

# Revenue Scotland Statistics Users Day

Thursday 23 November 2017

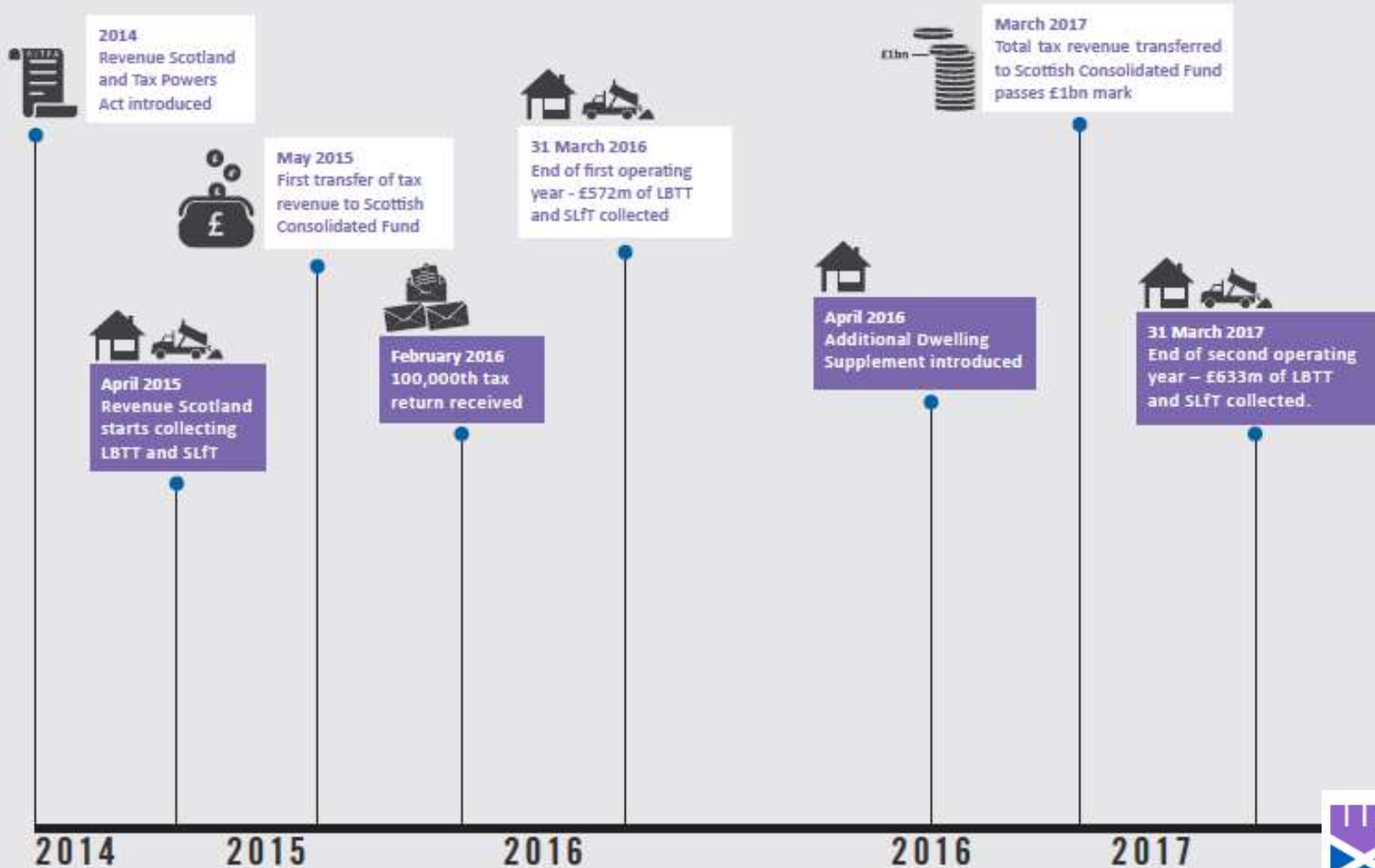
# Welcome and Introduction

Elaine Lorimer  
Chief Executive

## Agenda

10:00-10:30	Coffee and Registration
10:30-10:55	Welcome and Introductions
10:55-11:35	Statistical Outputs
11:35-11:50	Key Performance Indicators
11:50-12:00	Break
12:00-12:40	Workshop 1 <i>Current uses of Revenue Scotland statistics</i>
12:40-13:20	Lunch
13:20-13:50	Engagement with other organisations
13:50-14:20	Future developments in our statistics
14:20-15:00	Workshop 2 <i>Future developments and improvements in Revenue Scotland statistics</i>
15:00-15:10	Break
15:10-15:30	Questions and closing remarks

