

**Meeting of the Revenue Scotland Board – 27 November 2024**  
**10:00 – 14:00 Victoria Quay, Edinburgh**

**Present:**

Aidan O’Carroll (Chair)  
Simon Cunningham  
Jean Lindsay (via MS Teams)  
Ken Macintosh  
Robert MacIntosh  
Martin McEwen (via MS Teams – from item 3)  
Idong Usoro

**In attendance:**

Elaine Lorimer, Chief Executive  
Neil Ferguson, Head of Corporate Functions  
Mairi Gibson, Head of Legal Services  
Chris Heyes, Secretariat  
Callum MacInnes, Head of Governance  
Elaine McAtamney, Head of Finance (via MS Teams) (Observer)  
Naomi Pal, Head of Strategy and Communications (Item 7)  
Michael Paterson, Head of Tax  
Stuart Vivers, IT Operations Manager

## **1. Meeting Opening**

### **Welcome and Introductions**

1.1 The Chair welcomed attendees to the meeting and extended a welcome to Chris Heyes and Elaine McAtamney. He noted that Alyson Stafford was unable to attend the meeting and that an invitation would be extended to her to attend a future Board meeting.

### **Apologies**

1.2 No apologies were received.

### **New Declarations of Interest**

1.3 No new declaration of interests were recorded.

### **Draft Minutes**

1.4 The Board approved the minutes of 29 August 2024 subject to a proposed change made by the Head of Legal Services.

**Decision** – The minutes were agreed subject to the amendment of paragraph 7.1 to read ‘...either proactively offer or as an answer if raised depending on circumstances’.

**Action** – Secretariat to make the requested change to the minutes.

1.5 The Board approved the draft minutes of 24 September 2024 as drafted.

**Decision** – Board members approved the draft minutes of the 24 September 2024.

### **Action and Decision Log**

1.6 The Head of Governance introduced the action log, noting open actions and providing an update where appropriate.

1.7 It was agreed that actions A115/22, A24/23, A31/23, A80/23, A83/23, A06/24, A07/24, A08/24, A10/24, A11/24, A12/24, A13/24, A14/24, A15/24, A16/24, A17/24, A18/24 and A19/24 were to be closed. All other actions were to remain open.

1.8 Members discussed the Scottish Landfill Communities Fund (SLCF) and noted that this would be further considered by ARC once more information was available.

1.9 The Board discussed the need for Committee chairs to continue to engage with each other to avoid duplication of any discussions and to ensure that issues were discussed at the appropriate forums. The Chair emphasised the need for him to be involved where any areas of overlap to arise.

**Action** – Secretariat to amend the action log as agreed.

**Action** – Secretariat to put the Scottish Landfill Communities Fund on the ARC action log.

**Decision** – The Board agreed the closure of all actions as proposed and that all other actions should remain open.

## **2. Chair’s Update**

2.1 The Chair gave an update on Board and committee appointments. Three conditional offers had been made to candidates for co-opted positions on the Board’s committees, subject to security checks. In respect of Board appointments, work was commencing on two new appointments. The appointment panel, chaired by Lucy O’Carroll (SG Director for Tax), had met for its first planning meeting. The Chair thanked the Head of Governance and the Governance and Compliance Manager for their work on these appointments.

## **3. Staffing and Equalities Committee (SEC) Update**

3.1 The Chair of SEC updated the Board following the meeting of the 11 November 2024. Discussions had taken place about leadership succession planning, these conversations will take place annually and the Committee was content with the arrangements in place.

3.2 The Committee had also considered the topic of hybrid working. The SEC Chair informed the Board that SG was still reviewing their policy surrounding this and that a decision will be finalised at the end of the financial year. Board members welcomed

the fact that the Chief Executive was on the working group involved. They expressed concern that any change to Core SG terms and conditions could impact on the approach being taken by RS. Members emphasised that RS had arrived at its approach having taken a rigorous and evidence based approach; that this approach was seen to be working well for the organisation; and that they would be very concerned if flexibility was not available for delivery bodies to employ models that best worked for their individual organisations and circumstances. The RS Chair commented that this was an area to be kept under review, as it represented a strategic risk to the organisation.

