

Official Sensitive

Meeting of the Revenue Scotland Board – 24 February 2022 – Minute

10:00 till 14:00, 24 February 2022

Present:

Aidan O’Carroll, Chair

John Whiting CBE

Jean Lindsay

Lynn Bradley

Martin McEwen

Simon Cunningham

In attendance:

Elaine Lorimer, Chief Executive, Revenue Scotland

Michael Paterson, Head of Tax, Revenue Scotland

Mairi Gibson, Head of Legal, Revenue Scotland

Neil Ferguson, Head of Corporate Functions, Revenue Scotland

Shamyla Afzal, Governance and Compliance Manager, Revenue Scotland

Nicola Walkinshaw, Governance Business Manager (Secretariat), Revenue Scotland

Amanda Hammond, Business Management Officer (Secretariat), Revenue Scotland

Theresa Valtin, Strategy & Communications Manager, Revenue Scotland

Allan Macdonald, Strategy, Planning & Performance Manager, Revenue Scotland (Item 6 & 8)

Gareth Hill, Chief Accountant, Revenue Scotland (Item 8)

Pamela Bruce, People Services Manager, Revenue Scotland (Item 8)

Craig Morton, ICT Manager, Revenue Scotland (Item 8)

Andrew Morgan, Head Statistician, Revenue Scotland (Item 8)

1. Meeting Opening

1.1 The Chair welcomed everyone to the meeting and offered members the opportunity to add items under AOB. No items were added.

Apologies

1.2 No apologies were tendered

Draft Minutes of 3 November 2021, 24 November 2021 and 19 January 2022

1.3 The Board asked for amendments to be made to all before final sign off.

Action and Decision Log

1.4 The Governance and Compliance Manager discussed the action log, noting open actions and providing an update where appropriate.

1.5 It was agreed that **A031/20, A005/21, A059/2, A060/21, A061/21, A63/21,**

Official Sensitive

Meeting of the Revenue Scotland Board – 24 February 2022 – Minute

A64/21, A65/21, A66/21, A67/21, A68/21, A69/21, A70/21, A75/21, A76/21, A77/21, A78/21, A80/21, A81/21 actions should close, however **A031/21**, proposed close was to remain open.

1.6 Updates were provided on all open actions and it was agreed that actions were to remain open, **AO54/21 and AO79/21** were to close, **AO72/AO73** were to merge.

New Declarations of Interest

1.7 There were no new declarations of interest noted.

Action – Amendments are required to the draft minutes of 3 November 2021, 24 November 2021 and 19 January 2022 as discussed. Revised drafts to be circulated for final sign off.

Action – Revise the way that minutes are captured and the level of detail included within the minutes.

Action – Secretariat to amend the action log as agreed.

2. Chair Update

2.1 The Chair provided an update on Board recruitment confirming that we had received a healthy response to the recruitment exercise. Interviews have now taken place and recommendations on appointment of the new Board members are being submitted to Scottish Ministers for approval.

2.2 The Chair highlighted the high calibre of candidates who applied to join the Board.

3. Staffing and Equalities Committee (SEC) Update (Oral)

3.1 The Chair of SEC updated the Board following the Committee meeting on 8 February 2022.

3.2 The Staff Survey results were discussed and there had been great improvement in the results, reflecting the hard work of the Chief Executive and the Team.

3.3 A further update was provided on Health and Safety showing good progress, with visits to landfill sites still a high area of risk. A decision made by the Chief Executive to suspend visits to the sites until a competent person is in place was agreed to be the correct one.

3.4 Discussion followed regarding the Staff Survey results. The Chief Executive confirmed that the headline results had been shared with the Board in December 2021 within the CEO update paper.

Official Sensitive

Meeting of the Revenue Scotland Board – 24 February 2022 – Minute

3.5 In terms of equalities, Revenue Scotland are on track to publish its progress report at the end of April 2022. SEC endorsed a proposal to develop an Equalities Strategy.

Action – People Strategy Update to be provided at 18 May Board meeting reflecting on; experiences of returning to the office; priorities for 2022-23; and how the Board can support any of the actions outlined.

4. Chief Executive Report

4.1 The Chief Executive opened this item and highlighted the following:

- Spending Review – deadline of Friday 4 March to put forward any proposals for Public Service reform; and
- Staff Survey Report – Since the last SEC meeting, results have been published for the whole Civil Service (101 organisations) and highlighted that a breakdown of the results and where RS ranked was available within the CEO report.

4.2 Discussion then focused around hybrid working. The Chief Executive informed the Board that progress was being made with the Glasgow Hub and preparing Victoria Quay for staff returning to the office.

Decision - The Board endorsed the Chief Executive report and were satisfied that the report provides sufficient information on other issues not covered elsewhere on the agenda.

5. Capital Investment Board

5.1 The Head of Corporate Functions introduced this item as the final element of the LEAP programme which ran from 2018-2019 to deliver the tax system ('SETS2'). An outstanding action was a benefits realisation exercise to be conducted after the programme closed in July 2019.