# Key milestones



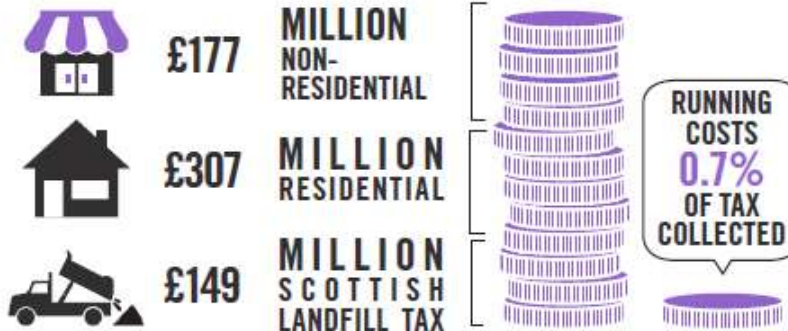
# Our 2016-17 Performance

TOTAL TAX COLLECTED PASSES **£1BN** MARK



**98.8%** OF TAX RETURNS  
SUBMITTED ONLINE

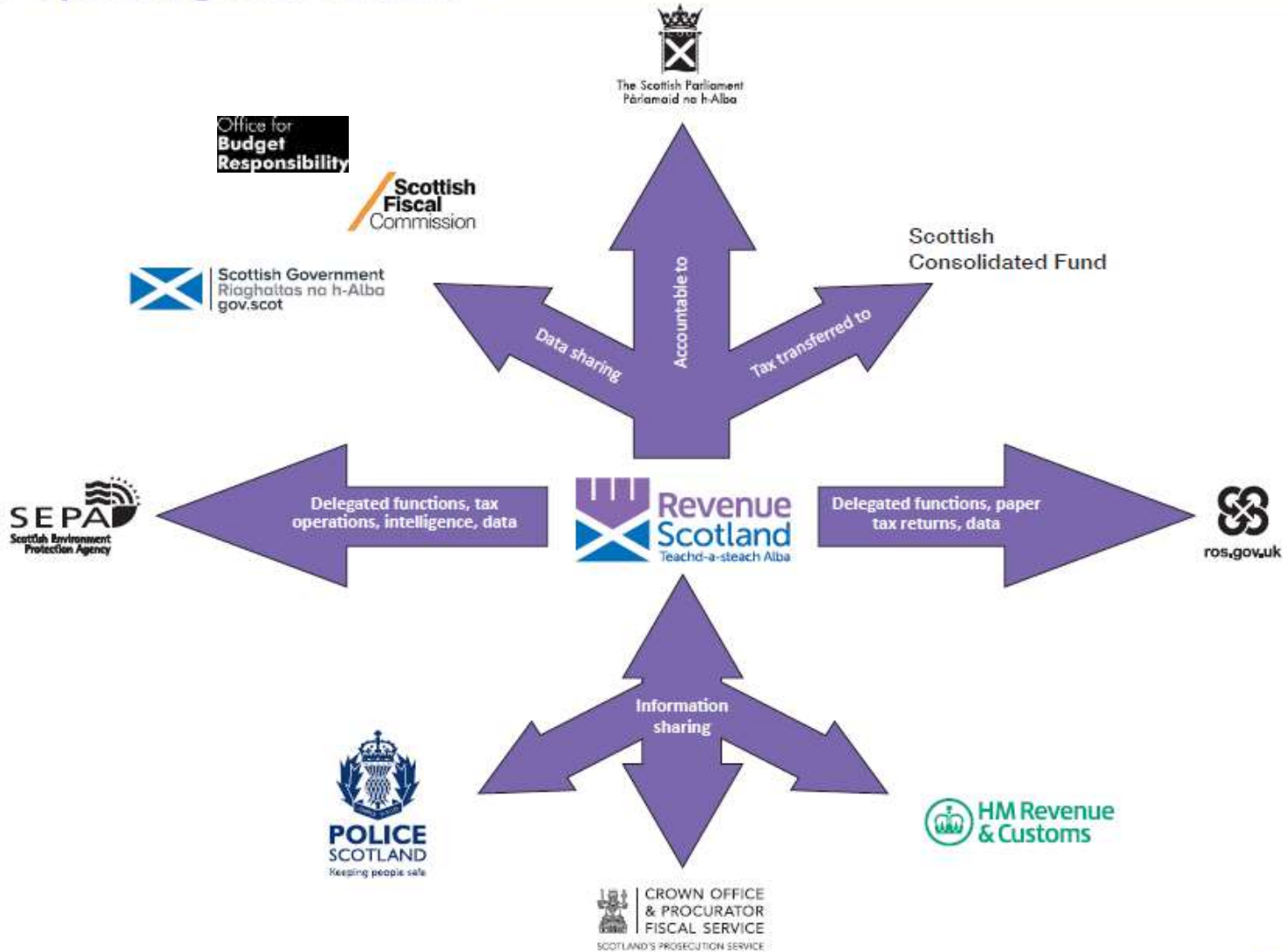
OVER **£630million** COLLECTED  
IN TAX



 **97.9%** OF WRITTEN COMMUNICATIONS  
RESPONDED TO WITHIN  
10 WORKING DAYS

**0** SECURITY BREACHES  |  AVERAGE CALL WAITING TIME OF  
**6.2** SECONDS

# Our Operating Environment



# Data sources for our statistics

- Data are collected through LBTT and SLfT tax returns specifically designed for the purpose of managing and collecting tax
- Our statistics are based on administrative data from these tax returns and, for some statistical purposes, other data sources may be more appropriate

# Looking ahead.....

- New corporate plan setting the strategic objectives for 2018-2021 and KPIs
- Profile-raising in Scotland and more widely – first meeting of Great Britain and Northern Ireland Tax Forum
- Our existing online tax administration system will be replaced with a new system in 2019 and our data reporting requirements for it will take account of our organisational experience to date.



# Statistical Outputs

Darren Knox  
Senior Assistant Statistician

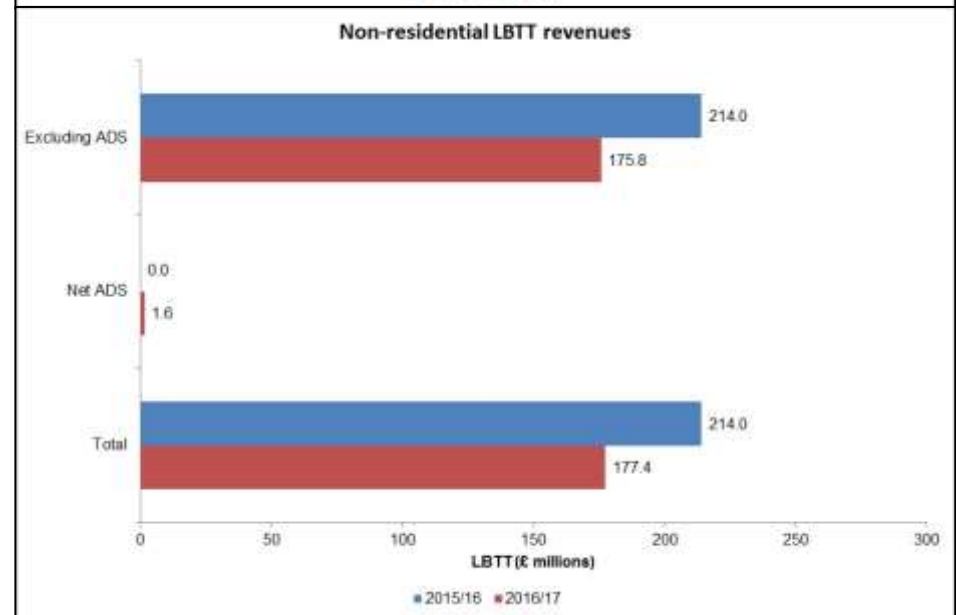
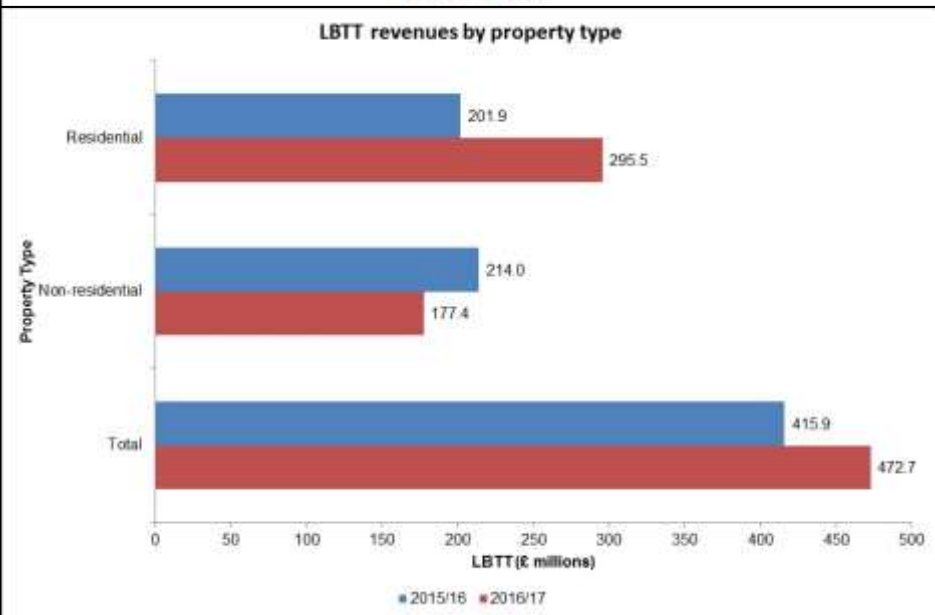
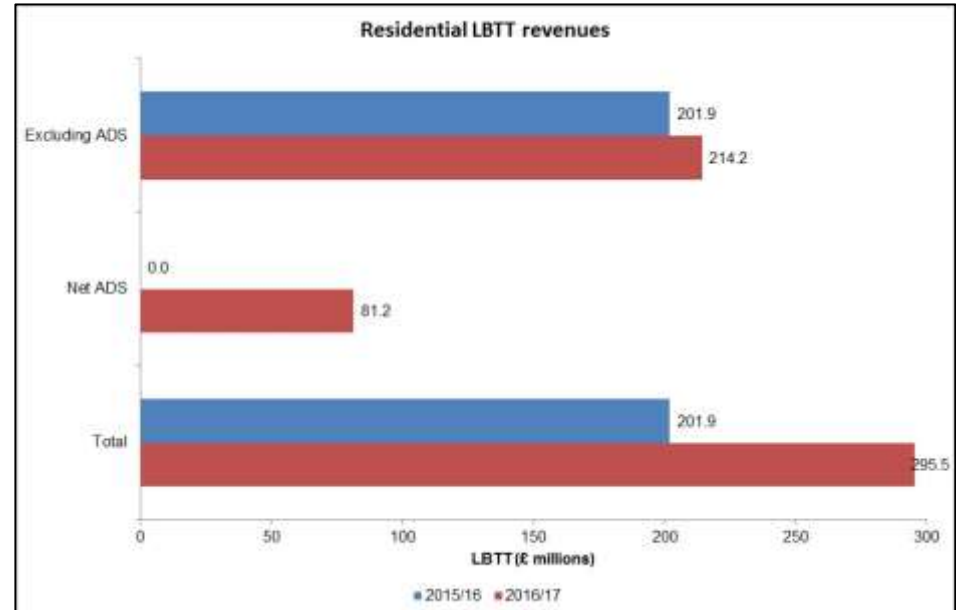
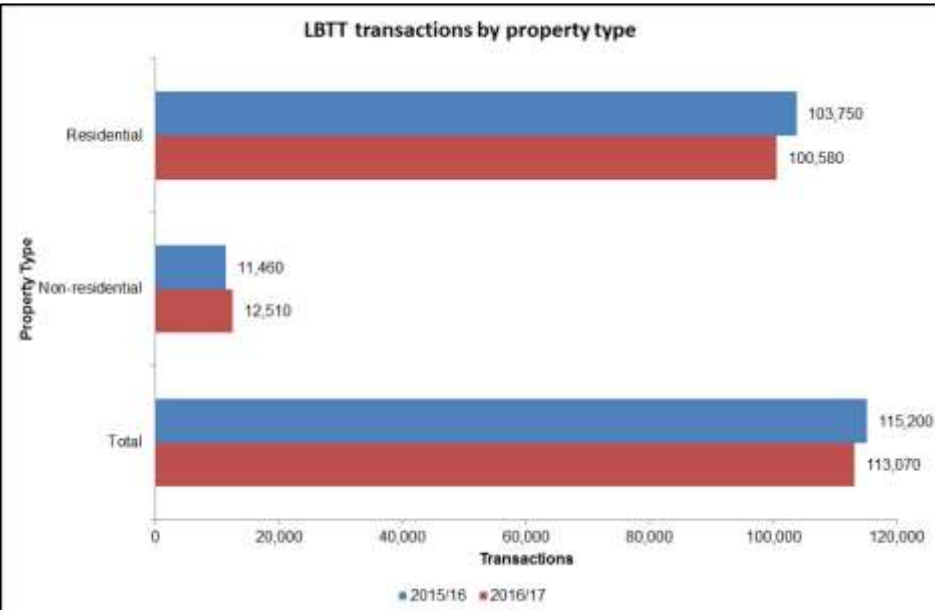
# Overview of stats publications

