

## Meeting of the Revenue Scotland Board

### MINUTE

11:00-15:15, 14 February 2018, Conference Room 3E-93, 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, Governance Team Leader, Revenue Scotland  
Donna Thomson, Policy Officer – Board Secretariat, Revenue Scotland (Secretariat)  
Adam Vygus, LBTT Tax Compliance Team, Revenue Scotland (Observing for items 6,7)  
Sharon Yeaman, LBTT Tax Compliance Team, Revenue Scotland (Observing for items 6,7)  
Natasha Barnes, LBTT Tax Compliance Team, Revenue Scotland (Observing for items 6, 7)  
Gareth Hill, Chief Accountant, Revenue Scotland (for item 9 only)  
Stuart Gardner, ICT Team Leader, Revenue Scotland (for items 11, 12)  
Laura Kidd, Service Design Lead, Revenue Scotland (for item 12 only)  
Alison Howard, SLfT Senior Tax Specialist, Revenue Scotland (for item 14 only)  
Lyndsey Wells, SEPA (for item 14 only)

### 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 13 December 2017 as a true record, subject to some minor amendments.
- 1.4 In relation to the Actions Log, the Board were content to close all propose closed actions: these were 002, 025, 049, 052, 053, 054, 056, 057, 058 and 059. In addition to these items the Board also agreed to close actions 034 and 050. Actions 009, 012, 020, 039, 040, 047, 051, 055 and 060 are to remain open.

**Decision (D001/18): to publish the approved Board minutes from 13 December 2017 on the RS website, subject to the changes specified.**

**Decision (D002/18): the Board were content to close all proposed closed actions.**

1.5 There were no new Declarations of Interest Recorded.

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

2.1 The Chair updated the Board on the recent meeting with the minister that he attended along with the Head of Strategy and Corporate Functions.

2.2 He confirmed that further updates will be covered through the agreed agenda items.

## **3. ARC Update (Oral)**

3.1 The Chair of the Committee updated the members on recent events.

3.2 The Chair reported that she, along with John Whiting and the Head of Strategy and Corporate Functions met with Internal Audit to discuss the draft audit plan for 2018-19. She confirmed that discussion on the Plan had been useful and that an updated version of the Plan would be presented to the Audit and Risk Committee on 28 February 2018. In particular, the discussions highlighted work across Scottish Government to progress key priorities such as Workforce Planning.

3.3 Ian Tait also reported that he and Lynn Bradley attended the recent Scottish Government Finance Event – designed for public body Board members, focussing on sharing best practice, ideas, knowledge and experiences. He highlighted, in particular the useful discussions around stresses to public budgets, and the impact (known or not) that public bodies have on the economy and economic planning.

## **4. SEC Update (Oral)**

4.1 The Chair of the Staffing and Equalities Committee updated the Board on the meetings held on 17 January 2017 and the one immediately before this meeting, therefore recording that two meetings had in fact taken place since the last Board meeting.

4.2 She reported that the overall People Strategy programme was moving in the right direction and that discussions had taken place earlier that day around the draft learning

and development model for RS. The model is ambitious and prioritises the development of key capabilities, but also recognises that a lot of work is already underway. The Board was asked to endorse the approach outlined.

4.3 Members welcomed the overview provided.

4.4 The Chair of the Committee further confirmed that the People Strategy delivery plans (timeline) is to be discussed again at the May meeting.

4.5 The Board endorsed the approach outlined, noting good progress around L&D in particular.

**Decision (D003/18): Learning and Development is a priority activity across the organisation and should be reflected in annual business plans.**

## **5. Chief Executive Report (Paper RS(01/18)03)**

5.1 The Chief Executive provided her report to the Board.

5.2 She highlighted to members the recent discussion with Audit Scotland around the implementation of the Scotland Act, and updated the Board on the recent letter to the Minister on the closure of the Air Departure Tax (ADT) programme.

5.3 She confirmed that the Corporate Plan would be issued to Board members at the end of February, seeking final comments within the first two weeks in March for a quick turnaround.

5.4 The Board noted the update provided and progress with Corporate Plan and closure of ADT programme, noting their contentment with arrangements and progress to date.

**Action (A001/18): CEO to arrange for text of the Corporate Plan to be shared with other Board members for final consideration.**

## **6a. Tax Update (RS(01/18)04)**

6.1 The Chair welcomed three members of the Tax Compliance Team to the meeting and asked the Head of Tax to proceed to update members in line with the paper provided.

6.2 The Board welcomed the latest tax update. They noted that following the recent intake of new staff, the LBTT Tax Team is now up to full complement, helping to recover performance in areas affected by the reduced capacity.

6.3 Members also noted with interest the progress made around some complex tax issues and with review cases, supported directly by the legal team. It was also confirmed that the older enquiries detailed will soon be submitted to the Board for consideration and conclusion.

6.4 During discussion a question was raised by members in relation to paragraph 6.4.2 of the update paper, in particular the nature of the calls mentioned. It was agreed that an update should be provided at the next meeting which outlines what these calls specifically relate to – is this agents asking for clarification, or to dispute the detail?

