

Meeting of the Revenue Scotland Board MINUTE

11:00-15:15, 25 April 2018, Conference Room 3E-91, Victoria Quay, Edinburgh

Present:

Dr Keith Nicholson
Lynn Bradley
John Whiting CBE
Ian Tait

In attendance:

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)
Avril Campbell, LBTT Team Leader, Revenue Scotland (for items 4 and 5 only)
Nicola McDonald, Tax Operations, Revenue Scotland (for items 4 and 5 only)
Robert Souter, SLfT Tax Specialist, Revenue Scotland (for items 4 and 5 only)
Paris Nairn, LBTT Tax Specialist, Revenue Scotland (for items 4 and 5 only)
Louise Carlin, Solicitor, Revenue Scotland (for item 5 only – enquiry briefing)
Ed Turner, Complex Case Compliance Officer, SEPA (for item 5 only – enquiry briefing)
Chris Somerville, Complex Cases Tax Specialist, Revenue Scotland (for item 5 only – enquiry briefing)
Magdalena Demczak, Tax/Legal Business Manager, Revenue Scotland (for item 5 only – enquiry briefing)
Ronan McGarry, Compliance Officer, SEPA (for item 5 only – enquiry briefing)
Gareth Hill, Chief Accountant, Revenue Scotland (for item 6 only)
Stuart Gardner, ICT Team Leader, Revenue Scotland (for item 8 only)

1. Meeting opening

- 1.1 The Chair welcomed the Board members and officials to the meeting.
- 1.2 Apologies were received from Elaine Lorimer, CEO and Jane Ryder OBE, Board member.
- 1.3 The Board considered the minutes of 14 February 2018 and 28 March 2018. Members endorsed the minutes of 28 March as a true record, subject to amendments being made. The Board agreed areas of redaction in the minutes. Members asked for the

minutes of the 14 February meeting to be further revised and re-issued for consideration in correspondence.

1.4 In relation to the Actions Log, the Board were content to close all propose closed actions: these were 001-008 011-017, 019, 021, 025,026 and 027. Actions 009, 010, 018, 020, 022 and 024 are to remain open.

Action: (A028/18): to circulate the amended Board minutes from 14 February 2018 and 28 March 2018 to Board members by correspondence for consideration and clearance ahead of publication on the RS website.

Decision: (D013/18): the Board were content to close all proposed closed actions and change the lead official on both actions 009 and 010 to Andrew Fleming, replacing Chris Myerscough.

Action: (A029/18): It was agreed that the Action Log should be further updated to reflect that the Head of Strategy and Corporate Functions would take forward actions A009 and A010 from the Action Log.

Decision: (D014/18): End year operational Performance Report to come to the 30 May Board Strategy Session.

Decision: (D015/18): The board confirmed no new conflicts of interest in respect of the business being discussed

1.5 There were no new declarations of interest recorded.

1.6 No items of additional business were offered for discussion at the end of the meeting.

2. Chair update (Oral)

2.1 The Chair provided an overview to Board members of the agenda for the planned strategy session on 30 May and associated activities that will be initiated in the run up to the event, the outcomes being discussed during the session. This will include:

- The process of Board self-assessment being commissioned with members ahead of the meeting, discussion around the results taking place thereafter on 30 May; and
- Board continuity planning where members have been asked to consider the range of skills needed within the board, aligning with the Corporate Plan.

2.2 The Chair provided an overview to Board members of the recent meeting with the Cabinet Secretary for Finance and the Constitution. He stated that a range of topics were discussed and that the provision of the detailed brief in advance had been very helpful.

Action: (A030/18): Board to have sight of the draft SG document “Medium Term Financial Outlook”.

Action: (A031/18): The Analytical Team to give a presentation at the May Strategy Session on trends in LBTT.

Action (A032/18): The agenda for the next strategy session should include Board self-assessment and Board continuity planning

3. CEO Report and LBTT Change Project Plan (Paper RS(02/18)04)

3.1 The Head of Strategy and Corporate Functions provided Board members with an overview of the Chief Executives Report.

3.2 He updated members on a range of issues, including progress around the LBTT changes project, the laying of the Corporate Plan, the SETS2 procurement and development of the annual report and accounts.

3.3 The Board welcomed the report and in particular the addition of the new annex providing a summary of all Parliamentary Questions (PQs), Freedom of Information requests, Stage 2 complaints and MSP correspondence and were content with the progress made to date.

Action: (A033/18): Head of Tax to provide the Board with detail on the total run rate to analyse trends and associated detail in the Leases returns specifically on the total number of letters issued. This is to issue in correspondence.

Action: (A034/18): The link to [the consultation on the SEPA landfill sector plan](#) (covered at Paragraph 6.1 of the report) is to be shared with Board members. This is to issue in correspondence.

4. Tax Update (RS(02/18)05)

4.1 The Chair and Board welcomed members of the Tax Teams to their first Board meeting.

4.2 The Head of Tax updated Board members on recent tax matters particularly focusing on the mailbox, the statistics provided and repayment claims assessed.

