

## Meeting of the Revenue Scotland Board – 29 July 2020 – Minute

### Present:

Dr Keith Nicholson, Chair  
Jane Ryder OBE  
Jean Lindsay  
Ian Tait  
Martin McEwen  
Lynn Bradley  
John Whiting CBE

### In attendance:

Elaine Lorimer, Chief Executive, Revenue Scotland  
Michael Paterson, Head of Tax, Revenue Scotland  
Neil Ferguson, Head of Corporate Functions, Revenue Scotland  
Mairi Gibson, Head of Legal, Revenue Scotland  
Gary Sharp, Head of Governance, Revenue Scotland  
Veronica McAleaney, Governance and Policy Manager, Revenue Scotland  
Gareth Hill, Chief Accountant, Revenue Scotland (item 9 only)  
Katrina Gordon, Head of IT, Revenue Scotland (item 5 only)  
Alan Martin, Head of Strategy and Communications, Revenue Scotland (items 1, 5, 11, & 12)  
Louise Alonzi, Head of Tax Operations, Revenue Scotland (item 1 only)  
Deirdre Watt, Head of Organisational Development, Revenue Scotland (item 1 only)  
Jake Macdonald, Secretariat, Revenue Scotland

## 1. Meet the Business Continuity Group (BCG)

- 1.1 The Chief Executive introduced members of the Business Continuity Group (BCG) and invited the Board to ask questions.
- 1.2 The Chair welcomed the opportunity to meet the BCG and said that now that the organisation is getting used to a new way of working, it is helpful for the Board to gain an insight into these groups.
- 1.3 Board members asked questions on a number of issues in relation to the key business changes undertaken in response to COVID-19, including:
  - Information Technology
  - Human Resources
  - Operations
  - Organisational Culture
  - External Engagement
- 1.4 The Chair acknowledged the effort put in by the leadership team to ensure the organisation remained operational during the COVID-19 pandemic and offered the Board's thanks and appreciation.

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### 2. Meeting Opening

- 2.1 The Chair officially opened the meeting and welcomed members and officials.
- 2.2 There were no apologies received.
- 2.3 The Chair noted the proposed agenda and offered the executive and Board members the opportunity to add any items under AOB. An update on the Annual Report and Accounts timetable was added by Lynn Bradley.
- 2.4 The Board was content to approve the minute of the 17 June 2020 as an accurate record of proceedings subject to some minor amendments.
- 2.5 In relation to the Action Log, it was agreed that actions A003/19, A057/19, A006/20, A014/20 and A025/20 should be closed, with all other actions remaining open.
- 2.6 The Chair noted the attendance of the Head of Corporate Functions and thanked him for attending the meeting during his annual leave.

**Action** – Secretariat to amend the action log.

### 3. Chair Update

- 3.1 The Chair provided a brief update on important matters not covered elsewhere on the agenda.
- 3.2 Notably, the Chair informed the Board that Martin McEwen would take on the role of Deputy Chair of the Board.
- 3.3 The Chair clarified that the role will not carry any of the Chair's authority and only serve as an administrative arrangement should the Chair not be able to attend.

**Decision** – Secretariat to note the new administrative arrangements.

### 4. Staffing and Equalities Committee (SEC) Update

- 4.1 The Chair invited Jane Ryder, the Chair of the SEC, to provide an update on the most recent meeting.
- 4.2 The Chair of the SEC highlighted that the meeting was positive and noted the main areas of discussion, particularly:
  - Progress and reflection on implementing the people strategy;
  - Pulse Survey results and analysis;
  - Equalities in RS, including a considered response to racial inequality;
  - Leadership and organisational culture;

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- SEC self-assessment including the Terms of Reference and People Strategy realignment.

4.3 Members of the Board thanked the Chair of the SEC for the update provided.

### 5. Chief Executive Report

5.1 The Chair asked the Chief Executive to present this report to the Board.

5.2 The Chief Executive noted the recognition and thanks given by the Cabinet Secretary for Finance, and the Minister for Public Finance and Migration, for the rapid work of the organisation the legislative change project following changes to LBTT nil rate band for residential transactions.

5.3 In addition, the following issues were covered:

- LBTT nil rate band;
- Reopening of the housing market;
- Operations at St Andrews House (SAH);
- Levels of external engagement on social media and the website.

5.4 Ian Tait asked for further clarity on the expected timescale for returning to the office. The Chief Executive noted that initial estimates provided by Scottish Government, and Facilities at Victoria Quay, are no earlier than autumn 2020 and with a much reduced capacity in terms of staff able to attend the office.

