

Official Sensitive
Meeting of the Revenue Scotland Board – 27 January 2021

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13:00 till 17:00, 27 January 2021

Present:

Dr Keith Nicholson, Chair
Lynn Bradley
John Whiting CBE
Jean Lindsay
Martin McEwen
Simon Cunningham

In attendance:

Elaine Lorimer, Chief Executive, Revenue Scotland
Michael Paterson, Head of Tax, Revenue Scotland
Neil Ferguson, Head of Corporate Functions, Revenue Scotland
Mairi Gibson, Head of Legal, Revenue Scotland
Gary Sharp, Head of Governance, Revenue Scotland
Alan Martin, Head of Strategy and Communications, Revenue Scotland (Item 5 only)
Gareth Hill, Head Accountant, Revenue Scotland (Item 7 Only)
Andrew Macartney, Head Statistician, Revenue Scotland (Item 7 Only)
Pamela Bruce, Organisational Development Manager, Revenue Scotland (Items 6 and 7 Only)
Rosey Stewart, Secretariat, Revenue Scotland

1. Meeting Opening

1.1 The Chair welcomed everyone to the meeting, and in particular welcomed Simon Cunningham to his first meeting as a newly appointed board member. He offered members the chance to add items under AOB. No items were added.

Apologies

1.2 No apologies were tendered.

Minutes of Meetings

1.3 The Board was content to approve the minutes of the 28 October 2020, 18 November 2020 and 9 December 2020 meetings as an accurate record of proceedings, subject to some minor amendments.

Action and Decision Log

1.4 The Head of Governance took the Board through the action log, noting any open

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actions and providing an update where appropriate.

- 1.5 It was agreed that actions A045/19, A012/20, A026/20, A028/20, A049/20, A054/20, A055/20, A063/20, A064/20, A065/20, A067/20, and A070/20 were closed. All other actions are to remain open.

New Declarations of Interest

- 1.6 There were no new declarations of interest.
- 1.7 Martin McEwen raised a potential conflict in relation to the details of a tax case provided through the tabled Tax Compliance Report (Item 8). Mike Paterson confirmed that he has discussed this potential conflict with Martin and it was agreed that Martin would not need to absent himself from the discussion at Item 8.

Action – Secretariat to amend the action log as agreed.

2. Chair Update

- 2.1 The Chair provided an update on the recent meeting between the Chief Executive, Chair and the new Minister for Trade, Innovation and Public Finance.

3. CEO Report

- 3.1 The Chief executive introduced her report and highlighted the following key messages:
- (a) Progress has been made around the Scottish Budget;
 - (b) The constructive meeting with Ms Forbes and follow up with SG officials;
 - (c) On the recent SEPA cyber-attack a request has been made to SEPA which seeks assurance that RS data has not been lost through this attack;
 - (d) On St Andrew's House (SAH) operations, a decision (in principle) has been reached on bringing to a close the SAH operation as solutions have been established to address the operational needs;
 - (e) On the future return to the office it has been proposed that we should adjust the date from 1 April to 30 June (at the earliest);
 - (f) An update on people issues was provided and in particular highlighted stresses on the organisation's capacity;
 - (g) An update on progress around the Chair recruitment process; and

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(h) An update on the assurance work being taken forward by Internal Audit and Ernst and Young to assess the quality and robustness of decisions taken since March last year – stating that a final report will be shared with the ARC ahead of its meeting in February and then the Board.

3.2 The Board thanked the Chief Executive and provided comments, guidance, and questions on the following:

(a) The recent decision around SAH operations and the ongoing approach to resilience, including the move to extend the date where a return to an office environment may be possible;

(b) The Scottish Budget and in particular pressure points in the RS settlement;

(c) Positive progress with the assurance review underway; and

(d) The response to the SEPA cyber-attack and in particular the assurances that have been sought on the impact of the ongoing administration of the Scottish Landfill Communities Fund (SLCF).

3.3 The Board was content that the report helpfully covered matters not covered elsewhere on the agenda.

Decision – the Board endorsed the decision to extend the date to 30 June (at the earliest) at which staff may possibly return to Victoria Quay.

4. SLCF – Future of the Fund

4.1 The Chair introduced this item by commending the team involved in the production of the thoughtful and thoroughly researched discussion paper.

4.2 The Head of Tax provided an overview of the paper, the matters raised and the recommendations made around the futures of the fund. He stated that more thinking is needed, and that we need to involve more people in that process – SG policy colleagues for example. This work will continue in Q1 of 2021-22 and be brought back to the Board – looking to implement in 2022-23.

4.3 The Board thanked the Head of Tax for his helpful overview and offered questions, comments, and guidance on the following issues:

(a) A breakdown of the make-up of the additional contributions opportunity is to be provided;

(b) A clear indication of the critical path for this work and in particular the options appraisal;

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(c) The performance of the Fund in terms of its contribution to the environment needs to be framed with SG environment policy, helping Ministers appreciate the tangible benefits from this Fund and its continuity;

(d) Consideration around officially publishing the final report as a useful and informed piece of research and analysis; and

(e) Continue to emphasise the costs associated with administering this regulated fund.