5.2 The Gateway Review 5 exercise conducted in December 2021 has provided a series of recommendations for the programme to deliver improvement to the SETS2 system and the procurement of replacement contact management and finance systems.

5.3 Establishing the Programme Board for this will provide more visibility on improvements to the systems; where we spend our money and ensuring the right reporting mechanisms are in place.

Decision – The Board approved the proposals in the paper and offered support to the programme when the new Board members join the Board in May 2022.

Official Sensitive

Meeting of the Revenue Scotland Board – 24 February 2022 – Minute

6. Strategy Update

6.1 Allan Macdonald provided an update following the Board Strategy session that took place on 19th January by going through the proposed short and medium term activities in each of the priority areas identified by the Board.

6.2 The update was well received by Board members and they agreed it helped capture the priorities for the coming years with realistic timescales and summarised the direction the organisation was heading in.

6.3 Additional feedback from the Board included the consideration of promoting environmental taxes, referring to Environmental, Social and Governance taxes and increasing engagement in this area, and being an exemplar; ensuring Equality and Diversity is embedded throughout and emphasising health and safety more clearly.

6.4 In summing up, the Chair highlighted the importance of engaging and influencing, the important role the Board has in this and that this document helps set out the organisational narrative beyond the 3 year horizon of the current Corporate Plan.

Action – Revenue Scotland Business Plan to be brought to the next Board meeting on 18 May incorporating actions to deliver on the corporate plan and longer strategic aims.

7. RS Scheme of Internal Delegation (SOID)

7.1 The Head of Corporate Functions set out the rationale for bringing this paper back to the Board and explained the revisions made to the document were to demonstrate how the respective roles of the Board and the Accountable Officer interact.

7.2 The Chair asked Board members to provide feedback and proposed referring this to the ARC to consider in more detail so that assurance could be provided that there was clarity as to where the responsibilities of the Board and AO meet and where they should remain separate.

7.3 The Board agreed to this proposal.

Decision - The SOID be referred to the ARC to bring back any recommendations for change to the May Board meeting.

8. Quarter 3 Performance Report

8.1 The Strategy, Planning & Performance Manager introduced this item, supported by the Head Statistician, Chief Accountant, the Head of ICT and the Head of People Services confirming that the status was unchanged for all KPIs from Q2 with most on track.

Official Sensitive

Meeting of the Revenue Scotland Board – 24 February 2022 – Minute

8.2 The Head Statistician confirmed that the number of transactions, compared to January 2021 were down by 3% but revenue was up by over £18m (45%). For SLFT, Q3 data was not yet available.

8.3 The level of debt has reduced from £8.7 million to £6.2 million at the end of December 2021.

8.4 The Head of People Services confirmed that KPI 5, is currently amber in relation to the number of learning hours completed per employee. Target is 30 hours per employee however, the current number of reported hours of learning is on average 30.5 per team. It was expected that this would improve over the last quarter as staff update their L&D records.

8.5 The Chief Accountant informed the Board that underspend is likely to be higher than shown in the report following the recent identification of additional VAT recoveries. The final outturn is also dependent on the outcome of tribunal cases.

Decision – The Board were satisfied with the Q3 2021-22 Performance Report.

9. Quarterly Tax and Legal report

9.1 The Heads of Tax and Legal introduced this paper.

9.2 John Whiting noted that the Tax and Assurance Group had been in operation for some time and suggested it would be beneficial for the Board to have a deep dive into the workings of the group to provide assurance.

9.3 After discussion, it was agreed that the Chair of the ARC raise the matter with Internal Audit to explore the possibilities of the review of the workings of the TAG being included more explicitly in the audit that was planned on litigation management.

9.4 The Chief Executive agreed to take this into account in setting the terms of reference for the audit.

9.5 The Board members welcomed the graphs to illustrate trends in litigation cases provided by Head of Legal. Further development of these will take place, with additional explanation, and SLT will explore the option of including them in the data pack.

Action – The Chair of the ARC and the CEO to speak to Internal Audit to bring the work of the TAG into the scope of the planned audit of litigation management.

Action- Head of Legal to revise the format of the report in line with Board feedback.

Decision – The Board were satisfied that the tax compliance function is being carried out in accordance with the Revenue Scotland Scheme of Internal Delegation.

Official Sensitive

Meeting of the Revenue Scotland Board – 24 February 2022 – Minute

10. Revised Model Code of Conduct

The Governance and Compliance Manager opened this item which provided a summary of the key changes to the Revised Model Code of Conduct for Board members for which the deadline for adoption is June 2022. Board members were asked to direct any questions or queries to the Head of Governance and Chief Executive,

Action – Any questions or queries relating to the Revised Model Code of Conduct are to be sent to the Head of Governance and the Chief Executive.

Action – Board members are to provide an assurance to the Head of Governance that they have read, understood and will comply with the responsibilities under the new Model Code of Conduct.

Decision – Board members endorsed the new Model Code of Conduct for adoption.

End of Meeting

24 February 2022