5.5 The Board thanked the Chief Executive for the helpful report.

### 6. RS Website Proposal

6.1 The Chair invited the Head of Corporate Functions, with support from the Head of IT and Head of Strategy and Communications, to present the positions and rationale set out in the paper.

6.2 The Head of Corporate Functions outlined the approach taken in the paper and noted that there were a number of options available to the organisation.

6.3 Having considered the range of options, the paper recommended using Scottish Government Digital Transformation Service to help develop and host the website.

6.4 On the current website, the Head of IT noted the relative stability given the substantial increase in traffic. As such, the importance of maintaining this stability whilst developing new content and improving the user journey is crucial.

6.5 The Head of Strategy and Communications noted the positive differences between creating a website when Revenue Scotland was first founded, in comparison to the

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knowledge and experience available to the organisation now.

6.6 A number of points were raised by Board members, including:

- Costings, both in terms of resource and the project itself;
- Procurement strategy;
- Timescales for concluding the project;
- Resourcing the project and the wider impact of staff.

6.7 The paper's authors noted the comments and offered responses, highlighting for example the level of preliminary user research work required to ensure an effective platform is produced. As such, the timescale of the project is likely to be longer than six months.

6.8 The Board agreed the following next steps:

- Further clarity on the procurement strategy underpinning the project;
- Further exploration of option 3 (the procurement of a brand new website).

6.9 Ian Tait offered to collaborate with the project leaders to provide further insight into the experience of delivering a website given his recent experience in this field.

6.10 The Board noted the update and recognised that a positive case for change had been made notwithstanding the further clarity sought in some aspects.

**Action** – Head of IT to provide the Board with further clarity on the procurement strategy underpinning the website project.

**Action** – Head of Corporate Functions to work with Head of IT and Head of Strategy and Communications to further explore the third option of procuring a brand new website.

**Action** – Secretariat to organise a meeting between Ian Tait and the website project team to share best practice and guidance.

## 7. Risk Review Update

7.1 The Chair of the Board asked the Chair of the ARC, Lynn Bradley, to introduce this item.

7.2 Lynn Bradley noted the significant work which has gone into this area by the Head of Governance and acknowledged the progress that has been made in terms of risk management at RS.

7.3 The Chief Executive, as Accountable Officer, noted the active and constructive engagement from members of the ARC to develop the risk profile in this way. The item presented to the Board therefore represented a risk register which had been worked on in great detail by the executive team based on the recommendations from the ARC.

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- 7.4 The Head of Governance highlighted the cross-organisational team effort which had gone into progressing the work that informed this item. The level of detail provided in the risk register and corresponding risk cards is testament to the way in which risk is managed in the organisation, and the aforementioned progress that has been made since RS was created.
- 7.5 On the paper itself, the Head of Governance highlighted the range of recommendations put forward for the Board’s consideration.
- 7.6 The Board thanked the Head of Governance for the paper and corresponding work, highlighting the following:
- Ensuring risks are appropriately differentiated from one another;
  - Overall impressive management of risk;
  - Significant progress had been made in the last six months.
- 7.7 The Head of Governance thanked the Board for their comments and questions and noted the range of factors which fed into the final decision on risk categorisations.
- 7.8 The Board welcomed the updated risk register and commended the improvements and developments that have been made to risk management in Revenue Scotland. In doing so, the Board was content to approve the recommendations as set out in the paper and delegate further scrutiny on this issue to the ARC.

**Decision** – The Board approved the risk cards, risk register and change to the risk maturity assessment.

**Action** – The Risk Management Framework is to be comprehensively reviewed and returned to the Board for approval (via ARC) by June 2021.

**Action** – The Chair of the ARC, along with the CEO is to request Internal Audit to perform an Advisory Audit of RS’s Risk Maturity.

## 8. Q1 Tax Report

- 8.1 The Chair asked the Head of Tax to present this update.
- 8.2 The Head of Tax noted, in addition to the points set out in the executive summary, two issues of focus for the tax teams in the immediate future:
- Three Year Lease Reviews (3YLR);
  - Debt and penalties.

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- 8.4 Jean Lindsay thanked the Head of Tax for the update and asked for clarity on the migration of data from Huddle.
- 8.5 The Head of Tax thanked the Board for their questions and comments and responded appropriately, highlighting the considerable work going into assessing the 3YLR process. On the Huddle migration, the Head of Tax offered assurance to the Board that the data was all secure, with all tax information uploaded to SETS and the issues around the migration of the data into its final locations were now progressing well, advising that the issue should be resolved soon.
- 8.6 The Board noted the update and were satisfied that tax operations were being carried out in accordance with the Scheme of Internal Delegation (Soid).