- 3.3 The SEC Chair then reported on the deployment of the new Oracle HR system. She explained that the system had now been implemented, but that there had been implementation issues relating to the finance reporting functions, staffing data and access permissions. SG proposals for charging for the system had also been discussed by the Committee. Overall, however, she reported that the SEC had no major concerns.
- 3.4 In other areas, SEC had reviewed an early draft of the People Strategy. Further work was being done to refine it. The Equality and Diversity action plan was well developed and further work was in train to put an equality and diversity strategy in place. SEC was content with the progress in respect of Health and Safety, although an outstanding action was the driving at work policy which was being considered. The Chair also reported that Revenue Scotland had responded to a Cabinet Office exercise on benchmarking data which supports Public Sector Reform.

#### **4. Audit and Risk Committee (ARC) Update**

- 4.1 The ARC Chair provided the Board with an update following its meeting on 11 September, which had been chaired by Simon Cunningham in Martin McEwen's absence.
- 4.2 The meeting discussed Scottish Government's (SG) progress implementing Oracle. SG had provided assurances to the Chief Executive concerning the project and the Committee had been satisfied with those assurances and those provided by the Chief Executive.
- 4.3 The Chair of the Committee said that they had also reviewed the Corporate Risk Register which had been updated following the ARC Strategy Session. The Committee Chair noted that the register had not yet been shared with the Board and committed to bringing it to the next Board meeting.

**Action** – Martin McEwen to include the Corporate Risk Register as part of the ARC Chair update to the Board Meeting on 19 February 2025.

#### **5. Chief Executive's Report**

- 5.1 The Chief Executive provided the Board with an update in respect of Revenue Scotland's budget request, the final outcome of which would not be known until after the forthcoming Scottish Government budget announcement. The request included additional capital and revenue budgets to support the introduction of the Scottish Aggregates Tax and the Scottish Building Safety Levy.
- 5.2 The Chief Executive informed the Board of the welcome establishment of the Tax Partnership Board. This was a significant development which introduced a formal

mechanism for Revenue Scotland and the Scottish Exchequer to jointly discuss legal and policy change around tax legislation.

- 5.3 The Chief Executive reflected on her recent attendance with the Chair at the Finance and Public Administration Committee in the Scottish Parliament and welcomed that this was now happening annually.
- 5.4 The Chief Executive raised the issue of the publication of data on corporate functions. She expressed concerns about how the narrative might be perceived and the need to manage how this was communicated to staff. The Board felt that it was important that this topic should continue to be monitored.
- 5.5 An update was provided on the positive engagement that had taken place between Revenue Scotland and Local Authorities since the last Board meeting. Working through COSLA and SOLACE, the emphasis was on building trust, reputation and engagement at all levels, as well as showcasing Revenue Scotland's tax expertise and what it can offer to partners. The Board asked about the data sharing work that had recently commenced with local authorities and the Head of Tax offered to provide further details of this following the meeting.
- 5.6 The final topic raised by the Chief Executive was the People Survey results. She said that the results were overwhelmingly positive. It was noted that there were some figures that were slightly down from the previous year and that this would be examined but the Chief Executive emphasised that this should not detract from what was an excellent set of results for the organisation.
- 5.7 In response, the Chair of the Board stated that the People Survey results were very positive and a real success. He also stated that he was pleased to see the progress with Local Authorities and recognised the hard work from across the organisation going into this. It was agreed to share the more detailed results with the Board once they were available and for SEC to be asked to review the results.

**Action** – Secretariat to share staff survey results with the Board.

**Action** – Secretariat to put the staff survey results on the agenda for the next SEC meeting.

**Action** – The Head of Tax is to send a note to Board members about the data sharing that has taken place with local authorities within the Digital Economy Act project.

**Decision** – The Board was satisfied that the Chief Executive's Report provided sufficient information on issues not covered elsewhere on the Agenda.