**Action (A002/18): Head of Tax to bring complex cases to the April Board meeting.**

**Action (A003/18): Head of Tax to update the Board on the breakdown of calls received in relation to late payment penalties.**

**Action (A004/18): Head of Tax to update the table at 3.1 on the Tax Update to include additional columns discussed.**

**Action (A005/18): Head of Tax to amend the table at 3.2 (total deferrals) to include the requested further detail on LBTT as well as SLfT.**

**Action (A006/18): Analysis around the make-up of the penalties is to be offered for discussion at the April Board.**

**Decision (D004/18): The Board agreed that the reference to total percentages in relation to deferrals should be replaced with ‘a small proportion of cases’.**

## **7. LBTT Opinion case for decision 1 and 2 (RS(01/18)05a & b)**

7.1 The Head of Tax presented the opinion case to the Board asking for their approval.

**Decision (D005/18): The Board were content to approve the recommendations as outlined in the Tax Decision paper (RS(01/18)05a).**

**Decision (D006/18): The Board were content to approve the recommendations as outlined in the Tax Decision paper (RS(01/18)05b).**

## **8. LBTT Change Project (incorporating the leases project) (RS(01/18)06)**

8.1 The Head of Tax introduced this paper to the Board, highlighting the steps taken to create a single project within which four tax improvement initiatives will nest, asking

members in turn whether they are content with the progress being made by the new LBTT Change Project.

8.2 Members welcomed the overview provided and endorsed the steps taken to consolidate many initiatives under one project umbrella, providing a greater coherence.

8.3 After much discussion around the risk scoring, the Head of Tax agreed to share the timeline on Leases with Board Members.

**Action (A007/18): Head of Tax to share the timeline on Leases with the April Board meeting.**

8.4 The Board welcomed the paper and commended the LBTT team on bringing the four elements together.

## 9. Finance Report Q3 (Paper RS(01/18)07)

9.1 The Chief Accountant introduced his paper seeking views from members on whether the overview of the Revenue Scotland's resource budget provides the Board with assurance that the operational finances are being managed correctly.

9.2 Following discussion, the Board were content with the performance that Revenue Scotland are making.

**Action (A008/18): Head of Finance to provide a more detailed breakdown of the 2018-19 Budget including SETS2 to the April Board meeting.**

## 10. Scottish Landfill Communities Fund (Paper RS(01/18)12)

10.1 The SLfT Senior Tax Specialist and Lyndsay Wells from SEPA introduced this paper to the Board.

10.2 The Board welcomed the paper provided and commended officials on a very comprehensive paper. On that basis, the Board were content to accept recommendation made around the subvention percentage rate for the forthcoming tax period.

**Decision (D007/18): The Board agreed to retain the subvention rate at 1.82% and agreed for officials to work with SEPA to agree scope and call down of funds in relation to the improvement projects.**

**Action (A009/18): Further analysis is to be offered around the subvention rate set in England compared to that set in Scotland – particularly considering these rates as a proportion of the total tax collected.**

**Action (A010/18): Revenue Scotland and SEPA to undertake an impact assessment of the Fund to support future analysis and decision making.**

## **11. Board and Committee Membership (Paper RS(01/18)11)**

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

11.2 The Board agreed that they were content with the recommended changes to the Framework Document, aligning the Audit and Risk Committee meeting quorum to two members in line with the Staffing and Equalities Committee.

11.3 The Board also agreed to the co-option of an additional member of the Audit and Risk Committee.

**Decision (D008/18): The Board agreed to change the Framework Document's statement on ARC quorum to 2 Board members.**

**Decision (D009/18): The Board agreed to the co-option of an additional member of the Audit and Risk Committee.**

**Action (A011/18): The Framework Document should be amended.**

**Action (A012/18): Secretariat to arrange a strategic discussion and review of key Governance documents with Board Members at the March strategy session.**

## **12. Business Planning Q3 (Paper RS(01/18)08)**

12.1 The Head of Strategy and Corporate Functions introduced this paper to the Board asking if the revised reporting documents provide sufficient assurance of the organisation's progress.

12.2 The Board discussed the paper and agreed that they should have sight of the complaints at stage two that have been received in Revenue Scotland.

12.3 The Board were content with the progress reported and the structure of clarity of the report.

**Action (A013/18): Head of Governance to provide some information on the complaints received and recorded.**

### 13. SETS2 Next Steps (Paper RS(01/18)09)

13.1 The Head of Strategy and Corporate Functions and The Service Design Lead for SETS2 introduced this paper allowing the Board to have sight of progress to date.

13.2 The Board welcomed the update on SETS2 and commended the achievements of the team on the tender evaluation process.

**Action (A014/18): Service Design Lead to provide additional assurance as defined by Board members in order to inform a Board decision on contract award.**

### 14. GDPR Progress Update (Paper RS(01/18)10)

14.1 The ICT Team Leader introduced his paper on GDPR asking the Board to note progress being made towards meeting Revenue Scotland's obligations.

14.2 The Board discussed in detail the GDPR compliance and noted that some areas are under scrutiny but are content to progress.

### 15. AOB

**Action (A015/18): Head of Strategy and Corp Functions to revise draft letter to the Cabinet Secretary in line with Board comments and resubmit to the Chair.**

**End of Meeting**

**Revenue Scotland  
14 February 2018**