

Meeting of the Revenue Scotland Board MINUTE

13:00-16:45, 12 December 2018, Conference Room 3E-95, Victoria Quay, Edinburgh

Present:

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

In attendance:

Elaine Lorimer, Chief Executive, Revenue Scotland
Andrew Fleming, Head of Strategy and Corporate Functions, Revenue Scotland
Stephen Crilly, Solicitor, Revenue Scotland
Chris Myerscough, Head of Tax, Revenue Scotland
Gary Sharp, Head of Governance, Revenue Scotland
Donna Thomson, Policy Officer – Board Secretariat, Revenue Scotland
Lyndsey Wells, SEPA (for item 7 only)
Neil Ferguson, Strategy and Change Team Leader, Revenue Scotland (for item 9 only)
Anthony Slack, LEAP Project Delivery Lead, Revenue Scotland (for item 12 only)

1. Meeting opening

1.1 The Chair welcomed Board members and officials to the meeting and opened proceedings by highlighting the successful “Meet the Board” session prior to the meeting which was both useful and well-received by all.

1.2 The Board approved the tabled minutes of 31 October.

1.3 In relation to the Action Log, the Board were content to close the actions proposed for closure by the Secretariat. It was also agreed to close actions 056, 067, 077 and 082.

1.4 Actions 065, 065, 068, 075, 076 and 079 are to remain open.

1.5 Two new declarations of interest were recorded; namely:

- the Chair has been appointed Trustee of the May Highland Games – the role is unremunerated; and

- Jane Ryder has been appointed Chair of Scottish Poetry Library (from October 18) – the role is unremunerated.

2. Chair update (Oral)

- 2.1 The Chair provided the Board with an overview on recent events.
- 2.2 He updated Board members on the recent meeting with the Minister for Public Finances and Digital Economy, Kate Forbes.
- 2.3 He also updated members on the progress around Board recruitment and that the selection panel is now confirmed - the first Planning Meeting is scheduled for 22 January 2019.

Action A083/18: Secretariat to circulate Ministers briefing to all Board members.

3. ARC update (Oral)

- 3.1 The Chair of the Audit and Risk Committee updated the Board on the recent meeting that was held on 14 November 2018.
- 3.2 She highlighted the positive discussion around the new risk framework and the risk register and also her meeting with the new Internal Audit manager appointed to oversee Revenue Scotland work.

4. SEC update (Oral)

- 4.1 The Chair of the Staffing and Equalities Committee briefed the Board on the recent meeting that was held on 14 November 2018.
- 4.2 She highlighted the excellent work to date around the People Strategy and the People Survey results, reporting to the Board on the improvements in key areas.
- 4.3 The Board welcomed the sustained progress around the People Survey.

5. CEO Report (Paper RS(08/18)03)

- 5.1 The Chief Executive introduced her paper providing Board members with an update on Revenue Scotland's activities since the last meeting.
- 5.2 In particular, she highlighted:
- The work undertaken in preparation for the Scottish Budget, particularly focusing on the changes to SLfT, LBTT and ADS;
 - That the 2019-20 resource and capital budget for Revenue Scotland is now agreed;

- That recruitment was progressing with the Senior Tax role recently advertised and that a further update will be provided at the next meeting.

Action A084/18: Secretariat to circulate the Q&A lines relating to the Scottish Budget to all Board members.

6. Policy update (Papers RS(08/18)04 and annexes and RS(08/18)05

6.1 The Head of Governance introduced the policy update papers providing an overview of the two items presented for discussion, namely the new Conflicts of Interest Policy and a proposed approach to reviewing policies

6.2 The Conflicts of Interest policy (and associated policies) were discussed. There was agreement that some further changes were needed to the Conflicts and Whistleblowing policies and that these should come back to the Board in January for final approval.

6.3 In terms of the Policy Review Proposal, the Board recognised the steps to improve the governance around the comprehensive range of strategies, policies and agreements. However it was not considered appropriate for the executive team to have delegated authority to approve changes to any such document. The Board agreed, however, to delegate initial consideration of any proposed changes to the Audit and Risk Committee - who will then make recommendations to the Board as necessary.

Action A085/18: Head of Governance is to bring the conflicts of interest and whistleblowing policies to the Board in January.

Decision D057/18: Scrutiny of the policy review process has been delegated to ARC prior to recommending to the Board. The Board is then to see the Review Schedule bi-annually.

