

10:00 till 14:00, 15 February 2023

Present:

Aidan O’Carroll, Chair
Simon Cunningham (via Teams)
Jean Lindsay
Rt Hon Ken Macintosh
Professor Robert MacIntosh
Martin McEwen
Idong Usoro

In attendance:

Shamyla Afzal, Governance and Compliance Manager
Pamela Bruce, Head of People Services (via Teams - Items 7 & 8)
Neil Ferguson, Head of Corporate Functions
Allan Macdonald, Strategy, Planning and Performance Manager (Item 8)
Callum MacInnes, Head of Governance
Michael Paterson, Head of Tax (via Teams)
Olta Sema, Service Design Manager (via Teams - Item 9)
Nicola Walkinshaw, Governance Business Manager (Secretariat via Teams)

1. Meeting Opening

The Chair welcomed everyone to the meeting.

Apologies

1.1 Apologies were received from Elaine Lorimer, Chief Executive.

New Declarations of Interest

1.2 There were no new declarations of interest.

Draft Minutes

1.3 The Board approved the draft minutes of 23 November 2022, subject to minor amendments.

1.4 The Board approved the draft minutes of 18 January 2023 as drafted.

Decision – Board members approved the draft minutes of both 23 November 2022, subject to minor amendments, and 18 January 2023 as drafted.

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Actions and Decision Log

- 1.5 The Head of Governance introduced the Actions and Decisions Log, noting open actions and providing updates where appropriate.
- 1.6 It was agreed that actions A096/22, A116/22, A118/22, A119/22, A120/22, A124/22, A125/22, A126/22, A127/22, A128/22, A129/22, A130/22, A131/22, A132/22, A133/22, A134/22, A135/22 were to be closed. All other actions were to remain open.
- 1.7 Regarding A094/22, it was discussed that the draft digital strategy is to be circulated to Board members prior to the May 2023 Board meeting.
- 1.8 In respect of A114/22, it was noted that an update on progress would be provided in time for the next Board meeting.

Action – Secretariat to amend the action log as agreed.

Action – Secretariat to circulate draft digital strategy to Board members prior to the May 2023 Board meeting.

Decision – The Board approved all actions that were proposed for closure.

2. Chair Update

- 2.1 The Chair updated the Board on Public Sector Reform and noted that the main focus at this stage was ensuring that communication channels remained open. He also confirmed that the Revenue Scotland budget process had gone well to date and that most of what we had included has been preserved.
- 2.2 The Chair added that some ministerial meetings had been deferred and meetings with the Deputy First Minister and Mr Arthur had been rearranged.

3. Audit and Risk Committee (ARC) Update

- 3.1 The Chair of ARC updated the Board following the Committee's meeting of 17 January 2023. He confirmed this was the first meeting of ARC since Pauline Gillen replaced Mark Taylor as Audit Scotland's Senior Audit Manager and that ARC were pleased to meet some of the members of the new audit team.
- 3.2 The ARC Chair noted that the Head of Tax will prepare a paper regarding Designated Officers and present this at the next ARC meeting to be held on 17 March 2023, which will allow a longstanding action to be considered for closure.
- 3.3 The Chair of ARC advised that both the Whistleblowing policy and the Counter Fraud Policy and Response Plan had been reviewed and were considered by the Committee. It was suggested that advice be sought on the Counter Fraud Policy and Response Plan from SG Counter Fraud representatives and also the Head of Counter Fraud profession to ensure it meets all relevant requirements.

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- 3.4 There was also a discussion about the need for a separate fraud risk assessment and the inclusion of key risk indicators for fraud. It was agreed that fraud risk assessments would be discussed at a future ARC meeting, when Scottish Government representatives responsible for counter fraud activity were in attendance.
- 3.5 The quarterly review of risk was considered along with a revised Risk Management Framework. The Committee will address the risk appetite at their meeting on 14 June 2023, the outcomes of which would be discussed with the Board.
- 3.6 The Chair of ARC also provided an update regarding Internal Audit, advising that the 2022/23 work plan would be completed by the end of March and that the final Litigation Decisions audit will be presented to ARC at their next meeting.
- 3.7 The Chair of the Board thanked the Committee members for their efforts on the Board's behalf.

4. Chief Executive's Report

- 4.1 The Head of Corporate Functions highlighted the Public Service Reform issues and noted that as Revenue Scotland is fully digital and already uses a shared service model in many areas, Revenue Scotland's contribution was likely to be focused on sharing its practice with other organisations. Board members suggested that there may be an opportunity for Revenue Scotland to become a centre of excellence for revenue collection.
- 4.2 The Board discussed the proposal to seek support from external consultants to assist with the review of the hybrid working pilot and emphasised the need to ensure that this was the best approach and if so, that value for money was secured.
- 4.3 The Chair and Board members congratulated those involved for the success of the all staff event. Members commented that they would welcome the opportunity to engage with staff and asked for opportunities to be identified for them to do so.
- 4.4 The Head of Legal provided an update on significant cases and advised a lessons learned exercise will be undertaken. The Chair thanked everyone involved with the cases for their hard work.

Action – Head of Corporate Functions to review whether the proposed approach to reviewing the hybrid working pilot is the best one and that value for money is delivered.

