

Revenue Scotland

Framework Document

Agreement between the Scottish Ministers and
Revenue Scotland

May 2018

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1. INTRODUCTION

1.1 Revenue Scotland, established by section 2(1) of the Revenue Scotland and Tax Powers Act 2014 (“the RSTPA”), is a body corporate and part of the Scottish Administration, but not of the Scottish Government, ensuring an appropriate degree of operational autonomy and independence. In Gaelic, Revenue Scotland is known as Teachd-a-steach Alba. In terms of its status as a Scottish public body, Revenue Scotland may be referred to as a “non-Ministerial Department”.

1.2 The RSTPA established Revenue Scotland as the independent tax authority responsible for the collection and management of the devolved taxes in Scotland. “Devolved taxes” are defined by the Scotland Act 2012 as tax on transactions involving interests in land and tax on disposals to landfill. Detailed provision for these two devolved taxes is made by the Land and Buildings Transaction Tax (Scotland) Act 2013 and the Landfill Tax (Scotland) Act 2014, respectively.

1.3 This Framework Document sets out the terms of an agreement between Revenue Scotland and the Scottish Ministers in relation to the governance, financing and operations of the functions of Revenue Scotland. It forms a statement of intent, agreed jointly. It does not create legal obligations on either party and legislative provisions take precedence over any part of this document.

1.4 The Framework Document sets out the roles and responsibilities of the Scottish Ministers; the Chair and Members of Revenue Scotland; the Chief Executive of Revenue Scotland, including the specific role of Accountable Officer; the staff of Revenue Scotland; and the Scottish Government Director General Scottish Exchequer and her or his staff.

1.5 The document also sets out roles, responsibilities and requirements in relation to: financial management and resources including budget allocation, payments into the Scottish Consolidated Fund, audit and risk management, shared services and contracts; planning and reporting including publication and reporting of Revenue Scotland’s Charter of standards and values, corporate plan, and annual report and accounts; Freedom of Information; policy development and implementation; accountability to the Scottish Parliament; information and data sharing; and protected taxpayer information. Finally, provision is made for review and publication of the Framework Document.

2. SHARED PRINCIPLES

2.1 Revenue Scotland and the Scottish Ministers confirm and acknowledge that the Scottish approach to taxation is tailored to the requirements of Scots law and practice and the distinctive policy environment in Scotland, characterised by a strong commitment to public engagement with taxpayers and tax professionals, and based upon the four governing principles originally set out by Adam Smith:-

- equity (being proportionate to the ability to pay);
- certainty;
- convenience; and
- efficiency.

2.2 Revenue Scotland and the Scottish Ministers confirm their commitment to developing a Scottish devolved tax system that is modern and efficient; fosters a culture of tax compliance; minimises scope for tax avoidance and bears down on tax fraud (i.e. evasion); minimises administrative costs; keeps compliance costs as low as possible for taxpayers and businesses; and enables the delivery of services to taxpayers on a modern digital platform.

2.3 In meeting the commitment above, Revenue Scotland and the Scottish Ministers will adhere to the following shared principles:-

- Revenue Scotland will **provide comprehensive and timely information on its performance** to the Scottish Ministers, to the Scottish Parliament and to taxpayers and their agents, subject to maintaining the confidentiality of protected taxpayer information.
- Revenue Scotland and the Scottish Ministers will both work in ways that will safeguard the **independence of Revenue Scotland** as the tax authority responsible for the collection and management of the devolved taxes in Scotland. (See section 7 of the RSTPA and paragraphs 4.3 and 4.4 of this document.)
- Revenue Scotland and the Scottish Ministers will both work in ways that support the best principles of **corporate governance** and **financial accountability**.
- Revenue Scotland will **work with** the Scottish Ministers, with its delegates (see paragraph 3.4) and with other public bodies for the good of the people of Scotland, except where this would compromise its independence or the protection of taxpayer information.
- Revenue Scotland and the Scottish Ministers are committed to the aim of **good and effective communications** with each other, and especially where the work of one has bearing on the responsibilities of the other. The primary aims are to avoid surprises and

to ensure that both tax policy development and tax administration are informed by a good shared understanding.

3. FUNCTIONS OF REVENUE SCOTLAND

3.1 Revenue Scotland's general function is the collection and management of the devolved taxes as provided for by section 3(1) of the RSTPA.

3.2 Section 3(2) of the RSTPA sets out Revenue Scotland's particular functions:-

(a) providing information, advice and assistance to the Scottish Ministers on matters concerning tax;

(b) providing information and assistance to taxpayers, their agents and other persons relating to the devolved taxes;

(c) efficiently resolving disputes relating to the devolved taxes (including by mediation); and

(d) protecting the revenue against tax fraud (that is to say, tax evasion) and tax avoidance.

3.3 Particular function (a) reflects the fact that the Scottish Ministers will lead on devolved tax policy development and future legislation; function (b) encompasses the provision of information and assistance to enable taxpayers, their agents and other persons to comply with the requirements of the devolved taxes, but does not extend to the provision of tax advice; function (c) is in the context of other forms of dispute resolution being review and appeal under Part 11 of the RSTPA (see paragraph 3.7 below); and function (d) includes robust and proportionate compliance activity, application of targeted anti-avoidance rules and application of the General Anti-Avoidance Rule established by Part 5 of the RSTPA.

3.4 As provided for by section 4 of the RSTPA, Revenue Scotland may delegate any of its functions relating to Land and Buildings Transaction Tax to the Keeper of the Registers of Scotland (RoS), and any of its functions relating to Scottish Landfill Tax to the Scottish Environment Protection Agency (SEPA). In delegating a function, Revenue Scotland remains responsible for that function and its ability to exercise the function is not affected. RoS and SEPA may be reimbursed by Revenue Scotland for any expenditure incurred in exercising its delegated functions. Revenue Scotland may give directions to RoS or to SEPA as to how a delegated function is to be exercised and RoS and SEPA must comply with any such direction. Revenue Scotland may change or revoke delegations or directions at any time.