- Revenue Scotland (RS) publishes monthly [LBTT stats](#) and quarterly [SLfT stats](#)
- LBTT stats published within one month of month end
- SLfT stats published within three months of quarter end
- Data extracted from RS's management information data base – a record of all tax returns submitted in SETS

# LBTT publication

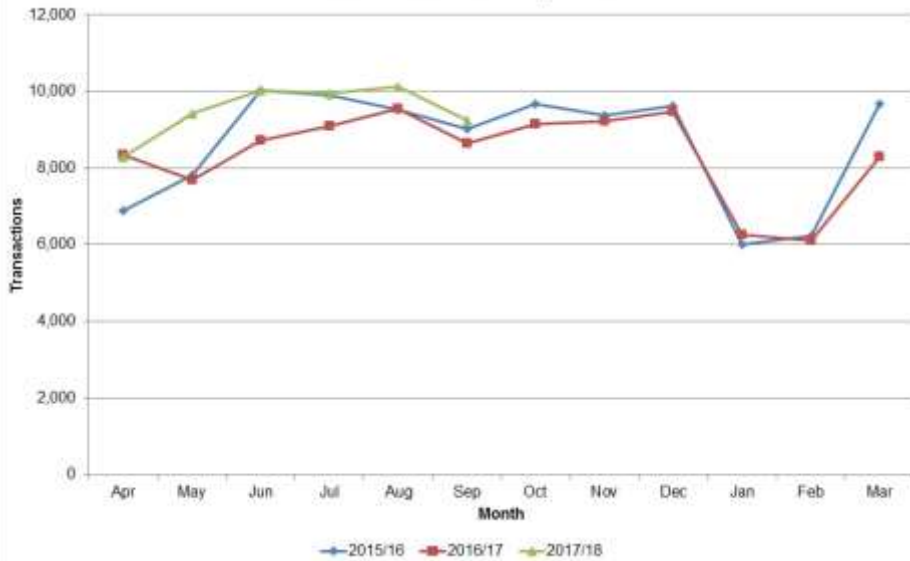
- Publish info on number of transactions and LBTT revenues by month
- Data is based on date LBTT return received
- Tax payers have 30 days from date of transaction to submit their LBTT return
- Data is disaggregated by property type (residential/non-residential) and total consideration (purchase price)
- Also provide info on Additional Dwelling Supplement (ADS) – a 3% surcharge for second homes
- Leases
- Next publication: 24 Nov 17 (tomorrow) for Oct 17

