

## Meeting of the Revenue Scotland Board MINUTE

11:00-15:00, 13 December 2017, The Vine Trust Barge, Prince of Wales Dock, Leith, Edinburgh, EH6 7DX

### 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  
Gareth Hill, Chief Accountant, Revenue Scotland (for item 6 only)  
Andrew Macartney, Head Statistician, Revenue Scotland (for item 8 only)  
Erlend Barclay, Corporate Affairs and Engagement Manager, Revenue Scotland (for item 9 only)  
Stuart Gardner, ICT Team Leader, Revenue Scotland (for item 10 only)  
Laura Kidd, Service Design Lead, Revenue Scotland (for item 10 only)  
Gary Sharp, Governance Team Leader, Revenue Scotland (for items 7 and 11)  
Donna Thomson, Policy Officer-Board Secretariat, Revenue Scotland (Secretariat)  
Jake Grierson, Governance Admin Support, Revenue Scotland (observing)

## 1. Meeting opening

- 1.1 The Chair welcomed the Board members and officials to the meeting.
- 1.2 No apologies received.
- 1.3 The Board accepted the minute of 11 October 2017 as a true record, subject to some minor amendments.
- 1.4 The Board approved the draft minute associated with the Special Board Meeting of 24 October 2017 and for the decisions of the Strategy Session on 29 November 2017 to be recorded in the minute of this meeting.
- 1.5 In relation to the Action Log, the Board were content to close actions A013, A017, A029, A031, A037, A038, A041-A046 and A048 of 2017. Actions A002, A009, A012, A020, A025, A034, A039, A040 and A047 of 2017 are to remain open.

1.6 There were no new Declarations of Interest Recorded.

**Decision: (D050/17)** to publish the approved Board minutes from 11 October on the RS website.

**Decision: (D051/17)** to publish the approved minute from the Special Board on 24 October on the RS website.

**Decision: (D052/17)** to include the tax decisions agreed by the members at the Board Strategic Session on 29 November in the 13 December meeting minute.

## **2. Chair update (Oral)**

2.1 The Chair attended a Cyber Catalyst event on 6 December where Revenue Scotland and SEPA colleagues were in attendance. It was a very informative discussion and was pleased to report he had no concerns for Revenue Scotland.

2.2 There is a further meeting in the new year where he will give an update to the Board on in February 2018.

## **3. ARC Update (Oral) (Minute RS(07/17)03)**

3.1 The Chair of the Audit & Risk Committee updated the Board on the recent meeting held on 29 November 2017.

3.2 She commended Internal Audit on successfully carrying out preliminary work on Risk with Senior Management at their September meeting.

3.3 The Chair gave thanks to Ian Tait for all his contributions to the Audit and Risk Committee.

3.4 The minute of 13 September 2017 was accepted pending minor amendments.

## **4. Chief Executive Report (including ADT update) (Oral) (Paper RS(07/17)04)**

4.1 The Chief Executive introduced her report which the Board welcomed. The Board commended the progress being made on several fronts including on-going recruitment.

4.2 The Chief Executive mentioned that due to legislation changes noted in the UK Budget, they are expecting changes to LBTT although these will not be forecast until June 2018.

## 5. Tax Update (Paper RS(07/17)05)

5.1 The Head of Tax introduced her paper giving a verbal update on items within her report.

5.2 The Board welcomed the latest tax update. They noted an increase in the number of penalties but recognise the comparison with previous years and consequences of not charging penalties.

5.3 The Board commended support staff on their response times for answering calls and are pleased that this is still on target.

**Decision (D053/17):** Head of Tax to issue the two papers referred to in paragraph 9 of the Tax Update paper to the Board for decision by correspondence by the end of the year.

**Action (A049/17):** Head of Tax agreed to bring an update paper on leases review project to the February meeting of the Board.

## 6. Finance Report Q2 (RS(07/17)06)

6.1 The Chief Accountant introduced his report.

6.2 The Board welcomed this clear and concise report and noted their support for the new report structure to be taken forward for future Board meetings.

6.3 The Board endorsed all recommendations.

**Decision (D054/17):** The Board agreed that, based on the quarterly finance report, the operational finances were being correctly managed and tax and penalties were similarly being managed and controlled effectively.

**Decision (D055/17):** The Board agreed to the return of £500k to SG due in part to the deferral of ADT.

**Action (A050/17):** The Head of Tax, with support from the Head of Organisational Development is to further analyse the reasons for recruitment delays across RS and SEPA and report to the next SEC in January 2018.

