

Strategy Meeting of the Revenue Scotland Board/SLT MINUTE

11:30-16:00, 28 March 2018, Vine Trust Barge, Dock Place, Leith, 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
Alan Martin, Strategy and Change Lead, Revenue Scotland (for items 2 and 3 only)
Neil Ferguson, Head Strategy and Change for Tax, Revenue Scotland (for item 2 only)
Stuart Gardner, ICT Team Leader, Revenue Scotland (for item 3 only)
Laura Kidd, Service Design Lead, Revenue Scotland (for item 3 only)
Louise Alonzi, Tax Administration Team Leader, Revenue Scotland (for item 3 only)
Alison Howard, SLfT Senior Tax Specialist, Revenue Scotland (for item 4 only)
Nigel Furness, SLfT Team Leader, Revenue Scotland (for item 5 only)
Gary Sharp, Governance Team Leader, Revenue Scotland
Donna Thomson, Policy Officer – Board Secretariat, Revenue Scotland (Secretariat)

1. Meeting opening

1.1 The Chair welcomed the Board members and officials to the meeting. It was noted that this was a strategy session at which a number of substantial business items would be discussed.

1.2 No apologies were received.

2. Corporate Plan

2.1 The Chief Executive opened this item by highlighting the work undertaken on the Draft Corporate Plan since the Board's last discussion. She noted the efforts of all staff concerned and thanked staff accordingly.

2.2 The Strategy and Change Lead took the Board through the Corporate Plan in its final draft, highlighting the additional changes offered by the Board since its last meeting. He noted that, subject to Board approval, the next stage in the process would be to submit the document to Scottish Ministers for their approval. Thereafter the next stage would involve formally laying the Plan before Parliament in April.

2.3 The Board commended all staff involved, stating the plan was of exceptionally high standard. In considering the final draft, they commented that:

- On KPI 2 and 3 where we suggest a ‘year on year comparison’ in the target column, it was recommended that we should offer a baseline figure here;
- On KPI 4, some further detail on the target of 18 months may be useful (possibly adding a footnote to highlight the statutory timeframe of 3 years); and
- On KPI 5 and 10, these are currently drafted as a percentage of reviews and complaints closed within a specific timescale, but no percentage target is offered. A target for each should be agreed before publication.

A016/18: The team are to make the changes recommended above to the KPI targets.

2.4 The Board, having scrutinised the Corporate Plan in detail, was content to approve the draft Plan (subject to a final proof check and associated minor alterations).

D010/18: The Board was content to approve the draft Corporate Plan.

A017/18: The Board agreed that, once finalised, the draft Corporate Plan should be submitted to Scottish Ministers for approval.

3. Governance Review

3.1 The Chief Executive and the Head of Strategy and Corporate Functions introduced this item and outlined the recent review process recently undertaken to 4 main governance documents; namely, the Framework Document, the Standing Orders, the Scheme of Internal Delegation and the Board Code of Conduct. In undertaking the review, the intention had been to address the points noted at paragraph 3.1 of the paper which included consolidation of material, rationalising the number of documents but without losing content of documents and minimise duplication of overlapping text. A detailed summary of the changes was attached at Annex A seeking Board approval for the recommended changes made.

3.2 The Board welcomed the review and were content to endorse the changes proposed. Members agreed to offer the Head of Governance more detailed comments by email by mid-April at the latest– seeking to share a final version of all documents electronically thereafter for sign off. Actions agreed were:

A018/18: Board members to provide any detailed comments on the documents and thereafter the Head of Governance to make necessary amendments to documents for approval in correspondence by mid-April.

A019/18: It was further agreed that further changes to governance documentation could be undertaken by correspondence with the proviso that Board members could request a discussion at a Board meeting if that was felt necessary.

A020/18: Head of Governance to contact Scottish Government to explore any changes they have made to the template Framework Document.

A021/18: Section 5.12 of the Framework Document is to be revised in line with the agreed ARC quorum outlined through the ARC Terms of Reference.

A022/18: Following the workshop with officials from Fiscal Responsibility on section 7.2 of the Framework Document (covering engagement around policy) officials would report back on the outcome of the discussion to the Board.

A023/18: Section 6.9 of the Board Code of Conduct (the section covering lobbying) is to be re-drafted and shared with Board members by correspondence.

3.3 The Chief Executive, continuing with the governance theme, introduced a presentation to the Board around the current Scheme of Internal Delegations and the interpretation and application challenges identified.