3.5 Revenue Scotland will set out and publish in Schedules of Delegation information about delegations and directions to RoS and SEPA and will lay them before the Scottish Parliament, unless it considers that publication or laying before the Parliament would prejudice the effective exercise of its functions.

3.6 Revenue Scotland provides leadership and broad direction to the staff whom it employs and holds the Chief Executive to account for the performance of Revenue Scotland. The Chief Executive is responsible for the day-to-day running of the organisation. The staff of Revenue Scotland are civil servants, appointed by and accountable to Revenue Scotland.

3.7 A taxpayer affected by a decision made or action taken by Revenue Scotland when carrying out its functions may ask Revenue Scotland to undertake an internal review, and the taxpayer and Revenue Scotland may also enter into independent third-party mediation. In the event that the dispute remains unresolved, or at any stage, the taxpayer may appeal to the Scottish Tax Tribunals, and potentially onwards to the courts.

3.8 Revenue Scotland in carrying out its functions is also subject to the jurisdiction of the Scottish Public Sector Ombudsman (SPSO). Revenue Scotland will maintain a complaints and appeals procedure which complies with the statement of principles published by the SPSO and which it will publish on its website and via other appropriate media.

4. ROLES AND RESPONSIBILITIES

4.1 The relevant powers and duties of Revenue Scotland and of the Scottish Ministers and the rights and duties of taxpayers are set out in the RSTPA.

The Scottish Ministers

4.2 In line with paragraph 1 of Schedule 1 to the RSTPA, the Scottish Ministers will appoint between five and nine individuals to be members of Revenue Scotland, who will be known as the Board of Revenue Scotland. One individual will be appointed by Ministers as Chair. Ministers will determine the period and terms of appointment of Board members and may reappoint individuals who already are or have been on the Board, subject to evidence of effective performance and to their continuing to have the skills, knowledge and experience required on the Board at the time of reappointment. Appointments are made following a formal public appointment exercise regulated by the Commissioner for Ethical Standards in Public Life in Scotland.

4.3 Section 7 of the RSTPA provides that the Scottish Ministers must not direct or otherwise seek to control Revenue Scotland in the exercise of its functions.

4.4 In line with section 8 of the RSTPA, the Scottish Ministers may give guidance to Revenue Scotland about the exercise of its functions and Revenue Scotland must have regard to that guidance. The guidance must be published and laid before the Scottish Parliament, unless Ministers consider that to do so would prejudice the effective exercise by Revenue Scotland of its functions.

4.5 The Scottish Ministers are responsible for setting the rates, bands and thresholds relating to the devolved taxes, subject to the approval of the Scottish Parliament. Any information about proposals relating to tax or other fiscal matters provided to Revenue Scotland prior to publication in confidence will be communicated to specific individuals within Revenue Scotland solely on a need to know basis and these individuals will undertake to hold any such information in the strictest confidence. Such information will be clearly identified as sensitive pre-publication information relating to tax or other fiscal matters.

4.6 The Scottish Ministers determine the Budget proposals to be submitted to Parliament in the Budget Bill, including the proposed budget for Revenue Scotland. The process for agreeing Revenue Scotland's budget allocation is described under Section 5: Financial Management and Resources.

4.7 The Scottish Ministers will have a specific role in approving Revenue Scotland's Corporate Plan, having been consulted in advance on a draft provided by the Revenue Scotland Board and having agreed with the Board any modifications to the draft. Revenue Scotland will publish the plan and lay a copy of the plan before the Scottish Parliament. During the planning period to which a corporate plan relates, Revenue Scotland may review the plan and submit a revised corporate plan to Ministers for approval. Further details are set out in Section 6: Planning and Reporting Responsibilities.

Board of Revenue Scotland

4.8 The Board of Revenue Scotland will consist of between five and nine individuals appointed by the Scottish Ministers. The Board will have an appropriate mix of a range of relevant knowledge and experience including, but not limited to, tax administration, corporate governance, finance, commerce, administration and public service delivery. This will ensure that the Board reflects the broad range of interests concerned with the collection and management of the devolved taxes.

4.9 In line with paragraph 4 of Schedule 1 to the RSTPA, Revenue Scotland will, with the approval of Ministers, determine the remuneration of members of the Board and of Board committees and arrange for the reimbursement of expenses incurred by them on Revenue Scotland business.

4.10 Paragraph 5 of Schedule 1 to the RSTPA makes provision for the Board of Revenue Scotland to establish committees for any purpose related to Revenue Scotland's functions. The role of the Audit and Risk Committee is described in paragraphs 5.12 – 5.13 below. It is for the Board to determine the composition of its committees and it is free to appoint to a committee individuals who are not members of the Board, although the latter are not entitled to vote at meetings of the committee.

4.11 In terms of procedure, including quorum, the Board operates within Standing Orders which will be published on the Revenue Scotland website. The Standing Orders, which are made under paragraph 6 of Schedule 1 to the RSTPA, set out a Code of Conduct and provide for the circumstances in which Board members must declare any interest on a subject under discussion or consideration.

4.12 Individual members of the Board of Revenue Scotland are accountable to the Chair for their conduct as members of the Board.

4.13 If legal proceedings are brought against any Board member by a third party, Revenue Scotland will meet any civil liability which is incurred by that Board member in the execution of his or her functions, provided that he or she has acted honestly and in good faith.

