

Meeting of the Revenue Scotland Board

MINUTE

09:00, 15 June 2016, Conference Room 8, VQ

Present:

Dr Keith Nicholson [Chair]
Lynn Bradley
Jane Ryder OBE
Ian Tait
John Whiting CBE, OBE

Attended:

Elaine Lorimer, Chief Executive, Revenue Scotland
Gareth Hill, Chief Accountant, Revenue Scotland
Andrew Fleming, Change Director, Revenue Scotland
Chris Myerscough, Operations Director, Revenue Scotland
Alan Martin, Programme Design, Revenue Scotland
Neil Ferguson, Programme Manager, Revenue Scotland
Stephen Crilly, Head of Legal Services, Revenue Scotland
Stuart Gardner, IT Manager, Revenue Scotland
Janet Dunsmuir, Corporate Services Manager, Revenue Scotland [Secretariat]
Brian Rigby, Corporate Services Officer, Revenue Scotland [Secretariat]

1. Meeting opening

- 1.1 The Chair welcomed the Board members and officials to the meeting and welcomed Brian Rigby, Revenue Scotland Secretariat, to his first Board meeting.
- 1.2 No apologies were received.
- 1.3 There were no interests declared.
- 1.4 The Board accepted the Minute of 20 April as a true record.
- 1.5 The Board reviewed the Action Log noting that, for 2015, action 101 is now closed, 112 is closed and to be rolled into business plan (accreditation), 141, 153, 156, remain open for discussion at a later date, action 160 is closed. The action on 161 is suspended and to be picked up when the APD programme starts. Action 165 and 167 remain open for discussion at a later date. For 2016, action 001, 005, 014 and 015 remain open for discussion at a later date. Actions 002 and 012 have been closed.

1.6 Update from Staffing and Equalities Committee

The Chair of the Staffing and Equalities Committee updated the Board on the meeting that took place on 19 May 2016. The Committee discussed a number of topics including the Focus of the Staffing Committee, the Organisational Development Programme (BestCo update) and a Health and Safety Report update. The Committee agreed to an additional meeting in September to discuss further the organisational structure.

2. Chair update [Oral]

2.1 The Chair, on behalf of the Board, congratulated John Whiting, on his CBE with a recommendation that the Minister be notified.

Action (016/16): Secretariat to draft letter to the Cabinet Secretary on behalf of the Chair.

2.2 The Chair updated the Board on the recent meeting he, and the CEO, had with the new Cabinet Secretary for Finance and the Constitution and asked for the briefing provided to be sent to the Board for information. He took this opportunity to thank the Change Director for supplying the briefing prior to meeting the Cabinet Secretary.

Action (017/16): Secretariat to send briefing for this meeting to the Board and to add to planner for the Strategy session on 29 June, thoughts and ambition of RS.

2.3 The Chair is working on arranging a meeting with the Chair of the Scottish Fiscal Commission.

3. Chief Executive Report (Paper RS(03/16)01)

3.1 The CEO introduced the following highlights of her Report, and invited feedback from Board members on its content.

3.2 The CEO has been invited to sit on the Scottish Fiscal Framework Implementation Board which will provide an opportunity for engagement with the delivery aspects of implementation and a forum to ensure Revenue Scotland has a voice when issues are being discussed which are of interest. The CEO will keep the Board updated on relevant matters as these meetings evolve.

3.3 Initial contact has been made with the Scottish Fiscal Commission Chair and CEO and it has been agreed that meetings with the RS Board and CEO would be useful with a view to formalising an MOU. An Information Sharing Agreement is already in place and RS have been asked recently to provide data to them to assist in their forecasting work. A paper will be presented to the Board in due course on how the relationship should be managed once data requirements are clarified.

3.4 The Board welcomed the update and noted the CEO's involvement with SFFIB and look forward to future updates. The Board endorsed the new style format of the CEO report.

Action (018/16) CEO to discuss with the CEO of SFC sharing of draft RS Information Sharing Agreement with HMRC.

4. Programme Update

Stakeholder engagement (Paper RS(03/16)02

4.21 The Change Director introduced this paper inviting comments which would inform work with regard to ongoing priorities for 2016-17.

4.2 The Board had previously approved the Revenue Scotland Communications Engagement strategy which set out a framework with which Revenue Scotland would engage with its stakeholders. The strategy established a set of key objectives and drivers. It also set out indicators for its engagement and priorities for 2016-17 were identified.

4.3 The Board welcomed the approach taken and commented that RS should reflect further on audience levels, good will, building business, have a clear steer on ambition, making more use of digital media, avoiding gaps in Scottish Parliament relations, maintaining relationships with professional bodies, create an engagement calendar and regular meetings with HMRC.

Action (19/16): Secretariat to add Stakeholder Engagement to the Strategy Session on 29 June.

Action (20/16): Board members to notify Secretariat of engagements and events. Secretariat to send tracker to members for updating.

Action (21/16): Change Director to provide core brief to Board members.

APD (Paper RS(03/16)03

4.4 The Programme Team Leader introduced this paper inviting comments on the work the Change Team are currently developing for an Outline Business Case (OBC).

4.5 The consultation paper published in March 2016 indicated that Revenue Scotland will collect and manage a Scottish APD. The Scottish legislation for the new tax should be introduced in December 2016 at the earliest. RS was represented at a meeting of the Scottish Government's APD stakeholder forum in May 2016 where airlines represented were invited to work collaboratively in preparing analysis of options set out in the RS OBC. RS intend to establish a Scottish APD working group to develop options for the collection of the replacement tax.