# Annual transactions and revenue by property type

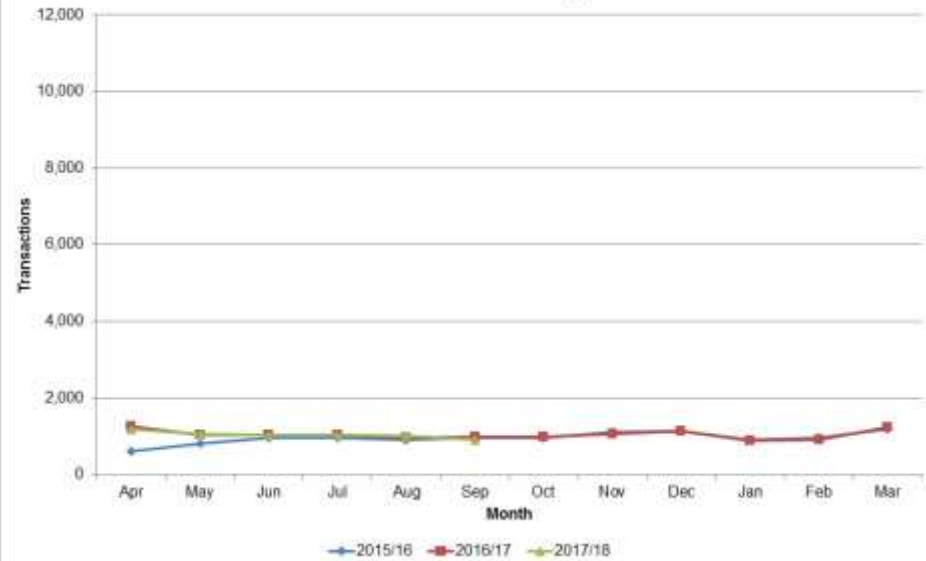


# Monthly transactions and revenue

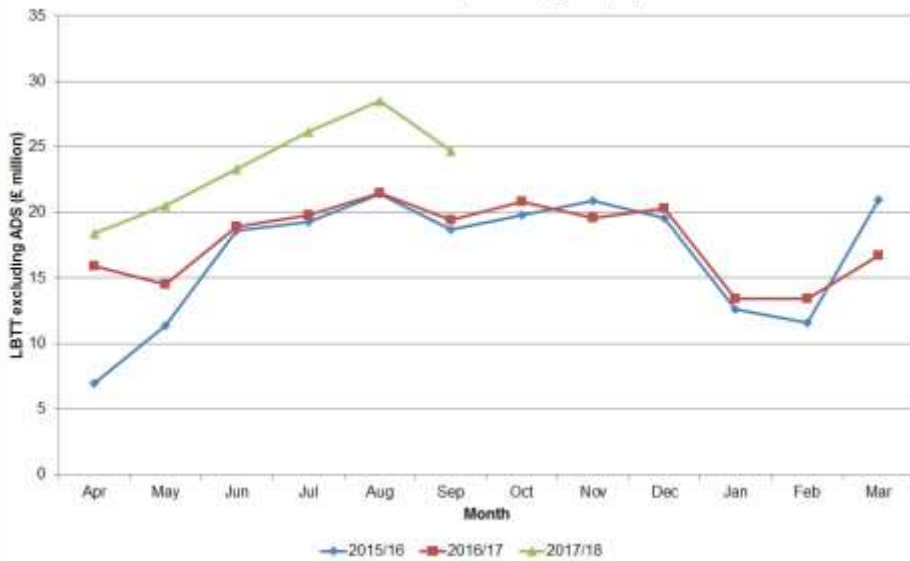
Residential transactions by month



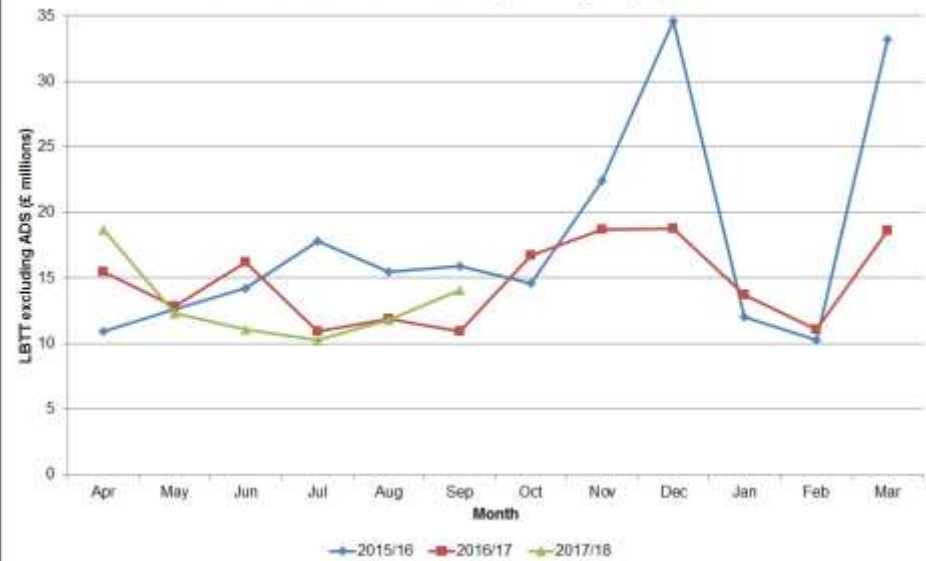
Non-residential transactions by month



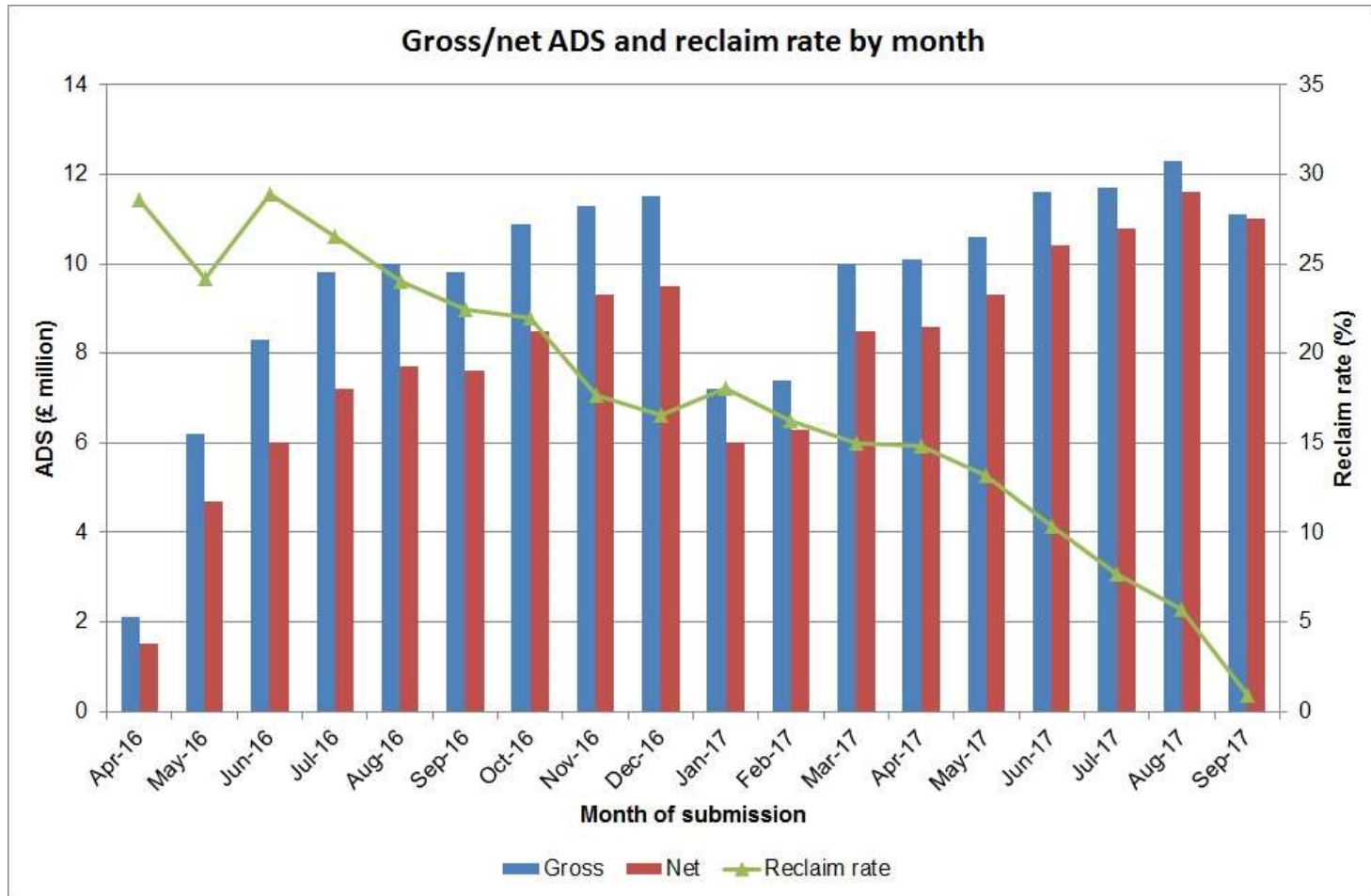
Residential LBTT revenues (excluding ADS) by month