Role of the Board of Revenue Scotland

4.14 The Board of Revenue Scotland is collectively responsible for the leadership and direction of the organisation, for ensuring that it carries out its statutory functions effectively and efficiently, and for ensuring that it achieves the aims and objectives agreed between Revenue Scotland and the Scottish Ministers and recorded in the Revenue Scotland Corporate Plan. In particular, the Board will:-

- establish and maintain the overall strategic direction of Revenue Scotland;
- communicate widely the aims and objectives of Revenue Scotland;

- in reaching decisions, take into account relevant guidance issued by the Scottish Ministers (see also paragraph 4.4);
- ensure that strong working relationships are established and maintained between the staff employed by Revenue Scotland and bodies representing taxpayers and their agents;
- provide leadership and commitment to the development and promotion of effectiveness, efficiency, economy and equality throughout Revenue Scotland;
- comply - and ensure that Revenue Scotland staff comply - with any statutory or administrative requirements specified in the Scottish Public Finance Manual (SPFM) for the use of public funds, including requirements relating to Value for Money; Best Value; and risk management, governance and internal control;
- ensure that all legal responsibilities are complied with, including safeguarding protected taxpayer information; and
- protect and enhance public confidence in Revenue Scotland and in the services that it provides to taxpayers and their agents.

4.15 The Board of Revenue Scotland may also:-

- under section 4 of the RSTPA delegate execution of functions in the collection and management of the devolved taxes as appropriate to the Registers of Scotland (RoS) or to SEPA (as set out in paragraphs 3.4 and 3.5 above), and in so doing delegate responsibility to the Chief Executive for the provision of an annual assurance from both bodies for the proper exercise of those functions delegated to them. Any such delegation of a function does not affect Revenue Scotland's ability to exercise, or its responsibility for, that function; and
- under paragraph 7(1) of Schedule 1 to the RSTPA authorise a Board member, a committee, the Chief Executive or any other member of staff to exercise any of its functions ("internal delegation"). In doing so, the Board remains responsible for carrying out the functions.

Chair of Revenue Scotland

4.16 The primary duty of the Chair of Revenue Scotland is to lead Revenue Scotland in the successful performance of its functions. In doing so, the Chair will exercise particular leadership responsibilities in the following matters:-

- formulating and articulating Revenue Scotland's strategy and direction;

- ensuring that in reaching decisions the Board of Revenue Scotland and its Committees have due regard to all appropriate information and guidance;
- ensuring that actions and decisions taken by Revenue Scotland are in accordance with its statutory obligations and are consistent with its aims and objectives;
- ensuring high standards of propriety and regularity throughout the Board and staff of Revenue Scotland; and
- building relationships with, and representing the views of Revenue Scotland to, the Scottish Ministers, the Scottish Parliament and others having functions or relevant interests in the collection and management of the devolved taxes.

4.17 The Chair will also ensure:-

- that all members of the Board of Revenue Scotland, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities; and that they receive appropriate induction and on-going training, including on the financial management, reporting requirements and other duties of public bodies in Scotland;
- that best use is made of the Board's skills mix in carrying out Revenue Scotland's functions, that the Board takes appropriate action to address any skills gaps and that effective arrangements are in place for the on-going review of Board members' contribution to Revenue Scotland; and
- that the performance of the Chief Executive is managed to meet both the needs of Revenue Scotland and the requirements of the Cabinet Office Strategy on Senior Civil Service performance management, including reference to both the Cabinet Office and the Scottish Government's requirements for delivery of business, corporate and capability objectives.

Chief Executive of Revenue Scotland

4.18 The Chief Executive is a Senior Civil Servant, employed by and accountable to the Board of Revenue Scotland for the day-to-day running of the organisation and its operational performance.

4.19 In exercising responsibility for the day-to-day operation of the functions of Revenue Scotland, the Chief Executive works under the direction of the Board of Revenue Scotland and in accordance with this Framework Document. In particular, the Chief Executive is held to account by the Board for the management of Revenue Scotland's budget and business plans, the leadership of its staff, and the efficient and effective delivery of Revenue Scotland business.

4.20 The Chief Executive is designated as the Accountable Officer by the Permanent Secretary of the Scottish Government, as the Principal Accountable Officer for the Scottish Administration, in accordance with sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000. Further details of the Accountable Officer's responsibilities are set out at paragraphs 4.24 - 4.29 below.

4.21 The appointment of the Chief Executive is conducted in line with the Civil Service Commissioners' Recruitment Principles as they apply to senior civil servants in Scotland. The Chief Executive's remuneration is agreed in accordance with the performance and award arrangements for members of the relevant Senior Civil Service pay band.

4.22 The Chief Executive's main responsibilities include:-

(a) ensuring that the Board of Revenue Scotland is provided with high-quality, impartial, transparent and honest information and advice on all areas of Revenue Scotland's responsibilities;

(b) providing effective leadership to the staff of Revenue Scotland and exercising responsibility for the management and development of staff;

(c) ensuring that financial considerations are made clear to the Board at all stages in reaching and executing decisions;

(d) ensuring that the Board and staff of Revenue Scotland remain alert to the public interest in ensuring that their decisions are taken in a fully informed legal context and ensuring that the legal implications of any course of action are considered at the earliest opportunity and that all briefing to the Board is informed by such advice;

(e) delivering the efficient and cost-effective day-to-day management of Revenue Scotland's functions;

(f) overseeing the commitment of Revenue Scotland to good and effective communications with the Scottish Government, partners and stakeholders to ensure that tax policy development and tax administration are informed by a good shared understanding;

(g) ensuring the efficient and effective use of staff and other resources in line with the principles of Value for Money and Best Value, including where appropriate through participation in collaborative procurement and shared service arrangements (see paragraphs 5.14 - 5.17 below);