Action – Secretariat to investigate potential opportunities for Board members to engage with staff and bring proposals to the next Board meeting.

Decision – The Board endorsed the Chief Executive's report and was satisfied that the report provided sufficient information on other issues not covered elsewhere on the agenda.

5. Reflections from the Board Strategy Day

- 5.1 The Head of Corporate Functions presented SLT's reflections from the Board Strategy Session in January. Six priority areas were identified for the remainder of 2022/23 and moving into 2023/24. These were: aggregates levy/ legislative change; external engagement; data/digital; public-sector reform; capital investment programme; and the development of the 2024/27 corporate plan.
- 5.2 The Board welcomed the paper and endorsed the six priorities identified for 2023-24.

Decision – The Board endorsed the six priority areas identified for the organisation for 2023-24 following the Board Strategy session in January.

6. People Survey 2022 Results

- 6.1 The Head of People Services introduced the People Survey 2022 Results. She highlighted that overall they were a very good set of results and underlined that the results improved since previous surveys in the majority of areas.
- 6.2 Learning and development remained a priority and she was pleased to note that the survey showed a rise of 18% this year. Moving forward staff feedback will be considered and taken on-board, enhancing the culture of learning within the organisation. Health and wellbeing also continued to be a focus, as part of the organisation's hybrid working approach and building a valued and diverse culture.
- 6.3 The Board was very pleased with the very positive results, noting that Revenue Scotland scored within the top ten of 102 departments across the whole of the civil service in 9 of the 12 areas measured, and requested some key lines they could use in relation to these when holding discussions with stakeholders. The Board also discussed succession planning and the numbers of staff being promoted outwith Revenue Scotland.

Action – Head of People Services to produce key messages from the Staff Survey results that Board members can use when holding discussion with stakeholders.

Action – SLT to consider (alongside the next Corporate Plan) whether it might be useful to develop KPIs that can demonstrate process in driving efficiencies across the organisation, in addition to the current top line measure on spend as a proportion of tax collected.

7. Staffing and Equalities Committee Terms of Reference (ToR's)

The Head of Governance outlined the proposed new approach to SEC meetings and the corresponding amendments to the SEC ToRs. The Board approved the revised approach to SEC meetings, accepted the revised Terms of Reference subject to some minor drafting amendments and asked that the Staff Survey be remitted to SEC for further discussion. It was agreed this revised approach would be reviewed after 12 months in operation.

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7.1 The Board also discussed the need for Health and Safety to be a standing item on each Board meeting agenda. The intended approach is to report by exception and undertake ‘deep dives’ on strategic issues from time-to-time.

Action – Secretariat - Health and Safety to be added as a standing item to each Board agenda.

Action – Secretariat – Remit Staff Survey to SEC for discussion.

Decision – The Board approved the revised approach to SEC meetings and the revised SEC ToRs subject to minor amendments.

8. Q3 Performance Report

8.1 The Strategy, Planning and Performance Manager presented the Q3 Performance Review, highlighting that the majority of KPIs were on track. KPI-5, however, was currently behind where it was hoped it would be. This was felt to be due to a number of staff not yet having populated their learning trackers and work was underway to encourage completion.

8.2 One amber area was identified within the strategic priorities - the delivery timetable for aggregates tax. This was principally due to a dependency on the legislative timetable being met.

8.3 The Scottish Fiscal Commission has increased its December 2022 LBTT forecast by a net £53m and decreased its SLfT forecast by £20m compared to May 2022.

8.4 The Board discussed headcount, noting that it remained under budget due to unsuccessful C2 and A4 recruitment campaigns. Assurance was provided by the Senior Leadership Team that this was not causing any particular operational issues at the current time.

8.5 Staff absences due to stress had increased, however, the Head of People Services reassured the Board that these cases were not work related and that engagement with those absent was occurring in order to provide support where appropriate.

8.6 The Chair welcomed the useful and informative data provided within the report.

Decision – The Board was satisfied with the Q3 2022-23 Performance Report.

9. Service User Research KPI-7 methodology

9.1 The Service Design Manager presented the paper on a methodology for measuring service user satisfaction for the KPI. She outlined the current process, highlighting issues which the proposed new approach is intended to address.

9.2 It was proposed that Revenue Scotland expands its survey capability to maximise its understanding of all user experiences, which would in turn assist in driving up satisfaction levels.

9.3 The Board discussed and agreed the proposals and encouraged the SLT to accelerate its approach as quickly as was practicable.

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Decision – The Board approved the proposals set out within the paper.

10. Q3 Tax and Legal Report

- 10.1 The Head of Tax and the Head of Legal presented the report, advising that some of the content had been covered elsewhere during the meeting.
- 10.2 The Head of Tax noted compliance was progressing well and had strong results.
- 10.3 The Head of Legal provided an update on significant legal cases. ADS litigation cases continue.
- 10.4 The MoU with SEPA is in its final stages regarding 'Competent Person' arrangements relating to landfill site visits. The Board emphasised the need for a very clear line between the Health and Safety responsibilities of the two parties. Assurance was given that this was clear in the MoU and understood by both parties.

Decision - The Board accepted the Q3 Tax and Legal report.

11. AOB

- 11.1 There was no other business.

End of Meeting

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