4.4 In concluding this item, the Board was content that the report provided assurance that this fund has been well managed and approved the timetable presented. A progress report is to be provided at the March meeting alongside the decision on the subvention rate.

Action – The Head of Tax is to include a further breakdown of the additional contribution calculations included in the report.

Action - On the options appraisal, it would be good to confirm a date when this is to come to the Board.

Action – The Head of Tax is to consider publishing this report as an official report and alert the Board to any plans/dates when this is decided.

Action – The Head of Tax is to draft a letter from the Board to send to SEPA’s CEO on the feedback from this process.

5. LEAP Benefits Realisation

5.1 The Head of Strategy and Communications introduced the paper and noted the key messages, notably the comprehensive statement of benefits realisation provided and the intention to return in a year’s time to outline the detailed measurable benefits against our investment to date.

5.2 The Board thanked the Head of Strategy and Communications for his helpful paper and offered questions, comments, and guidance on the following issues:

(a) The extent to which things haven’t worked as planned – achieving the stated outcomes and benefits – what has hampered success, and has the response to the Covid-19 emergency contributed in any way;

(b) Recognition of the success of this project – well run and to budget; and

(c) Service delivery standards as part of the contract with NPS.

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- 5.3 The Board was content with the report provided and progress made around benefits realisation, and agreed to the new action for January 2022.

Action – The Head of Strategy and Communications is to report to the Board in February 2022 with a detailed analysis of measurable benefits realised against our investment made as part of the LEAP Programme.

6. People Survey 2019-20

- 6.1 The Organisational Development Manager introduced this item and provided an overview of the presentation provided and some of the key findings contained. This helped set the wider context which scores in which the 2020-21 results should be considered against.
- 6.2 Following on, the Head of the Analytical team proceeded to offer a detailed analysis of the findings from the 2020-21 survey.
- 6.3 The Board thanked the Organisational Development Manager for her helpful paper and offered questions, comments, and guidance on the following issues:
- (a) Positive progress since 2019-20 in many areas;
 - (b) The specific factors that may have influenced individual scores and what deeper analysis and discussion has taken place;
 - (c) Planned discussion on these results and draft plans at the Staffing and Equalities Committee (SEC).
- 6.4 The CEO thanked members for their thoughtful contributions and offered her response to the survey and her plans to take this work forward over the 2020-21 business year; in particular focussing on developing a stronger sense of pride amongst the staff to work as part of the organisation, and for the role that they play.
- 6.5 The Board thanked the officials for the helpful presentation and look forward to updates from the SEC to the board.

Action – The RS People Survey results for 2020-21 are to be shared with the Board.

7. Q3 Performance Report

- 7.1 The Head of Corporate Functions provided an overview of the new style of performance reporting which is intended to simplify the process and improve the reporting standard.
- 7.2 The report provides performance data across a range of topics and consolidates the

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reporting through this one product. We would also hope to introduce risk as part of this consideration alongside future iterations of this report.

7.3 The Board offered questions, comments, and guidance on the following:

(a) Welcomed the effort to reduce the reporting burden and consolidate all essential performance reporting components into the one, accessible product;

(b) Work should continue to further refine and improve the visual representation of the report;

(c) The benefit in considering the value add of such efforts, particularly when using this to encourage further such improvements;

(d) The opportunity to report on performance directly to the staff as well as SLT and Board;

(e) Interested to see how risk can be successfully introduced into this new model of reporting;

(f) Record of strong performance across the organisation, from KPIs to projects etc. Some comments were offered on the specific details provided such as around 3 year lease review performance, steps to assess the impact from slippage, work towards better performance with financial information, and people matters.

7.4 The Board congratulated the team responsible for the work on creating this new dashboard report and endorsed the approach to quarterly reporting from now on – tying helpfully into the digital ambition and vision for RS.

8. Tax Compliance Report

8.1 The Head of Tax introduced this item and provided an overview of the paper provided.

8.2 Members offered comments and sought clarity on the following issues:

(a) The operation of the Tax Assurance Group (TAG);

(b) Expenses;

(c) Specific tax cases; and

(d) Litigation cases.

8.3 The Board welcomed the report provided and took assurance from the content that the tax function is being carried out fully and appropriately.

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9. AOB

9.1 No AOB raised.

10. Homologation of Actions and Decisions from 2 March Teleconference

10.1 The following action and decision resulted from the 2 March Teleconference:

Decision - Reporting on Highlight report to be reported on in future by exception, rather than routine, with the exception of staffing details which will be expanded in terms of narrative/stats.

End of Meeting
27 January 2020