## 7. Business Planning Q2 (RS(07/17)07)

7.1 The Head of Governance introduced the Business Planning Q2 report.

7.2 The Board noted the efficiency on response times for KPIs and commended Revenue Scotland staff.

**Decision (D056/17):** The Board was content with progress against the 2017/18 Business Plan.

**Action (A051/17):** Head of Tax to identify comparable statistics from HMRC (or other tax authorities) on call handling and include in the Q3 performance report update to the Board in February 2018.

## 8. Data Strategy (RS(07/17)08a and 08b)

8.1 Revenue Scotland's Head of Statistics introduced his paper inviting the Board to note the outcome of Revenue Scotland's first Statistics Users Day.

8.2 The event was very successful and Revenue Scotland received positive feedback by all. Revenue Scotland plan to make this as an annual event.

8.3 It was also noted that the finalised Data Analysis Strategy will be published this month on the Revenue Scotland website.

**Action (A052/17):** Head of Statistics to publish the finalised Data Analysis Strategy on the Revenue Scotland website.

## 9. Discussion with The Law Society of Scotland (Tax Law Committee)

9.1 The Board and officials welcomed colleagues from The Law Society of Scotland's Tax Committee. In attendance were: Isobel d'Inverno, Ainsley MacLaren, Alan Barr, Ronnie Brown, Jim Hillan and Marina Sinclair-Chin.

9.2 Discussions took place on several key topics including Air Departure Tax, Penalties, Corporate Plans and SETS2.

9.3 The Board thanked colleagues for their attendance and welcomed the discussion.

9.4 There was agreement around how the Law Society of Scotland would work collaboratively to explore joint awareness raising around penalty issues.

9.5 The Chair noted his thanks to Social Bite for providing lunch.

**Decision (D057/17):** RS, in partnership with LSoS, will explore ways in which we can jointly raise awareness around some common interests (such as penalties) and seek opportunities to promote good practice messages.

**Action (A053/17):** The Head of Tax is to provide further analysis around the volume of penalties generated in terms of which apply to leases and which to purchases.

## 10. SETS2 Updates and Highlight Report (Annex A) (Paper RS(07/17)09a and 09b)

10.1 Stuart Gardner and Laura Kidd introduced their paper on SETS2 and asked the Board members if they content with the progress being made to date.

10.2 The Board welcomed the update on SETS2 and commended the achievements of the team on the tender document and contract document.

**Action (A054/17):** Paper to come to the February Board meeting on how the transition of SETS2 from procurement to transformation programme will be managed.

## 11. Biannual Review of the Corporate Risk Register (Paper RS(07/17)10a, 10b, 10c and 10d)

11.1 The Head of Governance introduced this paper to the Board.

11.2 The Board scrutinised the Risk Register and Profile Cards, recognising additional risks had been added. They were content that after scrutiny, the risk scores were under control.

11.3 The Board welcomed this clear and comprehensive report and were content that this full review will continue biannually.

**Decision (D058/17):** The Board approved the Corporate Risk Register, subject to a review of the target risks scores.

**Decision (D059/17):** The 'Risk Maturity' assessment is to stay at 'enabled'.

**Action (A055/17):** Risk Appetite documents to be re-circulated to all Board members.

**Action (A056/17):** Head of Governance to remove "tolerate" risks from the Risk Register Overview document.

## 12. Outcome from 29 November Strategy Session

**Decision: (D060/17)** Early Termination of Leases and Repayment of Tax - the Board were content with the proposal to amend the guidance and approved the recommendation to repay those sums relating to the existing 5 claims.

**Decision: (D061/17)** 'In Specie' Transfers Between Pension Funds - the Board were content with the proposal and provided approval to proceed with the changes outlined.

### 13. AOB

**Action (A057/17):** Board and officials agreed to cancel teleconference call on 27 December 2017 from their diaries.

**Action (A058/17):** Board and officials agreed to cancel the Board/SLT Strategy Session scheduled for 17 January 2018.

**Action (A059/17):** Revenue Scotland Christmas e-card to be shared with the Chair before issuing.

**Action (A060/17):** The draft letter of thanks to Sheenagh Adams, the Keeper of Registers of Scotland from the Board is to be shared with the Chair for clearance before issuing.

**End of Meeting**

**Revenue Scotland  
13 December 2017**