(h) making sure that strategic human resource planning is aligned with Revenue Scotland's objectives;

(i) ensuring that human resource policies and procedures - maintained by the Scottish Government and delivered within Revenue Scotland under a shared service arrangement

(see paragraph 5.14) - are effectively managed to the required standards for all staff employed by Revenue Scotland;

(j) putting in place robust systems of management and control within the organisation which support the achievement of Revenue Scotland's targets, policies, aims and objectives; and ensuring the identification, management and mitigation of risks to inform decisions on financial and operational planning;

(k) ensuring that adequate resources are in place for Revenue Scotland to fulfil its planning and reporting responsibilities as set out in Section 6 of this Framework Document;

(l) overseeing the preparation for each financial year of the annual accounts of Revenue Scotland; arranging for an audit of the annual accounts to be carried out by the Auditor General for Scotland (AGS), or by auditors appointed by the AGS, in the appropriate time period; and signing the annual accounts and associated governance statements (as Accountable Officer – see paragraphs 4.24 - 4.29 below);

(m) preparing Revenue Scotland's annual report, laying the annual report and accounts before the Scottish Parliament and arranging for their publication;

(n) ensuring adherence to Scottish Government equalities and diversity policies, and relevant legislation, as they apply to Revenue Scotland staff and to third parties acting on behalf of Revenue Scotland; and in Revenue Scotland's role as a public body in the promotion of equality and diversity; and

(o) ensuring that appropriate organisational policies and procedures are in place to fulfil Revenue Scotland's duties and responsibilities in respect of Freedom of Information and data protection.

4.23 The Chief Executive's annual performance report will be written by the Chair of Revenue Scotland and countersigned by the Director General Scottish Exchequer, Scottish Government.

Accountable Officer

4.24 The Chief Executive is designated as the Accountable Officer by the Permanent Secretary of the Scottish Government, as the Principal Accountable Officer for the Scottish Administration, in accordance with sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000. As Accountable Officer, the Chief Executive is personally responsible for safeguarding the public funds for which he or she has charge and for ensuring propriety and regularity in the handling of those public funds. The Accountable Officer has a duty to obtain Value for Money and Best Value in the operational performance of the organisation and for ensuring that effective governance and operational arrangements are in place to secure internal control and risk management.

4.25 As Accountable Officer, the Chief Executive is personally responsible for ensuring that Revenue Scotland complies with the requirements of the Scottish Public Finance Manual (SPFM). The Chief Executive should act, and take steps necessary to ensure that

Revenue Scotland corporately acts, in accordance with the principles of the SPFM and the terms of relevant guidance in the SPFM and other financial instructions and guidance issued by the Scottish Ministers. (See also paragraph 5.7.) The full range of responsibilities of the Accountable Officer are set out in the *Memorandum to Accountable Officers for Parts of the Scottish Administration*, published in the SPFM.

4.26 It is incumbent on the Chief Executive to combine his or her Accountable Officer responsibilities to the Scottish Parliament with responsibilities to the Board of Revenue Scotland. The Chair and Board of Revenue Scotland should be fully aware of, and have due regard to, the responsibilities and statutory duties placed upon the Chief Executive as the Accountable Officer.

4.27 The Accountable Officer may consult with the Director General Scottish Exchequer on any aspects of the duties applying to Accountable Officers in the Scottish Government. The Accountable Officer must consult the Director General on any action which he/ she considers is inconsistent with his/ her duties on financial, regulatory or propriety grounds, and specifically where he/ she seeks written authority from the Scottish Ministers in terms of section 8 of the SPFM or a direction from the Board of Revenue Scotland.

4.28 In practice, the Chief Executive will delegate authority widely to other employees of Revenue Scotland but cannot on that account disclaim responsibility. The Chief Executive cannot assign accountability to any other person for any of the responsibilities set out in this Framework Document, subject to section 10 of the *Memorandum to Accountable Officers for Parts of the Scottish Administration*, which covers absence of the Accountable Officer.

4.29 The Chief Executive is responsible for informing the Principal Accountable Officer about any complaints about Revenue Scotland accepted by the Scottish Public Services Ombudsman (SPSO) for investigation and about Revenue Scotland's response to any subsequent recommendations from the SPSO.

Staff of Revenue Scotland

4.30 Staff of Revenue Scotland are civil servants and are required to adhere to the standards set out in the Civil Service Code (specifically, the version applicable to staff in non-Ministerial Departments in Scotland); this sets out the framework within which all civil servants work, and the core values and standards of behaviour which they are expected to uphold. Staff are appointed by open and fair competition; and Revenue Scotland is responsible for ensuring that staff recruitment arrangements are fair, open and transparent in line with the Civil Service Commissioners' Recruitment Principles. All recruitment, including for Senior Civil Service posts, will adhere to the Scottish Government's recruitment policies and procedures.

4.31 Revenue Scotland staff are civil servants, part of the Scottish Administration, rather than the Scottish Government. Under the terms of paragraph 8 of Schedule 1 to the RSTPA, staff are appointed by Revenue Scotland, and act under the direction of the Board of Revenue Scotland.

4.32 All staff employed by Revenue Scotland have a duty to the Chief Executive, and through the Chief Executive to the Board of Revenue Scotland, to support the efficient and effective operation of the collection and management of the devolved taxes and the achievement of Revenue Scotland's aims and objectives.

4.33 The Board of Revenue Scotland has made the decision that HR management (including pay negotiations, pay awards, payroll and pensions) for the staff of Revenue Scotland will be provided by the Scottish Government under a shared services agreement. The Board has further decided that Revenue Scotland staff will be part of the Scottish Government Main (SGM) bargaining unit and will be subject to SGM terms and conditions of employment and to Scottish Government HR policies and procedures. The Board will review these decisions from time to time to ensure that these arrangements continue to meet the operational needs of Revenue Scotland.