### 9. Litigation Costs

- 9.1 The Chair asked the Head of Legal to present this item.
- 9.2 The Head of Legal outlined the paper and presented the options and recommendations to pursue options four and five as set out in the paper.
- 9.3 The Chair thanked the Head of Legal for the insightful analysis and commended the paper for its clear and concise content.
- 9.4 In addition, several members of the Board raised the issue of a litigation and settlement strategy, highlighting the utility of having one given the recommendations set out in the paper.
- 9.5 The Board commended the clarity of the update provided and endorsed the recommendations set out at option four and five of the paper.

**Action** – Head of Legal to undertake further explorative work on a litigation and settlement strategy for the organisation, reporting back to the Board at the next meeting in October 2020.

**Action** – Head of Legal to provide an update on litigation expenses at next meeting of the Board in October 2020.

### 10. Q1 Business and Finance Performance Reports

- 10.1 The Chair asked the Head of Governance to introduce and present the Business Performance item.
- 10.2 The Head of Governance outlined the paper in relation to the newly approved business plan and the strategic priorities that lie therein. Board members were reminded that it is unusual to report significant progress on implementing business plan objectives in Q1, but that the organisation was generally performing well in relation to KPIs.

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- 10.3 On the Finance Update, the Chair invited the Chief Accountant to present the paper and highlight any key messages.
- 10.4 The Chief Accountant noted some key highlights:
- Resourcing costs in light of the coronavirus pandemic;
  - Q1 expenditure reductions in areas such as travel and stationery;
  - Q1 legal costs in line with forecast;
  - COVID-19 specific expenditure, kit to allow staff to work from home;
  - Shared Services costs.
- 10.5 The Board thanked the Chief Accountant for the update and noted the following issues:
- Debt pursuit;
  - Cost recovery, such as shared services not used due to the pandemic.
- 10.6 On the Business Performance Update, the Board was content to note the progress on the Strategic Priorities and performance against KPIs.
- 10.7 On the Finance Update, the Board was content to note and approve the following:
- Operational resource spend for the quarter ended June 2020, the year to date, and forecast outturn position;
  - Tax declared for the year ended June 2020;
  - Tax to debt position as at June 2020.

## 11. AOB

### Board and Committee Dates 2021-22

- 11.1 The Chair asked the Secretariat to outline the proposed meeting schedule for 2021-22.
- 11.2 The Secretariat outlined the proposal and provided rationale for changing the sequence of Board meetings, mainly the intention to provide staff enough time to provide high quality business to the Board in line with reporting requirements.
- 11.3 The Board thanked the Secretariat for the proposal and noted their broad support for the sequence put forward, notwithstanding some minor concerns in relation to the time between Board and Committee meetings.
- 11.4 The Board also noted that the September Board meeting should be retained in diaries as a placeholder.

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### Annual Report and Accounts

- 11.5 The Chair of the ARC provided an update to Board members on the revised timetable for approving and laying the Annual Report and Accounts.
- 11.6 The Annual Report and Accounts will now be signed off by the ARC and the Board on 18 November 2020.

**Action** – Secretariat to submit a revised proposal on 2021-22 dates to the Board, taking into consideration the feedback received.

**Action** – Secretariat to reinstate the September 2020 Board meeting as a placeholder.

**Action** – Secretariat to work with SEC members to agree on a revised date for the February meeting.

### **12. Corporate Plan and Futures Work**

- 12.1 The Chair introduced the strategy session and asked the Chief Executive to introduce the papers.
- 12.2 The Chief Executive situated the work within the context of the responsibilities and opportunities inherent to the work of an organisation like RS.
- 12.3 The Board thanked the Chief Executive for the introduction and in discussion raised various points for reflection when developing this work including:
- National Performance Framework;
  - Christie Commission;
  - Streamlining the organisation;
  - Efficiency and resiliency;
  - Technology and the opportunities in this area.
- 12.4 The Board noted the update and endorsed the principles and strategic themes that will guide the Establishing our Future work and the Corporate Plan 2021-24. In addition, the Board endorsed the proposed approach for the work to establish a revised model of working as we emerge out of lockdown.

**Action** – Chief Executive to further explore the possibility of working with an external partner when progressing the new corporate plan.

### **13. Homologation of Actions and Decisions from 21 July Teleconference**

- 13.1 The following action and decision resulted from the 21 July Teleconference:

**Action** – Chief Executive to review the controls in place which led to the difficulties encountered in the SLfT litigation case.

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**Decision** – The Board agreed that Revenue Scotland would pursue the recommended options as set out by the Head of Legal and Chief Executive.

**Decision** – The Board agreed to delegate authority to Revenue Scotland staff to negotiate to bring the SLfT case to a closure and agree a time to pay with the organisation.

**End of Meeting**  
**29 July 2020**