Non-residential LBTT revenues (excluding ADS) by month

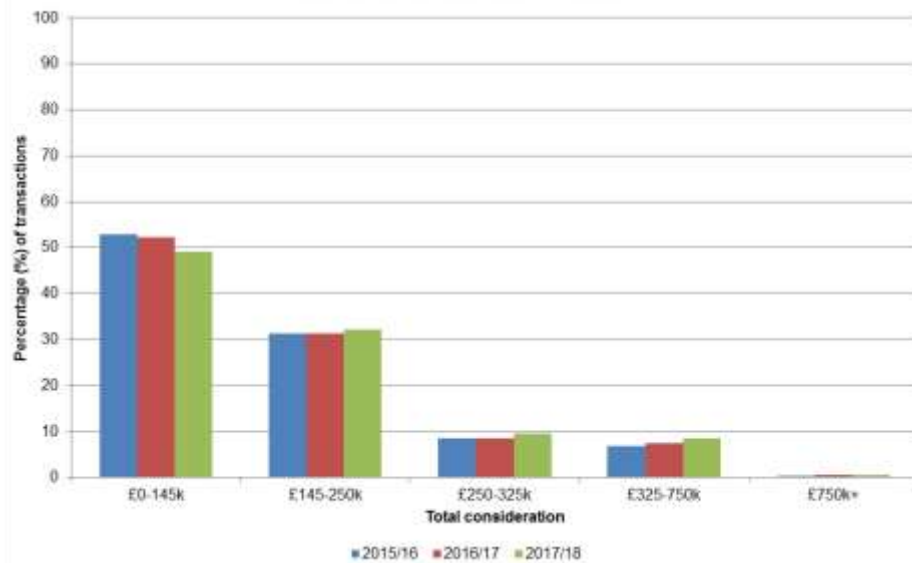


# Gross/net ADS and reclaim rate by month

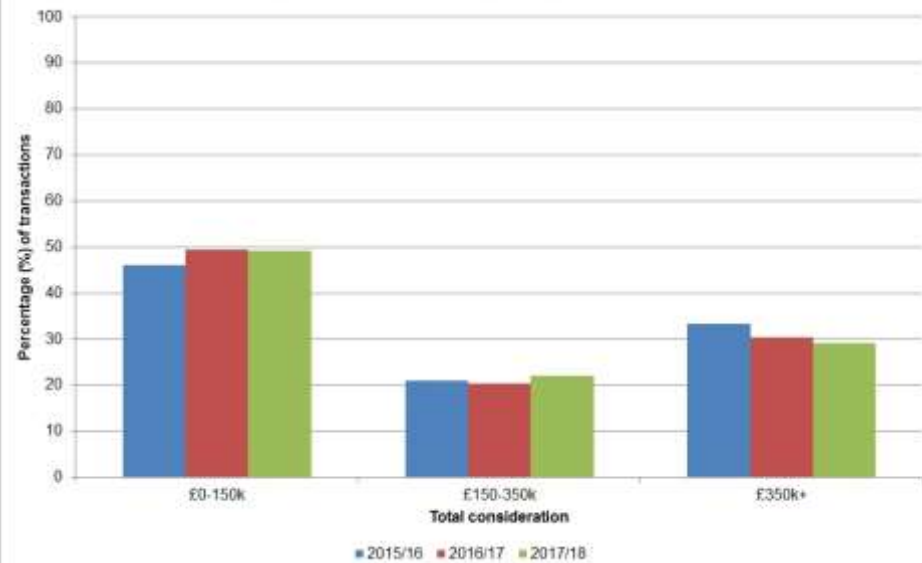


# Distribution of transactions and revenue

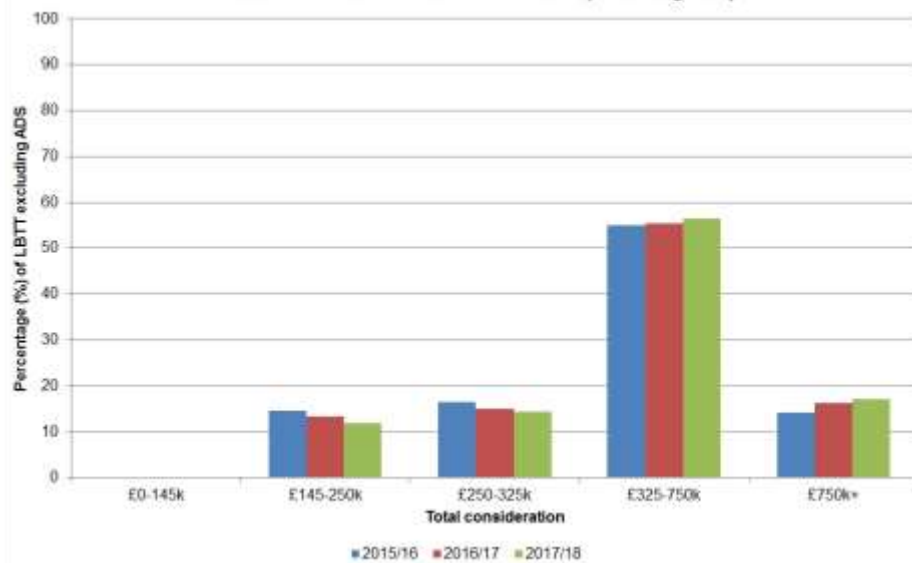
Distribution of residential transactions



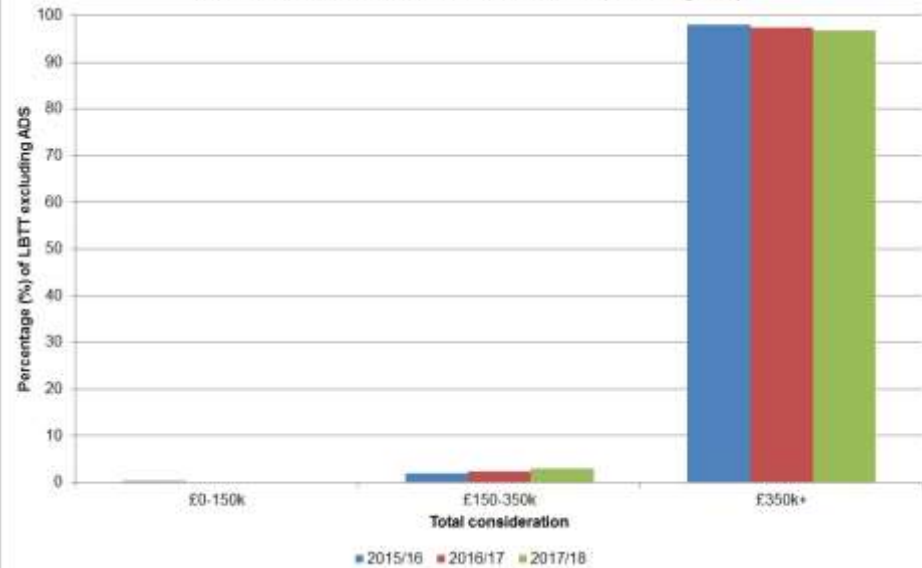
Distribution of non-residential transactions