7. SEPA – Scottish Landfill Communities Fund Case update (Paper RS(08/18)06

7.1 The Head of Strategy and Corporate Functions and Lyndsey Wells from SEPA provided a brief introduction to this paper which updated the Board on progress addressing identified weaknesses in governance and control processes of the approved body. Lyndsey Wells was able to confirm that, following the Board's decision in July and after much engagement with the body, its staff and trustees, the approved body is now back in compliance.

7.2 The Board asked what lessons SEPA had learned and if they were rolling these out to other approved bodies. SEPA responded to say that the enforcement process they had just gone through was a valuable lesson and in this particular case they had introduced additional conditions that required the Approved Body to submit additional evidence on a regular basis. These additional controls will take time to process upon submission, so although it could be rolled out to all Approved Bodies, it was felt that would be an unnecessary step given the other Approved Bodies were controlling their spending.

7.3 The Board welcomed the update, noting the positive engagement SEPA had undertaken with the approved body to secure corrective action. It further welcomed the increased confidence SEPA had in the governance of the body which would be reinforced following variation to conditions of approval for the approved body.

7.4 The Chair of the Staffing and Equalities Committee agreed to share a link to the new Trustees Code with the Head of Strategy and Corporate Functions.

Action A086/18: Jane Ryder to send a link to the new Trustees Code to the Head of Strategy and Corporate Functions.

Decision D058/18: The Board are now content with the position presented and satisfied that the work of the organisation should continue.

8. Tax Compliance Strategy (Paper RS(08/18)07 and annex

8.1 The Tax Strategy and Change Lead introduced this paper providing an overview for consideration by the Board.

8.2 The intention is bring forward specific tax compliance plans which, in conjunction with the tax compliance strategy, will support revisions to the Scheme of Internal Delegation. The proposal was that the Tax Compliance Strategy would be published to make it available to stakeholders on how we undertake compliance work.

8.3 The Board is content to approve the approach outlined and delegated to John Whiting involvement with the ongoing development work on behalf of the Board.

Action A087/18: The Tax Strategy and Change Lead is to further develop the purpose at the start of the Tax Compliance Strategy with a view to bring it to the March Board for final approval.

9. Tax Cases (Paper RS(08/18)08

9.1 The Head of Tax provided an overview of an LBTT case, highlighting to the Board that it has been considered by Counsel, our legal team and specialists .

9.2 She informed the Board that we are currently awaiting an report from the an industry expert to inform the amount of charge to tax

9.3 The Board were content to accept the recommendation made in the paper with an update note to come to the January meeting to formally record the decision.

Action A088/18: The Head of Tax is to include an update on the recommendation set out in this paper at the January Board meeting.

Decision D059/18: The Board agreed that an appealable decision can be made based on the principals discussed.

10. KPI Recovery Plan (Paper RS(08/18)09

10.1 The Head of Tax provided an overview of the paper provided on the likely outturn position on 5 KPIs and proposed corrective action following discussion at the last Board meeting.

10.2 There was detailed discussion by the board on each of the five KPIs, the proposed corrective action and some of the operational and logistical challenges faced by the business.

10.3 The Board is noted the proposed plans and progress to date in recovering the KPI performance.

Action A089/18: SLT to reflect on targets set through the KPI with a view to making possible recommendations around revising the targets from 1 April 2019.

11. RISK update (Paper RS(08/18)10

11.1 The Head of Governance introduced the Risk update to the Board.

11.2 The Board noted that Audit & Risk Committee had reviewed the revised approach and were recommending it for the Board's approval. They reviewed the Risk Register and Cards and are content with progress to date, looking to mid-2019 for the next update. ARC will review the register at all meetings.

Decision D060/18: The Board were content to approve the new approach and agreed that the next Board review is in 6 months.

12. LEAP update (Paper RS(08/18)11

12.1 The Head of Strategy and Corporate Functions provided an update on progress around the LEAP programme and in particular the progress on addressing the OCIO technical assurance gate recommendations and on discussions with European Dynamics.

12.2 He highlighted that we are still awaiting the outcome of the Digital First review and a new finance application for the wholly devolved taxes has been procured and is on course to deliver.

12.3 The Board appreciated the update and were content with the progress to date and with the actions taken in response to the OCIO review.

Decision D061/18: Summary Dashboard to be included as part of the regular LEAP updates.

13. AOB

No AOB to record.

End of Meeting

Revenue Scotland
12 December 2018