3.4 In considering how best to improve the current regime, she recommended that we develop a risk based approach to the setting of delegations rather than a value based approach. In addition, the Scheme of Internal Delegation needed to better recognise the legislative provisions around the “designated officer” role, and moreover recognise that there was a need to ensure that the Scheme of Internal Delegation allowed the Board to fulfil its strategic oversight role. She suggested that a revised version should be developed and brought back to the Board for further consideration.

3.5 The Board were content to endorse this proposal and look forward to a further update around the Scheme of Internal Delegation. In the meantime the current Scheme of Delegation would remain in place.

A024/18: A proposal is to be offered to the Board for consideration around a Scheme of Internal Delegation that will endorse a risk based approach to decision making and authority.

4. SETS2 Decision and Update Paper

4.1 The Head of Strategy and Corporate Functions opened the discussion on the SETS2 decision paper which updated the Board on progress of the procurement process to date, covering the initial evaluation of tenders but also provided the additional assurance the Board had sought following its last meeting. The information had been provided to enable the Board to decide whether it wished the team to proceed with negotiation under the process or to recommend award on the basis of the initial tender assessment.

4.2 [REDACTED]

4.3 The Board scrutinised the papers and welcomed the level of detail and information provided highlighting some key issues.

4.4 The Board congratulated the team on the excellent documentation and were content with the level of detail provided and endorsed the decision to entering into negotiation.

4.4 Members were provided with specific assurance on the feasibility within delivery dates of the project and therefore were content to:

- Endorse the recommendation to proceed to negotiate; and
- Endorse the governance arrangements attached at **Annex 1**.

D011/18: The Board were content to endorse the negotiation strategy for the SETS2 procurement and for the Chief Executive to have authority to approve adjustments to the ITT and Draft Contract.

5. SLfT Delegated Functions

5.1 The Chief Executive and Change Team SLfT lead introduced this paper giving the Board some background on the way in which Revenue Scotland and SEPA staff (under the delegation functions) currently worked together to administer and collect SLfT. It was noted that these arrangements had been in place since the organisation had been established and that there was a need to review these - not least because of the work being undertaken on SETS 2. The paper outlined proposals to commission an external advisor to undertake an independent review of the current operating model with a view to making recommendations for improvement.

5.2 The Chief Executive informed the Board that discussion had taken place with John Kenny from SEPA about the proposed review and SEPA was content with the proposal. She highlighted that an additional external advisor had been appointed to support the review, in particular looking at how we balance out the roles between Revenue Scotland and SEPA staff.

5.3 The Board welcomed this work being carried out and suggested some minor changes to the scope of the review. They further approved the communication of the review to Revenue Scotland and SEPA staff.

A025/18: CEO to consult with Carol Lunney to finalise the scope of review of Scottish Landfill Tax Delegated Function involving Revenue Scotland and SEPA staff.

6. SLfT Decision Paper

6.1 The Head of Tax introduced a SLfT decision paper covering decisions made by the Designated Officer, seeking approval given the amount of assessed SLfT exceeded the amount delegated to the Chief Executive. [REDACTED]

6.2 The Board considered carefully the assessment of under declared SLfT made by the Designated Officer and sought clarification of a few issues, including the level of penalties being assessed for deliberate inaccuracies. The Board also considered how the case had been handled and sought assurance that lessons had been learnt and improvements made.

6.3 [REDACTED]

6.4 [REDACTED]

D012/18: The Board endorsed the decision of the designated officer on the assessment of under declared SLfT and on the level of deliberate inaccuracy penalties assessed.

A026/18: SLfT team to issue an Enquiry Closure Notices in respect of Q1 of 2015/16 and notices of assessments for quarters 2, 3 and 4 of 2015/16 to the taxpayer before 31st March 2018.

7. AOB

7.1 The Chief Executive informed the Board that she had met that morning with Ann Scott, the President of the Tax Chamber of the First-Tier Tribunal for Scotland where they discussed the work of Revenue Scotland.

7.2 The Board and SLT discussed the fortnightly keep in touch teleconference call that is in place and after discussion, agreed that this should be rescheduled.

A027/16: Secretariat to reschedule the fortnightly teleconference calls to monthly on a Tues at 17:00, starting on April 10th.

7.3 Lynn Bradley attended a meeting with the Fiscal Commission last week.



End of Meeting

Revenue Scotland
28 March 2018