## **6. Framework Document**

- 6.1 The Head of Corporate Functions introduced the draft Framework Document, explaining its role in setting out Revenue Scotland's relationship with Scottish Ministers. He thanked the Head of Governance for his hard work in getting the document to this point.
- 6.2 One of the key issues encountered in developing the draft document had been around formalising the protocol to be followed should RS require to seek additional funds from SG in a situation where in-year legal costs awarded against RS may result in a breach of Revenue Scotland's organisational budget. A mutually acceptable position had been agreed and was articulated in the document.

6.3 Following a discussion by the Board around the topics raised, the Chair asked for comments to be submitted by 28 November before he and the Chief Executive reviewed it and gave final approval on 29 November.

**Action** – Board members to share any comments on the draft Framework Document with the Head of Governance by COP 28 November.

**Action** – Head of Governance to amend the Framework Document in light of the comments raised by Board members.

**Decision** – The Board agreed to delegate the approval of the final wording of the Framework Document to the Chair and Chief Executive.

## 7. Stakeholder Engagement Plan – Update

7.1 The Head of Corporate Functions presented an overview of the paper. This covered the RS brand story, the events to mark next year's tenth anniversary and the RS Engagement Plan. The Head of Strategy and Communications added that in terms of the Engagement Plan, the focus was on developing engagement with ten key audiences over the medium – long term.

7.2 The Board welcomed the paper and agreed that board calls would be used to discuss engagement opportunities. Members also supported the proposed one-page summary of the organisation's achievements and KPI highlights. There was discussion around what Board members could do to contribute to efforts to engage externally on a wider basis for the organisation, including elements of the brand story in the summary document and the frequency with which the summary document could be updated.

7.3 The Chair concluded the discussion, summarising that Board members were content with the direction proposed and asking members to provide further comments to the Head of Strategy and Communications within the next week.

**Decision** – The Board agreed with the progress in respect of stakeholder engagement as set out in the papers.

**Decision** – The Board agreed that engagement opportunities and feedback would be discussed within the fortnightly Board Calls.

**Action** – The Head of Strategy and Communications to use the brand story to create an additional page for the Annual Report and Accounts summary, to tell the story of who we are in a shorter format and share with the Board for review.

**Action** – The Head of Strategy and Communications to look into whether elements of the Annual Report and Accounts summary can be shared at earlier points in the year and to consider the frequency in which the document can be updated.

**Action** – Board members to feedback any further comments on the papers presented to Head of Communications by 6 December.

## 8. Q2 Performance Report / New Devolved Taxes Reporting Dashboard

8.1 The Head of Corporate Functions introduced the report, noting that LBTT collection was currently £113m above the Scottish Fiscal Commission's forecast.

- 8.2 The Head of Tax explained that the lease review penalties work was nearing completion. He explained the interrelation between the returns being due, penalties being raised and the related debt work.
- 8.3 The Head of Tax explained that general LBTT tax debt was dropping as a percentage of overall tax liability, but there was still £4.5m to collect, meaning more work to be taken forwards by the Tax Operations team. He expected that penalty debt would taper off as arrears work was taken forward. The Board discussed the debt figures, and the Chair suggested that the topic needed to be revisited.
- 8.4 The Head of Tax then advised the Board that work on the Scottish Aggregates Tax was on track and the engagement on the Scottish Building Safety Levy was starting to increase.
- 8.5 The Board thanked staff for all the work that had been undertaken around penalties.

**Decision** – The Board was satisfied with the Revenue Scotland performance during Q2 of the 2024/25 FY.

**Decision** – The Board was satisfied with the new devolved taxes update for Q2 of the 2024/25 FY.

## **9. AOB**

- 9.1 Simon Cunningham noted that there was a lot of activity and this would be further added to as a result of the planned work around stakeholder engagement. The Chief Executive thanked Simon for recognising how busy the organisation was at this time. She acknowledged the additional work associated with stakeholder engagement but emphasised the importance of this work to the organisation going forwards.
- 9.2 The Chair reminded the Board of forthcoming meeting dates: 5 February 2025 for the Board Strategy Day and 19 February for the next formal Board meeting.

### **End of Meeting**

27 November 2024