

1. Meeting opening

1.1 The Chair welcomed Board members and officials to the meeting and opened proceedings.

1.2 Apologies were received from John Whiting CBE, who also provided extensive comments to the Chair against all agenda items.

1.3 The Board discussed the draft minutes of 21 October and 30 October 2019 meetings and were content to approve these subject to minor amendments.

1.5 In relation to the Action Log, the Board agreed to close actions A008/19, A031/19, A033, A034, A35, A036, A037, A040, A043, A045, A046 & A047. All other actions remain open.

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[REDACTED]

Action (A051/19) - The Governance Team is to amend the action log as agreed.

1.6 There were no new declarations of interest.

2. Chair update (Oral)

2.1 The Chair began his update by announcing the departure of both Head of Legal on 5 December, and Head of Strategy and Corporate Functions in early January 2020 from Revenue Scotland, recording the gratitude of the Board for the significant contribution made by both.

2.2 In addition, he thanked both Jean Lindsay and Martin McEwen for their contribution to the recent DO focus group activity, supporting the relevant analysis and strategic consideration around outcomes.

3. ARC update (Oral)

3.1 Lynn Bradley provided an update from the ARC meeting on the 13 November. In particular, she highlighted the visit of Members of the Scottish Social Security Agency ARC and the positive discussion had. It was also agreed that it would be helpful to continue to engage regularly around common, or specific challenges.

3.2 Lynn Bradley then reflected on the recent report from SG Internal Audit with Board Members, stating that the Committee welcomed the detailed and comprehensive report provided. She highlighted the arrangements now in place for ARC members to meet with Internal Audit, to discuss the RS Audit plans for 2020-21.

4. SEC update Oral

4.1 Jane Ryder updated the Board on the most recent SEC meeting on the 13 November, where they discussed planning for the new People Strategy, the Staff Survey, Website Action Plan and a collaboration project with Glasgow University.

4.2 Jean Lindsay asked for an update on the Workforce Planning paper which went to SEC. Elaine explained the dependency of a comprehensive workforce plan on the development of

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a Target Operating Model and that as we continue with this work, workforce planning has focussed on addressing priority areas.

5. CEO update RS(07/19)04

5.1 The Chief Executive introduced her item and provided an overview of her report.

5.2 She noted that the Scottish Budget will not now take place until the new year, and that this is likely to be after the UK Budget announcement. This presents some real response and delivery challenges to the organisation if changes are introduced to the taxes which RS administers, as the timescales would certainly conflict with phase 2 delivery of SETS2.

5.3 In terms of the resource and capital budget for Revenue Scotland, it has been indicated that a baseline proposal has been put forward, but this will be subject to proper consideration following the announcement of the UK Budget.

5.4 Ian Tait enquired whether there would be any flexibility with the delivery of the next phase of SETS 2 if changes to the taxes following the budget were to be realised. The Head of Strategy and Corporate Functions responded by highlighting that due to the budget in 2019-20 being tied to delivery, any attempt to reprioritise would impact on the budget provision for 2020-21.

5.5 The Board thanked the CEO and noted the update provided.

6. Director of Tax Update (Oral)

6.1 The Chair welcomed Lucy O'Carroll, SG Director of Taxation to the meeting. Lucy thanked Members for the opportunity to join the Board discussion and proceeded to provide an overview of her role and the remit of her directorate.

6.2 Lucy proceeded to discuss with the Board some of the particular strategic challenges with the Fiscal Framework and the role of Revenue Scotland therein, and highlighted areas for continued collaboration as we move forward.

6.3 The Board welcomed the update and discussion and look forward to having similar opportunities in the future.

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7. Revenue Scotland/ Scottish Government Working Together 'agreement' (RS(0719)05)

7.1 The Head of Strategy and Engagement introduced his paper and provided an overview of the agreement, outlining the endorsement being sought.

7.2 The Board welcomed the document, which will help to clarify the roles and responsibilities of both Revenue Scotland and the Scottish Government in the development and creation of new tax policies.

5.3 The Board welcomed the proposed agreement and asked that the Board's role in terms of advice to Ministers should be included, prior to signing.

5.4 The Chair summarised that the Board were happy to approve the paper, however it would benefit from some further development.

Action (A050/19) – The Head of Strategy & Engagement is to further amend the draft agreement in line with the comments provided below – seeking to share this with SG colleagues for comment prior to finalisation. The agreement should include:

- The addition of values and behaviours within the body of the agreement;
- Under interdependency, we should caveat the 'final decisions' statement, to ensure we are clear on the type of decisions included – this is also relevant to the Information and Skills section;
- How do we best capture the ability of RS to press for legislative change; and
- External engagement section to be strengthened to better represent the totality of the collaboration communication, establishing agreed communications protocols.

8. RS Designated Officers (RS(07/19)06)

8.1 The Chair opened this item and welcomed the Head of Dispute Resolution to the meeting. [REDACTED]

8.2 Following on from this update, the Chief Executive continued to provide an overview of the paper, outlining the purpose and recommendations being made. She informed the Board that she'd had a helpful conversation with Audit Scotland on this matter and that we should be provided with the final Internal Audit and Carol Lunney reports soon.

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8.3 The Board at this stage asked for some further changes to be made to the paper, prior to discussion. Officials left the meeting at that point and made the required changes, providing updated versions to all members.

8.4 Following the changes to the paper, the Board considered the recommendation afresh. The Board, in recognising the associated risk assessments against each option, agreed;

- The guiding principles presented on page 3, para 4.3 and to the addition of a further principle, addressing the impact to tax payers' concerns;
- All recommendations made;
- That on communications and handling, the Board is content to proceed with the plan, as set out in 6.1 and 6.2; and
- That on the interim approach to appointing Designated Officers, the Board was content to approve the recommendations proposed in section 7.1.

Decision D022/19 – The Board approved all recommendations made in the paper.

8.5 The Board welcomed the paper and subjected it to detailed and lengthy scrutiny and discussion. The Board, in recognition of the impact and additional pressures this has put on staff, welcomed the positive way in which this has been handled, stating that this displayed real professionalism and integrity by staff.

9. Communications Update

9.1 The Board agreed that it would not discuss this item but would offer guidance and feedback to the team out with this meeting.

Action (A053/19) – Jane Ryder to co-ordinate contributions from Board Members and pass on to the Comms Team.

**End of Meeting
Revenue Scotland
November 2019**