4.3 Members scrutinised the Tax Update paying particular attention to the mailbox, penalties assessed, analytical data, repayment claims and wider analysis of performance in relation to penalties and were content with the update

Action: (A035/18): Head of Tax to add an additional axis to the tables at 6.1 and 6.2 to show volume on the Penalties Assessed graph.

Action: (A036/18): Stats to provide a more detailed report to the May Strategy Session on ADS Repayment claims. (6.6.2) (Cross reference with action A031/18)

5. Tax Decisions and SLfT Enquiry Briefing Presentation (Paper RS(02/18)06a, 06b 06c)

5.1 The Head of Tax introduced the 3 Tax decision papers. The Board reviewed and discussed the Tax Decision papers before finally endorsing the recommendations.

5.3 The Board welcomed the addition of the SLfT Enquiry Briefing Presentation and commended the team on their progress to date.

Decision: (D016/18): The Board agreed proposals in respect of opinion request for CMS35761

Decision: (D017/18): The Board agreed proposals in respect of opinion request for CMS28721

Decision: (D018/18): The Board agreed proposals in respect of opinion request for CMS35637

Action: (A037/18): Head of Tax to present the final Briefing proposing closure of the SLfT Enquiry to the June Board.

6. 2017-18 Performance – Q4 Report (RS(02/18)07)

6.1 The Head of Strategy and Corporate Functions introduced this paper on Q4 Performance Reporting for 2017-18. He highlighted that the end year report on operational performance (including KPIs) was not ready at this stage and would be shared with members at the May strategy session. He then referred members to the end year financial report that had been provided and invited the Chief Accountant to provide the Board with an overview of performance.

6.2 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.

6.3 Following discussion, the Board were content with the performance that Revenue Scotland is maintaining, requesting small additions within the report.

Action: (A038/18): For future quarters reports, the Chief Accountant is to show figures for the quarter as well as year to date within the report.

Action: (A039/18): Chief Accountant to ensure variance explanations detail any impact on operational performance.

Action: (A040/18): Chief Accountant to submit the resource report in the same format as the budget allocation.

Action: (A041/18): For future papers proposing the annual resource allocation, Chief Accountant to show % changes in the reports.

Action: (A042/18): Chief Accountant to provide an aged debts report to the Board on at least an annual basis.

Action: (A043/18): Head of Finance to consider actions (A038-43) and meet with the ARC chair to discuss and agree the future financial reporting.

Decision: (D019/18): The Board approved the Budget allocation for 2018/19

7. Annual Business Plan 2018-19 (RS(02/18)08)

7.1 The Head of Strategy and Corporate Functions introduced the Annual Business Plan for 2018-19 outlining key projects and priorities for the year ahead, aligning with the Corporate Plan and associated outcomes.

7.2 He outlined that we would seek to change the approach to reporting and in order to ensure that any new approach meets with Board expectations, he asked that a Board member should be involved.

7.3 The Board approved the list of key projects and confirmed that John Whiting will be the lead Board member on reporting which will look at links to the Corporate Plan and Risk.

Action: (A044/18): Chair of ARC to share the example of a reporting system and software which integrate finance, risk and performance reporting with the Head of Strategy and Corporate Functions.

Decision: (D020/18): Board approved the list of key projects for 2018/19.

Decision: (D021/18): John Whiting volunteered to be the Board member supporting the development of a new report standard for 2018/19.

Action: (A045/18): The Board agreed that a revised longer term financial strategy would come to the June meeting.

8. Records Management Plan and GDPR Progress Update (RS(02/18(09, 09a, 09b, 09c)

8.1 The Chair welcomed the ICT Team Leader to the meeting and asked the Head of Governance to give an update on the Records Management Plan (RMP) and GDPR progress to date.

8.2 The Head of Governance provided a detailed update to the Board on progress around the RMP, reading across to arrangements for GDPR compliance and asked the Board to endorse the approach recommended that would see the CEO and SIRO approve the various elements of the RMP before being submitted to the Keeper at NRS for consideration.

8.3 The Board welcomed a detailed and concise report and were content with the progress to date. They asked that in line with the expectations of the RMP that the final RMP and associated strategy and policy (including MoU between RS and NRS) should come to the May Strategy Session for official sign off.

8.4 The Chair proceeded to highlight to members that this would be the ICT Team Leaders last Board meeting as he had recently been successful in being recruited to a new role within SG. Members offered their congratulations and appreciation for his contribution to the organisation.

Action: (A046/18): Head of Strategy and Corporate Functions to add the Internal Audit Report recommendation in the Audit recommendations tracker and provide an update on GDPR readiness to the ARC in June.

Action: (A047/18): SLT to bring final drafts of the Records Management Plan, policy and strategy as well as MoU with NRS to the Board Strategy Session for approval.

9. AOB

9.1 There was no AOB to discuss.

End of Meeting

**Revenue Scotland
25 April 2018**