4.34 The Scottish Government has a Partnership Agreement with its recognised trade unions covering all matters relating to the general welfare, terms, conditions and working practices of staff. For the purposes of SGM terms and conditions and collective bargaining the recognised unions are the Public and Commercial Service Union (PCS), Prospect and FDA. Collectively the recognised unions form the Council of Scottish Government Unions (CSGU).

4.35 The staff are members of, or are eligible to join, the Civil Service pension arrangements.

4.36 Although it is not open to Revenue Scotland, while it remains part of SGM, to undertake independent review of terms and conditions, specific elements can be discussed centrally with Scottish Government HR and the CSGU, where variation might be in the interests of improved efficiency and effective management and having regard to the need to recruit, retain and motivate staff. Any Revenue Scotland-specific changes to terms and conditions will only be made after discussion and agreement between Scottish Government HR and Revenue Scotland and following consultation with the CSGU.

4.37 In addition to terms and conditions of employment, Revenue Scotland staff will be subject to the provisions of Part 3 of the RSTPA (protected taxpayer information) which amongst other things provides for the making of a Declaration of Confidentiality by the Chief Executive and members of staff of Revenue Scotland, by RoS and SEPA officials exercising functions on behalf of Revenue Scotland, and by certain contractors and shared service partners, as well as by the Revenue Scotland Board and Board committee members.

4.38 Revenue Scotland staff are eligible to apply for posts in the Scottish Government and across the Scottish Administration – and *vice versa*. Revenue Scotland staff are eligible for promotion opportunities within SGM – and *vice versa*.

4.39 The Chief Executive is responsible for the learning and development of staff, both as individuals and collectively, and for ensuring that all staff have the knowledge, skills and experience required for Revenue Scotland to deliver its functions effectively. The learning and development strategy will pay particular attention to Revenue Scotland's own organisational priorities as set out in the Corporate Plan.

4.40 Professional staff will have access to their Head of Profession (where one exists), wherever located within the Scottish Government. Subject to the requirements of efficient and effective Revenue Scotland operations, the Board and senior management will have due regard to existing arrangements whereby professional staff career development is managed by the Head of Profession and may include managed moves across the Scottish Government and wider civil service. In the case of certain professional staff including ICT and Communications, posts may attract a pay supplement, subject to prior assessment of roles by the Head of Profession.

4.41 The health, safety and wellbeing of staff is the responsibility of the Chief Executive and a key priority for Revenue Scotland, as an employer, and Revenue Scotland is committed to providing an inclusive workplace free from unlawful discrimination, victimisation and bullying, and to ensuring the fair treatment of all its staff.

4.42 The formal responsibility for health and safety management lies with the Chief Executive in line with the requirements of the Health and Safety at Work Act 1974 and other relevant legislation, guidance and/or best practice. Revenue Scotland is responsible for the health and safety not only of its staff but also of visitors to its premises. The Staffing and Equalities Committee has responsibility for equality and diversity and reports to the Revenue Scotland Board. Revenue Scotland is subject to the Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

4.43 Revenue Scotland will promote an inclusive culture, including providing mandatory training for all staff in wellbeing, resilience and stress, health and safety, recognising and dealing with bullying, and equality and diversity (including discrimination); and will provide training in unconscious bias for staff involved in recruitment. Revenue Scotland will also publish and monitor diversity data relating to staff composition, grading, recruitment and retention and development, and monitor the results of the annual staff survey to highlight any areas for concern and action.

4.44 Revenue Scotland will have appropriate workforce planning arrangements in place to ensure that the organisation can deliver future service requirements, and in doing so establishing effective organisational structures.

4.45 Revenue Scotland is committed to effective communication with its staff and staff representatives and will establish and maintain local partnership arrangements with staff representatives. These partnership arrangements complement the wider Scottish Government agreement with CSGU which encompasses Revenue Scotland as part of SGM.

Director General Scottish Exchequer, Scottish Government

4.47 The Director General Scottish Exchequer, Scottish Government (DG Scottish Exchequer) is responsible for ensuring that effective working relationships are maintained between Revenue Scotland and the Scottish Ministers. She/ he may delegate some activities to a nominated Director on a day to day basis. The DG Scottish Exchequer will

promote organisational alignment between Revenue Scotland and the Scottish Ministers as appropriate by ensuring that:-

- the Chief Executive or, where appropriate, the Chair and Board of Revenue Scotland, are aware of strategic developments and corporate decisions which may affect Revenue Scotland's functions or operations, including the range of priorities set out annually in the Public Bodies Statement of Corporate Expectations;
- Revenue Scotland's strategic objectives are aligned to the Scottish Government Purpose and National Outcomes set out in the National Performance Framework;
- the position of Revenue Scotland is taken into account in relevant Scottish Government policy decisions, and the Scottish Government has due regard to advice provided by Revenue Scotland; and
- an appropriate Framework Document (i.e. this document) is in place, and is reviewed as appropriate and maintained.

4.48 The DG Scottish Exchequer:-

- may consult with the Revenue Scotland Accountable Officer on any aspect of that person's duties in terms of the SPFM;
- will provide guidance on any matter where the Revenue Scotland Accountable Officer seeks advice in relation to a written authority from Scottish Ministers in terms of section 8 of the SPFM; and
- will provide advice to the Revenue Scotland Accountable Officer on any matter which would require a direction from the Board of Revenue Scotland.