Distribution of residential LBTT revenues (excluding ADS)



Distribution of non-residential LBTT revenues (excluding ADS)



# SLfT publication

- Publish quarterly info on landfilled waste (tonnages) and SLfT revenues
- Data is based on period SLfT return covers
- Tax payers have 44 days from the end of the quarter to submit their SLfT return
- Also publish info on contributions to Scottish Landfill Communities Fund (SLCF)
- Operators can claim SLfT relief equal to 90% of contributions to SLCF - contributions cannot exceed 5.6% of the SLfT liability
- Next publication: 15 Dec 17 for 2017/18 Q2



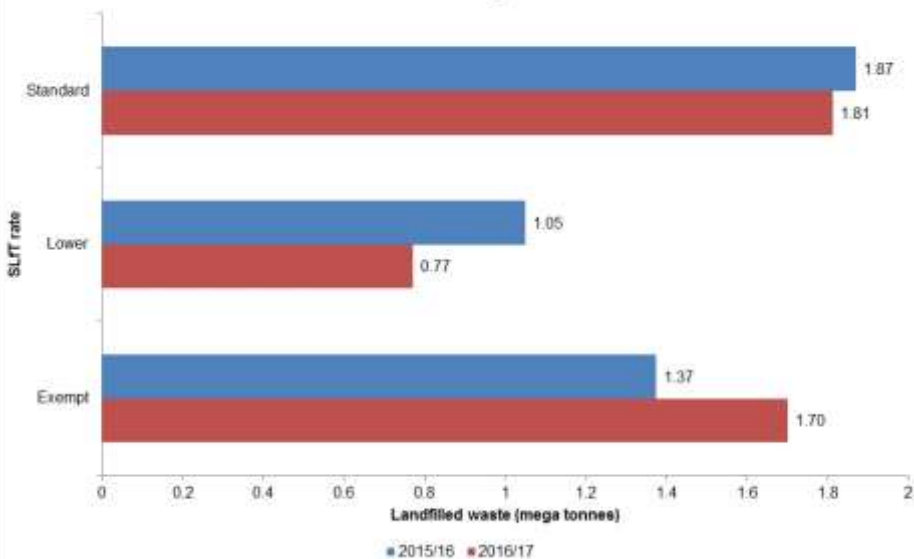
# Landfilled waste exempt from SLfT

- Revenue Scotland (RS) publishes info (tonnages) on landfilled waste exempt from SLfT
- Tonnages are as reported in SLfT returns
- However, waste not landfilled, e.g. used for restoration or entering/leaving non-disposal areas, is reported
- [SEPA](#) definitive source for stats on total landfilled waste
- RS stats should only be used to determine total landfilled waste subject to SLfT
- Risk of confusion if users determine total landfilled waste from RS stats

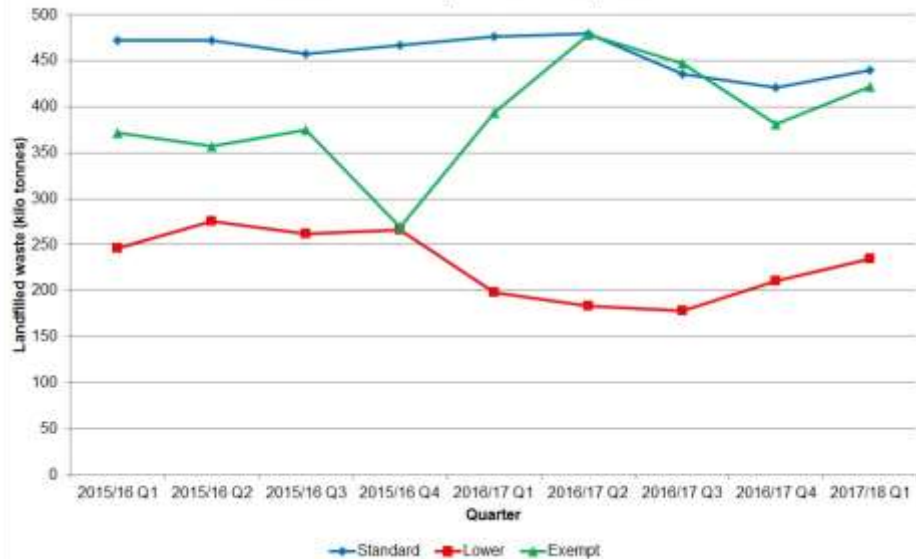
Source	Total landfilled waste (mega tonnes) in 2016
Revenue Scotland	4.3
SEPA	3.7
Difference	0.6

# Landfilled waste and SLfT revenues

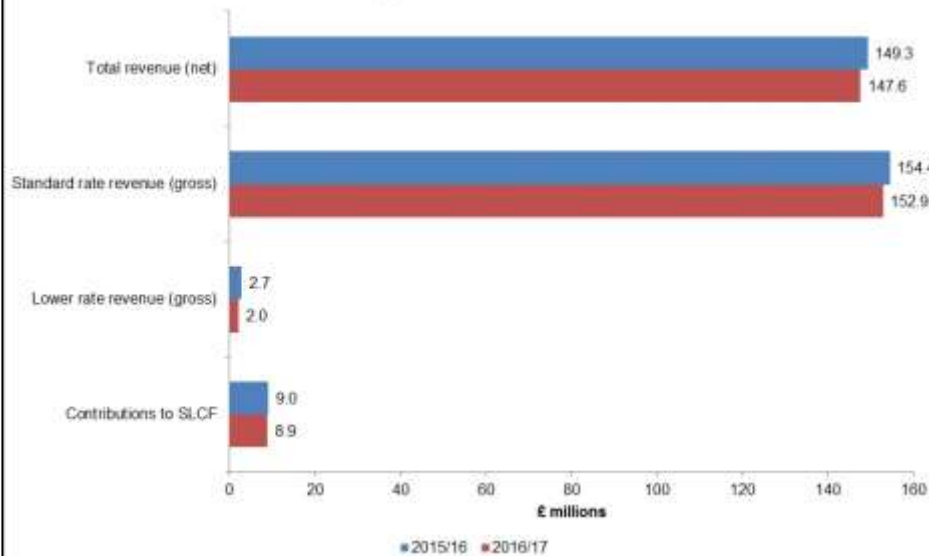
Landfilled waste by SLfT rate



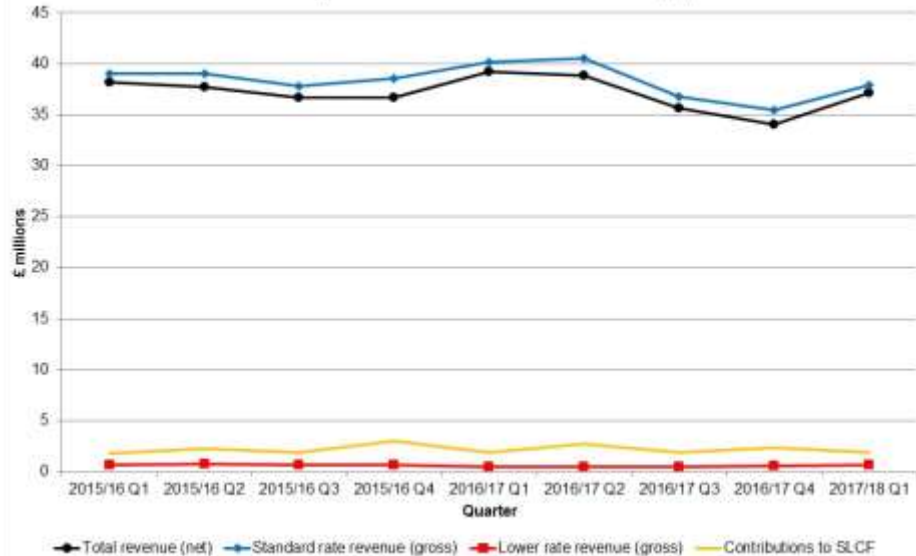
Landfilled waste by SLfT rate and quarter



