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**Meeting of the Revenue Scotland Board - 29 January 2020 - Minute**

## **Meeting of the Revenue Scotland Board**

### **MINUTE**

13:00 – 17:00 on 29 January 2020, Malmaison Hotel, Edinburgh

#### **Present:**

Dr Keith Nicholson  
Lynn Bradley  
Ian Tait  
John Whiting CBE  
Jane Ryder OBE  
Martin McEwen

#### **In attendance:**

Elaine Lorimer, Chief Executive, Revenue Scotland  
Mike Paterson, Head of Tax, Revenue Scotland  
Neil Ferguson, Acting Head of Strategy and Corporate Functions, Revenue Scotland  
Mairi Gibson, Head of Legal, Revenue Scotland  
Gary Sharp, Head of Governance, Revenue Scotland  
Veronica McAleaney, Secretariat, Revenue Scotland  
Chris Myerscough, Head of Tax Profession, Revenue Scotland (for Item 1 only)  
Paul Gilhooley, Head of LBTT Compliance Team, Revenue Scotland (for Item 1 only)  
Alan Martin, Programme Manager, Revenue Scotland (for Item 5 only)  
Jennie Marshall, Head of Planning, Performance and Risk, Revenue Scotland  
Tom Kelly, Business Planning and Performance Manager, Revenue Scotland (for Item 6 only)  
Gareth Hill, Chief Accountant, Revenue Scotland (for Item 6 only)

## **1. Discussion with the Law Society of Scotland**

1.1 The Chair opened this session by welcoming members of the Law Society of Scotland (LSoS) joining the Board meeting and provided a high level overview of the matters to be discussed, including matters of shared strategic interest and operational insights. The members that joined the Board were:

Lorna Jack, Chief Executive, LSoS  
Isobel d’Inverno, Convenor of the LSoS Tax Committee  
Alan Barr, LSoS Tax Committee Member  
Iain Doran, LSoS Tax Committee Member  
Allison McNab, Policy Executive, LSoS

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1.2 Following the useful session, the Board thanked the Law Society for the support they have offered to date. There was a consensus that both organisations are increasingly working more effectively together and that there was a shared willingness to maximise potential for collaboration in areas such as training and guidance. The Board welcomed the willingness of the LSoS to work with RS on future pieces of work.

## **2. Meeting opening**

2.1 The Chair welcomed Board members and officials to the formal meeting of the Board and opened proceedings.

2.2 Apologies were received from Jean Lindsay.

2.3 The Board discussed the draft minutes of 20 November and 11 December meetings and were content to approve these subject to minor amendments.

2.5 In relation to the Action Log, the Board agreed to close actions A008/19, A009, A031/19, A033, A034, A035, A036, A037, A040, A043, A045, A046 & A047, A055. All other actions remain open.

### **Action - The Governance Team to amend the action log as agreed.**

2.6 There were no new declarations of interest.

## **3. Chair update (Oral)**

3.1 The Chair welcomed Members and staff to the meeting and provided an overview of engagements and activities since the last meeting of the Board in December. He highlighted the further engagement with the Minister and on operational matters that have been progressed in that period.

## **4. Chief Executive Update RS(01/20)04**

4.1 The Chief Executive, in opening this item, welcomed Mairi Gibson to her first Board meeting as the new Head of Legal. She then provided the Board with a summary of discussions from her recent meeting with the Minister for Public Finance and Digital Economy concerning the budget for Revenue Scotland.

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4.2 Board Members noted the Chief Executive's Report and were content with progress made to date.

**5. LEAP update RS(01/20)05**

5.1 The Programme Manager for the LEAP programme introduced this paper, highlighting that the launch of the next phase of SETS2 has been completed successfully, the system is up and running, and that this Phase was delivered on schedule.

5.2 A small number of defects have been reported to the ICT team, largely from internal users, and so far nothing that has caused disruption to the business. He noted call volumes continued to be low following the success of this phase of the programme. In addition to a small package (Phase 2.1) of features being delivered in late March, further pieces of functionality will be delivered in May and August.

5.3 The programme is soon to undergo a formal closure process at the end of March this year, where it is anticipated that the residual delivery phases will pass back to the business, delivering updates over the course of 2020. A set of programme closure criteria has been agreed with the programme board to steer the programme closure, and it will include a lessons learned exercise that will be beneficial to future change projects. The handover to the business is a crucial part of programme closure.