4.49 Other responsibilities of the DG Scottish Exchequer include:-

- providing support and constructive challenge to ensure that Revenue Scotland is high performing and continuously improving;
- ensuring that operational accountability is being exercised properly;
- supporting the Scottish Ministers in the discharge of their duties in respect of Revenue Scotland;
- ensuring, where necessary, that appropriate core Scottish Government corporate services are available to support and facilitate the work of Revenue Scotland; and
- providing the line management role of countersigning officer of the Chief Executive, in his/ her capacity as a Senior Civil Servant.

4.50 Taking account of the Corporate Plan, Annual Report and other information provided by or requested from Revenue Scotland, the DG Scottish Exchequer will be responsible for advising the Scottish Ministers about the operation and performance of Revenue Scotland.

4.51 The DG Scottish Exchequer will meet with the Chair of Revenue Scotland at least twice annually to discuss Scottish Government policy and strategic issues as they relate to Revenue Scotland and to discuss any governance issues including the appointment and appraisal of Board members of Revenue Scotland and of the Chief Executive.

4.52 Specific matters may be delegated as appropriate by the DG Scottish Exchequer to members of her/ his staff and the DG Scottish Exchequer will advise the Chair and/ or Chief Executive of appropriate points of contact.

5. FINANCIAL MANAGEMENT AND RESOURCES

Revenue Scotland Budget Allocation

5.1 Revenue Scotland is funded directly from the Scottish Consolidated Fund.

5.2 Revenue Scotland is part of the Scottish Administration and will have its own level 2 budget set out in the annual Budget Bill. The Scottish Government will liaise with Revenue Scotland to identify its budgetary requirements which will be reflected in the Budget Bill which Ministers present to the Scottish Parliament. It is for the Scottish Ministers to determine the budget proposals to be submitted to the Scottish Parliament within the Budget Bill, including the proposed budget for Revenue Scotland.

5.3 When setting budgets in a Spending Review period, and as part of the draft Budget process, Revenue Scotland will be invited to identify its resource needs. The Scottish Ministers will consider Revenue Scotland's resource needs alongside those of other public bodies and portfolios and consider how to allocate resources to ensure that Revenue Scotland has sufficient budget to meet its statutory obligations and ensure that revenues due are collected to fund other public services.

5.4 Where agreement for the budget for Revenue Scotland cannot be reached between the parties, there will be a right of representation. In the first instance, this will be between the Chief Executive, as Accountable Officer, and the DG Scottish Exchequer. If agreement cannot be reached at official level, there will be a right of representation between the Chair of Revenue Scotland and the Cabinet Secretary for Finance and the Constitution. Every effort will be made by both parties to ensure agreement. It will ultimately be for the Scottish Ministers to determine the budget allocations within the Budget Bill.

5.5 Subject to the limits imposed by the budget allocated to Revenue Scotland and other applicable guidance from the Scottish Ministers, Revenue Scotland has full authority to incur expenditure on individual items.

5.6 Revenue Scotland is responsible for managing its budget for each financial year to enable it to meet its statutory functions and for ensuring that expenditure does not exceed the approved Parliamentary budget.

5.7 Revenue Scotland has established and will maintain appropriate financial procedures in accordance with the principles of the SPFM and will ensure that appropriate counter-fraud, anti-bribery, IT and information security, delegated authority and whistle-blowing policies are in place and rigorously applied.

5.8 Revenue Scotland will as requested throughout the course of the financial year provide budgetary and monitoring information on budget performance and forecast outturn to the Scottish Government's Head of Financial Management and Reporting.

Payments into the Scottish Consolidated Fund

5.9 In line with section 5 of the RSTPA, and subject to deduction of payments in connection with repayments, interest on repayments and payments treated as repayments, Revenue Scotland will pay all money received in carrying out its functions into the Scottish Consolidated Fund (SCF). (Paragraph 3 of Schedule 4 to the RSTPA makes a consequential amendment to section 9 of the Public Finance and Accountability (Scotland) Act 2000 so that RoS is able to direct receipts in connection with Land and Buildings Transaction Tax to the SCF.)

5.10 In accordance with section 6 of the RSTPA, it is open to Revenue Scotland to pay rewards for services relating to one of its functions - for example, a reward for information which leads to the collection of undeclared tax.

Audit and Risk Management

5.11 As Revenue Scotland is part of the Scottish Administration, the Principal Accountable Officer requires that Revenue Scotland has in place systems that give him assurance that Scottish Administration resources are being used properly. Revenue Scotland is required to implement appropriate Audit arrangements in accordance with the SPFM. Internal Audit of Revenue Scotland is undertaken by the Scottish Government Internal Audit Division. Revenue Scotland is subject to external Audit by the Auditor General for Scotland (AGS) and/ or other auditors appointed by the AGS.

5.12 Revenue Scotland's internal and external Audit work is overseen by the Board's Audit and Risk Committee. The Audit and Risk Committee is chaired by a member of the Board (who is not the Chair of Revenue Scotland); the Committee's membership comprises the Committee Chair and includes at least one other member of the Board. The Committee's terms of reference are set by the Revenue Scotland Board, to which the Committee reports.

5.13 Revenue Scotland is required to implement and monitor appropriate risk management arrangements as part of a comprehensive corporate governance framework in accordance with relevant guidance in the SPFM. This involves the active monitoring and reporting of risk and risk profile changes, to gain assurance that risk management is effective, and to identify when further action is necessary as part of a comprehensive and co-ordinated approach to managing risk and the successful delivery of Revenue Scotland's functions. The Audit and Risk Committee will oversee this important work.

Shared Services and Contracts

5.14 In the interests of efficiency, effectiveness and economy, Revenue Scotland and the Scottish Ministers are committed to identifying opportunities for shared services. The Scottish Government will initially provide Revenue Scotland with corporate support for the following functions:-

- Human Resource management (including, for example: general terms and conditions of service, pay negotiations, pay awards, payroll, pensions and recruitment for senior civil service posts);
- Financial management (Scottish Government Accounting Systems: SEAS and EaseBuy);
- Information Systems, Telephony (SCOTS Desktop) and Information and Library Service;
- Estates and Facilities Management;
- Internal Audit;
- Procurement; and
- Legal Services.