SLfT revenues by SLfT rate and SLfC contributions



SLfT revenues by SLfT rate and SLfC contributions by quarter



# Key Performance Indicators

Andrew Macartney  
Statistician

# Key Performance Indicators (KPIs)

- Corporate Plan
- KPI definitions
- Results to date
- Future plans for KPIs

# KPIs in Corporate Plan (2015-18)

**REVENUE SCOTLAND PURPOSE**

To collect the devolved taxes which fund public services for the benefit of all Scottish citizens by delivering excellent tax administration founded on Adam Smith's four principles of equity, certainty, convenience and efficiency, built on a modern digital platform, with all involved working together in good faith to ensure that the right amount of tax is paid at the right time.

Adam Smith Principles			
<p><u>Equity</u>: "Proportionate to the taxpayer's ability to pay: The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities"</p>	<p><u>Certainty</u>: "The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other person"</p>	<p><u>Convenience</u>: "Every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributor to pay..."</p>	<p><u>Efficiency</u>: "Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible, over and above what it brings into the public treasury of the state..."</p>
KEY ACTIVITY AND PERFORMANCE INDICATORS			
<p>Direct compliance yield (A)</p>	<p>Proportion of all tax returns that receive no Revenue Scotland intervention (A)</p>	<p>Mean, median and maximum waiting time for all calls made to the support desk (Q) <i>Target: TBA after quarter 1</i></p>	<p>Total running costs as a percentage of money transferred to the Scottish Consolidated Fund + Scottish Landfill Communities Fund (A)</p>
	<p>Positive stakeholder feedback on Revenue Scotland's taxpayer guidance (A)</p>	<p>Proportion of taxpayer correspondence received by secure message, email and post responded to within 10 and 25 working days (Q) <i>Target: TBA after quarter 1</i></p>	

Strategic Objectives			
Collect the right amount of tax from the full taxpayer base for each of the devolved taxes, using online technology to best effect	Ensure <u>compliance</u> in payment of the correct amount of tax at the right time, resolving disputes as cost-effectively as possible	Build an effective, efficient tax authority with a reputation for high-quality <u>public service</u> to taxpayers and the people of Scotland	Attract, develop and retain a knowledgeable and skilled <u>workforce</u> who are engaged and motivated to deliver the functions of Revenue Scotland to the highest standards of professionalism and integrity
KEY ACTIVITY AND PERFORMANCE INDICATORS			
Proportion of all due payments received a) on time (Q) b) within 3 months (A) c) within 1 year (A)	Mean, median and maximum days between enquiries being opened and closed (A)	Positive stakeholder feedback on Revenue Scotland's compliance with the Charter of Standards and Values (A)	Employee engagement index (A) <i>Target: to be in the top 25% of all civil service organisations</i>
Proportion of all tax returns filed online (Q) <i>Target: 90%</i>	Value of tax liabilities identified as a consequence of corrections, amendments, assessments, determinations and enquiries (A)	Number of data security breaches (Q) <i>Target: 0</i>	Sickness absence rate (A) <i>Target: fewer than 7 average working days lost</i>
	Number of disputes and time to resolution method (A) <i>Target: TBA after year 1</i>	Number of complaints (Q)	

# KPI definitions

- All KPI definitions included in Annex to Corporate Plan

## Example 1:

Mean, median and maximum **waiting time for all calls to the support desk**

= the mean, median and maximum minutes that callers to the Revenue Scotland support desk wait before the call being answered, or abandoning the call.

The information will be presented as a composite and for calls answered and abandoned, as well as calls separately for calls answered and abandoned.

Where a call is abandoned it may be for many reasons including, but not limited to, the caller becoming frustrated at the length of the wait, the caller realising they called the wrong number, or having to attend to something else. The number of calls answered will also include those that are wrong numbers. Nevertheless the number of calls abandoned and the length of time callers were kept waiting before they abandoned their call or their call was answered provides an indication of the quality of service delivered by Revenue Scotland.

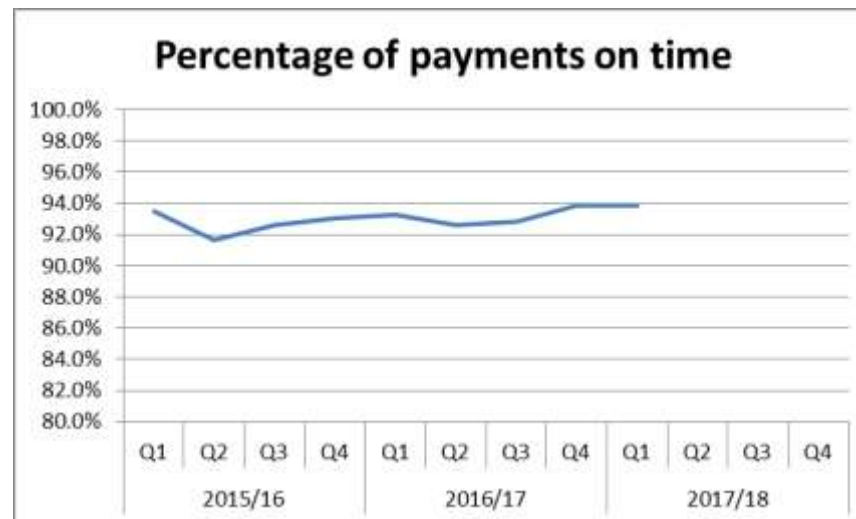
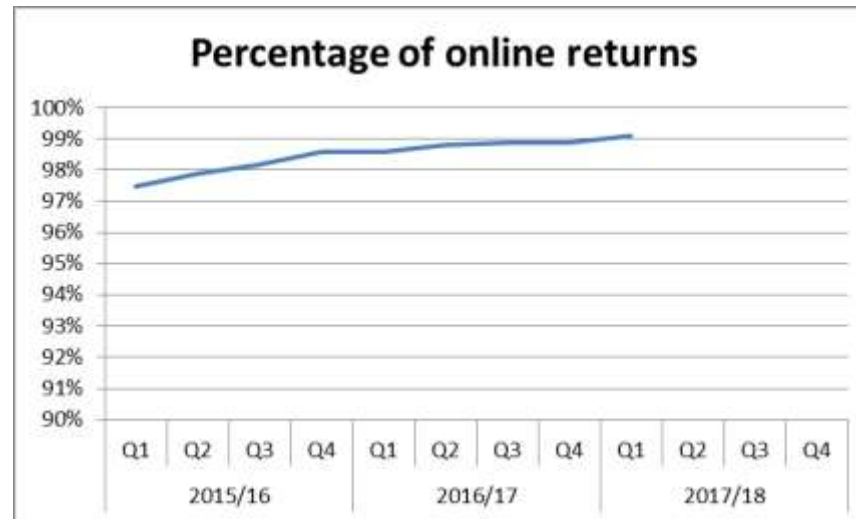
## Example 2:

Total **running costs as a percentage of money transferred** to the Scottish Consolidated Fund + Scottish Landfill Communities Fund.