5.4 The Board welcomed the report on the LEAP update and noted the significant progress to date. They also recognise the effective relationship with Northgate and their responsiveness over the last few months to the demands from the business and thanked all those involved.

5.5 The Board noted that the team have worked incredibly hard over the course of the programme and are to be commended for their efforts – in particular when you consider the challenges and that the project has continued to be delivered under budget.

**6. Finance & Business Performance Q3 Reports RS(01/20)06 & RS(01/20)07**

6.1 The Chief Accountant provided the Board with an overview of the paper highlighting the current budget position and overall financial performance. In particular he informed the Board that:

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[REDACTED]

- the tax debts outstanding at the end of December had fallen significantly compared to the position at the end of September, and ;
- the amount to be included within the 2020-21 budget allocation is likely to be £6.135m for RDEL and £500k for CDEL. For RDEL this represents a 3% cut in baseline funding which will prove challenging.

6.2 The Board welcomed this clear and concise report and proceeded to note the following points:

- The operational resource spend for the quarter ended September 2019 is over budget, which the Board acknowledged and did so in the knowledge that SG had provided a letter of assurance offering the appropriate cover;
- The tax declared to the end of December 2019 (as per section 4);
- The tax debt position at 31 December 2019 (as per section 5); and
- The current position on budget negotiations.

[REDACTED]

6.3 The Planning and Performance Manager followed the finance performance item and introduced the business performance paper, summarising the key findings of the report for members.

6.4 In reflecting on the KPI performance provided, Lynn raised a concern that the Board did not have sufficient oversight of the organisation's people performance measures and wondered if the a more detailed report could be provided by the SEC.

6.5 The Board, in considering its scrutiny role, agreed that it would be useful to see more information around staff wellbeing and culture.

6.6 The Board welcomed the Performance Update, noted the reasons for KPI performances and congratulated the teams for their efforts to date to recover performance. They recognised there will be a review of the KPIs in the next year as part of the preparation for the next corporate plan to better reflect operational and organisational performance.

**Action – The Chair of the SEC to consider what additional information can be brought to the Board, covering staff wellbeing, offering assurance for the Board's duty of care.**

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## **7. Designated Officer and Arithmetic Errors Project Update**

7.1 The Head of Tax introduced this paper and provided an overview of the progress to date with the DO and arithmetic errors project.

7.2 The Board noted the paper and the matters raised within, stating that they welcomed the internal and external reviews and the progress made to date in resolving these matters. The Board also commended the Team in helping to resolve this issue.

7.3 The Board also agreed that tracking progress around responding to the recommendations made should now be delegated to the ARC.

**Decision – the ARC is to now consider progress around the various DO recommendations made through the IA and independent review reports.**

## **8. A New Approach to Tax Governance – The Tax Assurance Group RS(01/20)09**

8.1 The Head of Tax introduced the paper and provided an overview of the new group and its remit.

8.2 The Board discussed the proposals on the Tax Assurance Group (TAG), and was happy to endorse the new group and looked forward to receiving updates in the quarterly report.

**Action – The Head of Tax to include a new section on the TAG in the quarterly reports on tax performance.**

## **9. Tax Q3 Report RS(01/20)10**

9.1 The Head of Tax introduced this paper and provided an overview of performance across the tax teams since the last report.

9.2 The Board commended the clarity and concise nature of the report and is satisfied that the tax operations are being carried out in accordance with the RSTPA.

**Action – The Head of Tax to confirm what access controls are in place for SEPA staff using SETS2.**

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## **10. AOB**

10.1 The Board agreed that, following the increase in membership, the quorum for Board Meetings should be increased to four Members. The quorum for Committees will continue to be 2 Members.

10.2 The Board was given a presentation on new cloud-based software to improve the efficiency and security of communications between them and staff and approved its use for future communications.

**Action – Secretariat to update quorum numbers in the Board Standing Orders.**

**Decision – The Board quorum will be increased to 4 Members and Committee quorum will remain at 2 Members.**

**Action – Secretariat to send on invitations for the new software to Board Members.**

**Decision – The Board approved the move to new software and this will be first used in February at Committee meetings.**

**End of Meeting  
Revenue Scotland  
January 2020**