5.15 The Scottish Government and Revenue Scotland will agree individual shared service arrangements for each of the corporate functions listed, including costs, service arrangements and service standards. All shared service arrangements will be bespoke to ensure that access to protected taxpayer information is restricted and regulated as required by law. Revenue Scotland will enter into discussions with the DG Scottish Exchequer prior to making any alternative financial or contractual arrangements for the delivery of shared corporate services.

5.16 The relevant Scottish Government officials will provide annual Certificates of Assurance to Revenue Scotland's Accountable Officer within the required timeline for Revenue Scotland audit and assurance processes and procedures.

5.17 Revenue Scotland will continue to make use of contracts placed by the Scottish Government - including framework agreements - for the provision of products and services, where the Board and the Accountable Officer consider this to be the option that delivers Best Value in meeting Revenue Scotland's business requirements and statutory responsibilities and where this is allowable in procurement law. Revenue Scotland may, however, enter into contracts on its own behalf if that would be more efficient, effective and economical and where capability exists to put in place contracts that comply with relevant legislation and public procurement policy.

6. PLANNING AND REPORTING RESPONSIBILITIES

Charter of Standards and Values

6.1 In line with section 10 of the RSTPA, Revenue Scotland will prepare and publish a Charter setting out the standards of behaviour and values that its Board and staff are expected to adhere to when dealing with taxpayers, their agents and other persons; and the standards of behaviour and values that it expects such persons themselves to adhere to when dealing with Revenue Scotland. Revenue Scotland will consult on the Charter and review and revise it as and when it considers appropriate. The Charter and any subsequent revisions will be laid before the Scottish Parliament.

Corporate Plan

6.2 Revenue Scotland will prepare a Corporate Plan for each planning period as set out in section 11 of the RSTPA. Each plan must be submitted to the Scottish Ministers for approval, with approval being subject to any modifications as agreed between Ministers and Revenue Scotland. Following approval, the plan will be laid before the Scottish Parliament and published. Revenue Scotland may review and submit a revised plan at any stage for approval.

6.3 The Corporate Plan will demonstrate Revenue Scotland's alignment to the Scottish Government National Performance Framework, National Outcomes, Economic Strategy and Corporate Expectations. It will set out Revenue Scotland's vision, values and strategic objectives; the outcomes by which these objectives will be measured; and its main activities for the planning period to support these objectives and outcomes. It will also contain financial and resource forecasts for the efficient and effective operation of Revenue Scotland, and Scottish Government forecasts of revenue to be collected from devolved taxes during the planning period.

Annual Report and Accounts

6.4 As soon as practicable after the end of each financial year, and in line with section 12 of the RSTPA, Revenue Scotland will prepare an annual report on how it has carried out its statutory functions in the collection and management of the devolved taxes during that year. The annual report will contain an outline of Revenue Scotland's main activities and performance against agreed objectives and targets for the previous financial year.

6.5 As part of the Scottish Administration, Revenue Scotland is subject to the accountability and audit provisions of Part 2 of the Public Finance and Accountability (Scotland) Act 2000, including the duty to prepare annual accounts. For each financial year Revenue Scotland will produce accounts of expenditure incurred in the fulfilment of its statutory functions, as well as trust statements detailing the revenue collected for each of the devolved taxes and payment of that revenue into the Scottish Consolidated Fund. The annual accounts must be prepared in accordance with the relevant legislation and the specific Accounts Direction (including compliance with the Financial Reporting Manual (FRoM)) and other relevant guidance issued by the Scottish Ministers. The annual accounts

will be audited by the Auditor General for Scotland (AGS) or by auditors appointed by the AGS.

6.6 The annual report and audited accounts will be laid before the Scottish Parliament and will be published. A copy will be provided to the Scottish Government in advance of publication.

Other publications

6.7 Revenue Scotland will also publish other reports and information as required by law or that it considers relevant and appropriate to carrying out its functions.

Freedom of Information

6.8 Revenue Scotland will adopt the *Model Publication Scheme 2012* (or as revised) produced by the Scottish Information Commissioner.

7. POLICY

7.1 Under the overall strategic direction and oversight of the Board, Revenue Scotland will develop and implement policy in relation to any aspect of its functions and will provide guidance to staff on such policies.

7.2 The Scottish Ministers will consult Revenue Scotland on all policy and legislative proposals which the Scottish Government is developing and which may have an operational impact on Revenue Scotland and the collection and management of the devolved taxes. The Scottish Ministers will consult Revenue Scotland in reasonable time to allow Revenue Scotland to make representations and for those representations to be fully considered before final decisions are taken or publicised.

7.3 The Scottish Ministers will also consult Revenue Scotland when they are engaged with the United Kingdom Government in relation to policy or legislation that may have an operational impact on Revenue Scotland and the collection and management of the devolved taxes.

7.4 Revenue Scotland will consult the Scottish Ministers and other relevant parties on any strategic or operational proposals for the administration of the devolved taxes that might have a wider impact. Revenue Scotland will consult the Scottish Ministers in reasonable time to allow representations to be made and for those representations to be fully considered before final decisions are taken or publicised.

7.5 Scottish Ministers and Revenue Scotland will be guided by a shared commitment to the aim of good and effective communications, in order to ensure that both tax policy development and tax administration are informed by a good shared understanding.

7.6 Revenue Scotland will also establish and maintain close working relationships with a range of partners and stakeholders concerning policy development and implementation, including the Scottish Government, HMRC, RoS, SEPA, Crown Office and Procurator Fiscal Service (COPFS), Police Scotland, tax professional bodies and taxpayer groups.