4.6 The Board welcomed the update and were content with the paper and the proposed approach. .

Action (22/16): APD stakeholder engagement to be brought into Stakeholder Engagement paper (29 June).

Action (23/16): Presentation slides on APD to be shared with Board.

Business Plan (Paper RS(03/16)04

4.7 The Change Director introduced this paper asking for a sign off decision on the draft 2016-17 Business Plan.

4.8 Since the Board's last meeting the Change team have reflected on the comments provided by the Board and discussed and engaged with RS delivery teams through a series of workshops to validate and test the content of the plan and build ownership of its output.

4.9 The Board welcomed the clarity of the paper and KPI dashboard and were content for the CEO to sign off the Business Plan on their behalf.

Action (24/16): Dashboard to be shared quarterly and Secretariat to add to the Board Planner.

Action (25/16): Context setting to be added to the Business Plan.

Action (26/16): HR Dashboard to go to Staffing and Equalities Committee for review. Secretariat to add to Planner.

5. Tax Update (Paper RS(03/16)05

5.1 The Operations Director introduced this paper asking the Board to confirm if they were satisfied that tax operations are being carried out in accordance with the RSB Scheme of Internal Delegation and also for a decision to approve the proposed agreement to a LBTT deferral application.

5.2 The Board has delegated certain responsibilities for tax case management to the CEO which are set out in the RSB Scheme of Internal Delegation. Section 4 of the Scheme of Delegation requires the CEO to report to the Board regularly on decisions and actions taken, progress made and issues arising in respect of tax case management activities for which responsibility has been delegated to her Sections 3.1, 3.2, 3.3 and 3.4 of the report provide the Board with such information for significant areas of tax operations since the last Board meeting.

5.3 The Board welcomed the structure of the separate paper rather than inclusion in the CEO report and it was agreed that this would be the format for future Board meetings. They noted the contents of the report and asked that debts should continue to be pursued vigorously. They also noted that the ADS processes were working and this was a credit to the organisation. They agreed the LBTT application for deferral.

6. Revised Memorandum of Understanding with RoS (Paper RS(03/16)06)

6.1 The Operations Director introduced this paper asking the Board for a decision on the revised Memorandum of Understanding (MoU), Information Sharing Agreement (ISA) and draft Minute of Variations (MoV) and whether they were sufficiently robust to form the basis of managing the delegations between RS and Registers of Scotland (RoS).

6.2 RS and RoS entered into a MoU in March 2015 and agreed to carry out a review following its first year of operation. Review amendments are set out in the MoV at Annex A. RS and RoS also entered into an ISA for the purposes of section 43 of the LBTT and a review was agreed in which the revised terms of the ISA are set out in the MoV at Annex B.

6.3 The Board commented that the relationship with RoS was strong and working well. They welcomed the information sharing agreement with RoS and approved the Minute of Variation which amended the MoU and ISA.

6.4 The Board requested an analysis of the costs and benefits of RoS handling paper returns and sent to the Board by correspondence.

Action (27/16) Analysis paper on costs and benefits of RoS handling paper returns to be prepared and sent to Board Members.

7. Strategy of the Provision of Legal Services (Paper RS(03/16)07)

7.1 Head of Legal Services introduced this paper giving the Board an update on the implementation of the legal strategy and asked them for any comments they had on its progress.

7.2 At its meeting in December 2015 the Board approved the draft Strategy for the Provision of Legal Services 2016. The Strategy contains 5 key proposals: (i) The in-house legal team retain its current level of resource, (ii) arrangements are put in place to secure the services of an outsourced firm under the Scottish Government framework for the purchase of legal services, (iii) Informal arrangements continue with SGLD in relation to commercial law and litigation support until an outsourced provider is put in place as discussed at (ii) above, (iv) SGLD: CABS continue to give employment law advice to Revenue Scotland and work is undertaken to formalise that arrangement, and(v) Scottish Government Standing Junior Counsel are instructed where required for opinion or advocacy work and the possibility of appointing Revenue Scotland Standing Juniors is investigated.

7.3 The paper highlighted, in proposal (i), the addition of substantial project work and the demands on the in-house legal team this would bring. The current composition of the team may not be sufficient to meet these demands therefore a business case will be made during the spending review process in summer/ autumn 2016 for additional staffing.

7.4 The Board welcomed the update and endorsed the approach outlined in the paper. They recognised the demands on the legal team and acknowledged the good work they did.

8. European Dynamic: Extension of Contract (Paper RS(03/16)08)

8.1 The Head of IT introduced this paper asking the Board for a decision as to whether the contract with European Dynamics (ED) for the provision of the Scottish Electronic Tax System be extended for 3 years and whether the contract with ED be novated to RS from Scottish Ministers.

8.2 ED was awarded the contract to implement an IT system to support tax administration following a competitive tender. The contract was for 2 years (to 19 August 2016) with the option to extend for a further 3 years. RS is required to give 12 month notice to ED of its intention not to extend.

8.3 After discussion, the Board approved the extension of the contract for 3 years and the novation of the contract from Scottish Ministers to RS. They also noted that there would be an options paper on the procurement of the IT contract at the end of summer.

Action (28/16): Extension of contract.

Action (29/16): Options paper on the Tax Administration ICT Procurement Strategy for Board by end of summer, Secretariat to add to Planner.

9. AOB

No other business was discussed.

Date of next meeting: 17 August 2016, Conference Rooms 8, VQ

End