

Meeting of the Revenue Scotland Board - 23 January 2019 - Minute

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MINUTE

12:00-16:10, 23 January 2019, 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, Head of Legal, Revenue Scotland
Chris Myerscough, Head of Tax, Revenue Scotland
Gary Sharp, Head of Governance, Revenue Scotland
Donna Thomson, Board Secretariat, Revenue Scotland
Alison Howard, Senior Tax Specialist, Revenue Scotland (for item 7 only)
Lyndsey Wells, SEPA (for item 7 only)
Stuart McMahon, Finance Manager, Revenue Scotland (for item 9 only)

1. Meeting opening

1.1 The Chair welcomed Board members and officials to the meeting and opened proceedings.

1.2 The Board accepted the draft minute of 12 December 2018 as a true record of the meeting, subject to some minor amendments.

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 075, 086 and 089.

1.4 Actions 068, 076, 079 and 087 are to remain open.

1.5 There were no new declarations of interest.

2. Chair update (Oral)

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2.1 The Chair opened the meeting with an update on the Statistics Day taking place on 30 January 2019. He will be opening and closing the session on the day, which will showcase the official statistics and the latest report.

2.2 He updated members on the Board Recruitment Planning Meeting that took place earlier today. He highlighted that an agreement had been reached on the approach to the written submission and that other criteria will be tested at interview.

2.3 The Chair mentioned that he would like to host an event to promote the Board Recruitment and that New Register House (Dome) should be considered for this with the possibility of hosting a further event in the North of Scotland.

2.4 During the recruitment process, Sue Young from the Commissioner's Office has been in attendance and the Chair would like if she could remain on the panel going forward to complete the recruitment process.

2.5 The Chair attended a LEAP discussion with the Programme Team on the solution being developed, and was encouraged by the security architecture proposed by the supplier Northgate.

Action A090/18: Secretariat to liaise with OD on new Board member induction.

Decision D062/18: Secretariat to take the lead on issuing future paperwork and logistics in relation to Board Recruitment meetings.

Action A091/18: Secretariat to liaise with NRS staff re Board Recruitment event to be held on the evening of 13 March 2019.

Action A092/18: Secretariat to explore Sue Young continuing to support the panel during the Board Recruitment process with the Commissioner's office.

3. CEO Report (Paper RS(09/18)03)

3.1 The Chief Executive introduced her paper providing Board members with an update on Revenue Scotland's activities since the last meeting.

3.2 In particular, she highlighted:

3.3 The Scottish Budget – she confirmed that Revenue Scotland stands ready to implement the proposed changes to non-residential LBTT rates and bands, an increase in the ADS rate and the revised SLfT rates from 1 April 2019.

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3.4 Welsh Revenue Authority (WRA) – the CEO spoke about how we share information including Protected Taxpayers Information and informed Board members that Revenue Scotland is working with the WRA to amend the Memorandum of Understanding and Information Sharing Agreements that we jointly hold.

3.5 All Staff Event – the CEO highlighted the very successful annual all staff event held on 17 January 2019 which was welcomed by all. The programme focused particularly on preparing staff for change and follow up to the people survey and fair treatment at work sessions.

Action A093/18: Welsh Revenue Authority CEO to attend a Revenue Scotland Board meeting in the near future.

4. Conflicts of Interest Policy (Papers RS(09/18)04 and annexes A-D

4.1 The Head of Governance introduced the policy update papers providing an overview of the items presented for discussion.

4.2 The Board welcomed the update and the changes that had been made and approved the policies subject to minor changes.

Decision D062/18: The Board approved the Conflicts of Interest Policies subject to minor changes.

5. The Law Society of Scotland

5.1 The Chair welcomed members from the Law Society of Scotland's LBTT Working Group to the meeting.

5.2 The key areas discussed were:

- Recruitment of two new members to the Revenue Scotland Board.
- The relationship between Revenue Scotland and Scottish Government.
- Lease Review and award of penalties to non-tax cases.
- Revenue Scotland guidance and recent rate changes.

Action A094/18: CEO to consider what special arrangements were appropriate on the Lease Review and report back to the Board with advice or a proposal.

Decision D063/18: Law Society of Scotland agreed to re-publicise the lease review requirements.

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Action A095/18: Chair asked for details of the Law Society of Scotland's two property law conferences.

Action A096/18: Secretariat to add Three Year Lease Review to the forward planner to bring an update to the next Board meeting in March 2019.

Action A097/18: Following feedback from the Law Society of Scotland, Comms are to review the process for publishing ADS increases.

6. Scottish Landfill Communities Fund (Paper RS(09/18)05

6.1 Alison Howard and Lyndsay Wells introduced this paper to the Board seeking a decision to retain the annual subvention percentage rate of 1.82%.

6.2 Alison outlined the options considered as part of this annual review process and what informed the recommendation presented.

6.3 Strategic discussion took place on whether the percentage should be levied at a higher level as a means by which the decline in volume/value of the fund is addressed.

6.4 The Head of Strategy and Corporate Functions highlighted that informal discussion had taken place with Scottish Government policy and they have indicated the general uncertainty of the direction of travel.

6.5 The Board welcomed the quality of the advice offered and agreed to the recommendation to keep the fee as it currently stands, recognising that this may need to rise next year. A more detailed consideration/review of the policy and options for the fund will be brought back next year.

Action A098/18: Paper to come back to the Board next year with an approach to review different options for the fund.

7. Q3 Tax Update (Paper RS(09/18)06

7.1 The Head of Tax introduced her Q3 report giving Board members an informative update and a brief review of all items presented.

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7.2 Board members welcomed the update but would like to see more information where 'reasonable excuse' has been used within the paper as well as more narrative to explain in detail the work within the tables in the updates.

7.3 The Board were satisfied that tax functions are being carried out well and in accordance with requirements.

Action A099/18: Head of Tax to provide a brief to Board members highlighting where discretion has been used in certain cases.

Action A100/18: Head of Tax to provide more narrative in the tables within future quarterly updates.

8. Tax Case (Paper RS(09/18)07)

8.1 The Head of Tax introduced this opinion paper.

8.2 The Board commended a well written paper and reviewed this case and were content to approve the recommendation that this transaction is treated as non-residential.

Decision D064/18: The Board were content to approve the recommendation that this transaction is treated as non-residential.

9. Finance and Business Performance – Q3 report (Paper RS(09/18) 08a and 08b)

Finance Q3 Update

9.1 The Finance Manager provided members with an overview of the Q3 financial performance and what is yet to come to realisation over the final quarter.

9.2 The Board were content to approve 6.1/2/3 as presented and welcomed the clarity of the report provided.

Decision D065/18: The Board were content to approve all recommendations set out in the report.

Business Performance

9.3 The Head of Governance introduced this comprehensive report to Board members detailing the performance against KPI and the recovery plan.

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9.4 The Board welcomed the report highlighting the excellent work achieved to date, in particular on the publication of the Climate Change report for 2017-18 and asked that this be circulated to them.

Action A101/18: Secretariat to share the link to the recently published Climate Change report with all Board members.

10. LEAP update (Paper RS(09/18)09

10.1 The Head of Strategy and Corporate Functions provided an update on progress around the LEAP programme.

10.2 He highlighted the approach being proposed to reporting progress on the new Dashboard Report.

10.3 The Board considered the paper provided and welcomed the quality of the update and recognising progress on the dashboard approach.

13. AOB

No AOB to record.

End of Meeting

Revenue Scotland
29 January 2019