8. REVENUE SCOTLAND AND THE SCOTTISH PARLIAMENT

8.1 Revenue Scotland is accountable to the Scottish Parliament for the efficient use of public resources. The principal route of accountability to the Parliament is through the Chair and the Chief Executive as Accountable Officer. The Chair, the Accountable Officer or, where appropriate, members of Revenue Scotland's staff will give written or oral evidence to Committees of the Parliament when invited to do so. The Scottish Parliament has the power to require any member of the Board or staff of Revenue Scotland to attend a Parliamentary Committee.

Parliamentary Questions

8.2 The Scottish Ministers will not be accountable through Parliamentary Questions for the operations of Revenue Scotland.

8.3 Parliamentary Questions to the Scottish Ministers may, however, seek information about matters for which the Scottish Government has a general responsibility, which the Scottish Ministers cannot provide without assistance from Revenue Scotland. In particular, Parliamentary Questions may seek statistical information from the Scottish Ministers about the collection and management of the devolved taxes, and the Scottish Ministers may seek information from Revenue Scotland to enable them to respond to such questions.

8.4 Where a Parliamentary Question relates to operational matters of Revenue Scotland, the Ministerial reply will indicate that this is the case and that the Question has been passed to the Chief Executive of Revenue Scotland.

Correspondence from Members of the Scottish Parliament

8.5 When Members of the Scottish Parliament (MSPs) seek information from Revenue Scotland on matters for which it is responsible - whether directly or in a Parliamentary Question passed to the Chief Executive by the Scottish Ministers under 8.4 above - the Chief Executive or a senior officer acting on his or her behalf will reply, normally within 20 working days of receipt of the correspondence or, as the case may be, the forwarded Parliamentary Question.

8.6 Correspondence from and with MSPs will normally be published on the Revenue Scotland website, in the same way that Answers to Parliamentary Questions are publicly available, taking account of the requirements of the RSTPA, the Freedom of Information (Scotland) Act 2002 and the Data Protection Act 1998. In cases, however, where correspondence from MSPs raises any aspect of a constituent's personal or business tax affairs, Revenue Scotland will always insist on receiving explicit written confirmation that the constituent has given his or her consent to the information being shared with Revenue Scotland; and in any case involving a constituent's tax affairs Revenue Scotland will publish neither the MSP correspondence nor any reply.

8.7 In no circumstances will Revenue Scotland, in replying to correspondence from MSPs, provide access to constituents' protected taxpayer information unless the constituent has provided explicit written consent to provision of that access.

8.8 Similar arrangements will apply to the handling of questions from members of the UK Parliament.

8.9 Statistics related to the number of questions received from MSPs, the time taken for responses to issue, and performance against any targets for handling times will also be published on the Revenue Scotland website.

9. INFORMATION AND DATA SHARING

9.1 Revenue Scotland and the Scottish Government will seek to ensure the appropriate exchange of relevant information and analytical data to help fulfil their respective functions in relation to the devolved taxes and taxation. In this section “information” encompasses information held in all media, including electronic, and extends to numerical and other data.

9.2 In line with sections 3(2)(a) and 9 of the RSTPA, Revenue Scotland will provide the Scottish Ministers with information, advice or assistance relating to its functions when required to do so and in such format as Ministers may determine.

9.3 As far as is practical and subject to paragraphs 9.4 and 9.8 below, Revenue Scotland will provide the Scottish Government with relevant analytical data that it holds about the devolved taxes to assist in the development, monitoring and evaluation of Government policies.

9.4 Revenue Scotland will not provide the Scottish Ministers with protected taxpayer information. Revenue Scotland may, however, in certain limited circumstances have a need to provide such information, in confidence, to Scottish Government officials who are carrying out functions on behalf of Revenue Scotland on a shared services basis. Any such information provided in confidence to Scottish Government officials will be communicated to specific individuals solely on a need to know basis and these individuals are required to make a statutory declaration of confidentiality as if they were a member of staff of Revenue Scotland.

9.5 The Scottish Ministers may provide Revenue Scotland with information about proposals relating to tax or other fiscal matters, such as proposed tax rates and bands, before they are announced. Any such information provided in confidence to Revenue Scotland will be communicated to specific individuals within Revenue Scotland solely on a need to know basis and these individuals will undertake to hold any such information in the strictest confidence. Such information will be clearly identified as sensitive pre-publication information relating to tax or other fiscal matters.

9.6 Consistent with the shared principle of good and effective communications outlined in Section 2 of this Framework Document, Revenue Scotland and the Scottish Government will wherever possible share with each other, in advance, any public communications that either intends to issue which have a bearing on the collection and management of the devolved taxes.

9.7 In sharing information, both organisations will comply with all relevant legislative requirements and adhere to best practice and applicable guidance.

Protected Taxpayer Information and General Data Protection Regulations (GDPR)

9.8 Revenue Scotland will at all times ensure that it maintains the confidentiality of protected taxpayer information in line with the provisions of Part 3 of the RSTPA and the provisions of the General Data Protection Regulations (GDPR).

10. REVIEW AND PUBLICATION

10.1 This Framework Document will be reviewed in consultation with the Scottish Ministers at least every three years.

10.2 It may be reviewed at any other time if either the Scottish Ministers or Revenue Scotland so wish, on the basis of arrangements that they will agree in writing at that time.

10.3 Copies of this Framework Document, and of any subsequent editions following amendment, will be laid before the Scottish Parliament, placed in the Scottish Parliament Information Centre and published on Revenue Scotland's website. The document will form part of Revenue Scotland's publication scheme under Freedom of Information provisions.