= The total running costs (as will be reported in the Financial Report) for all aspects of Revenue Scotland functioning as a percentage of the total money transferred into the Scottish Consolidated Fund + the Scottish Landfill Communities Fund (the latter as reported by SEPA) and not clawed back.

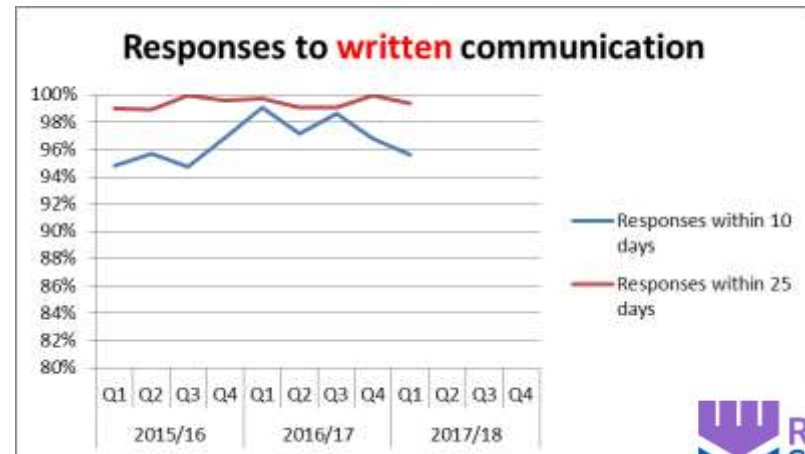
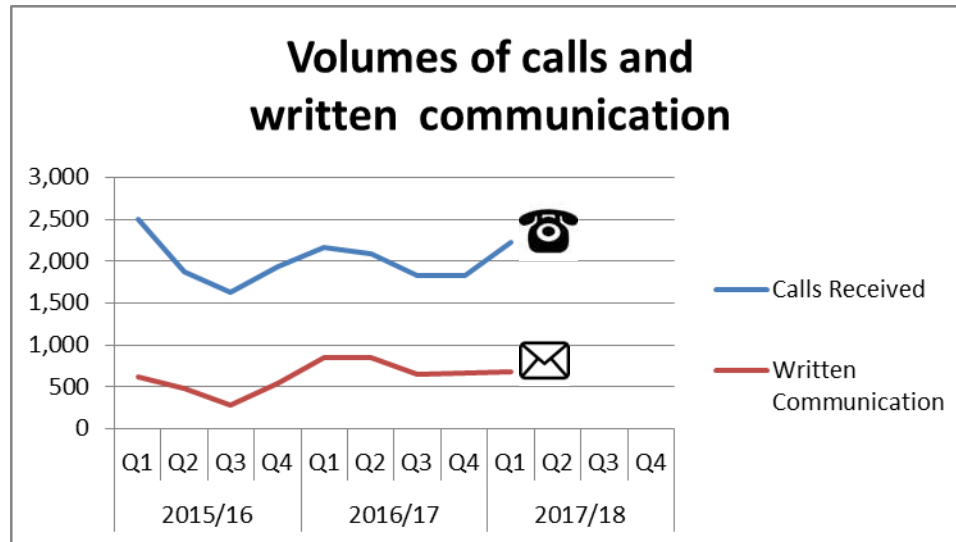
This will be presented as a percentage and the numerator and both components of the denominator shown and is intended to provide an overall indication of the extent to which Revenue Scotland is efficient in delivering tax receipts to the state.

# Returns and payment:





# Communication:



Description	2015-16	2016-17	
Running costs	0.9%	0.7%	
Number of security breaches	0	0	
Number of complaints	10	4	
Positive guidance feedback	Qualitative data only		
Compliance feedback - calls received	7,929	7,926	
- website visitors	280,000	560,000	
Direct compliance yield	£589,000	£1,949,000	
Returns without intervention	99.2%	99.0%	
Average duration of enquiries (days)	83	64	
Tax liabilities	£231,000	£1,500,000	
Disputes - completed	8	126	
- average days to resolution	5	52	
- open disputes at 31 March	5	13	
Sickness absence - average working days lost	6.4 days	9.4 days	
Employee engagement	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
	60%	55%	62%

# What next for KPIs?

- Preparation for Corporate Plan 2018-2021 (April 2018)
- Review KPIs in light of operational experience

# Workshop 1

## Current uses of Revenue Scotland statistics

# Engagement with other organisations

Andrew Macartney  
Statistician

# RS engagement with other organisations

[regarding statistics and management information]

- Delegated powers and compliance
  - Registers of Scotland (RoS)
  - Scottish Environmental Protection Environment (SEPA)
- UK statistics and tax compliance
  - HMRC
- Data requests (e.g. for devolved tax forecasting)
  - Scottish Government
  - Scottish Fiscal Commission
  - Office for Budget Responsibility
- Other users – e.g. Scotstat

# Registers of Scotland (RoS)

- Process paper LBTT returns and cheques
- Check LBTT form has been submitted before registering title
- Provide data vital to LBTT compliance work (from Land Register)
- Publish official Scottish house price data

# Scottish Environmental Protection Agency (SEPA)

- Dedicated SLfT team in SEPA carries out compliance activities
  - Compare tax return data to waste data
  - Expert knowledge of waste types (EWC codes)
  - Expert knowledge of landfill operators
- Official source of Scottish waste data

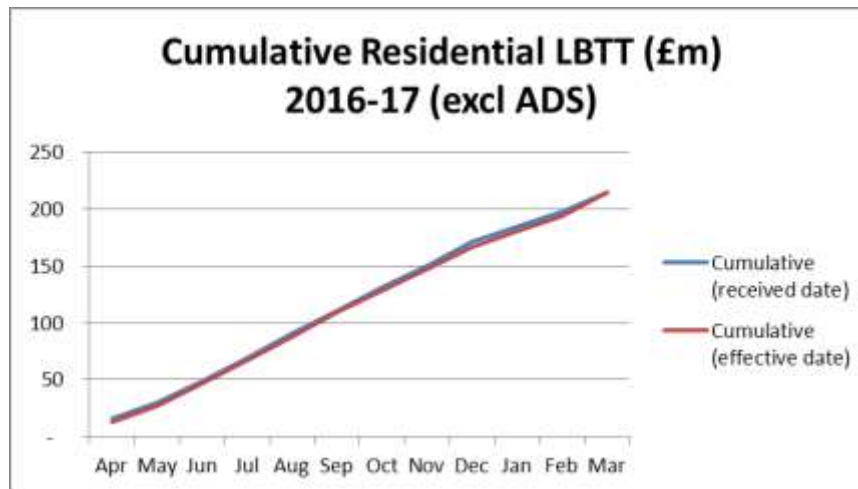
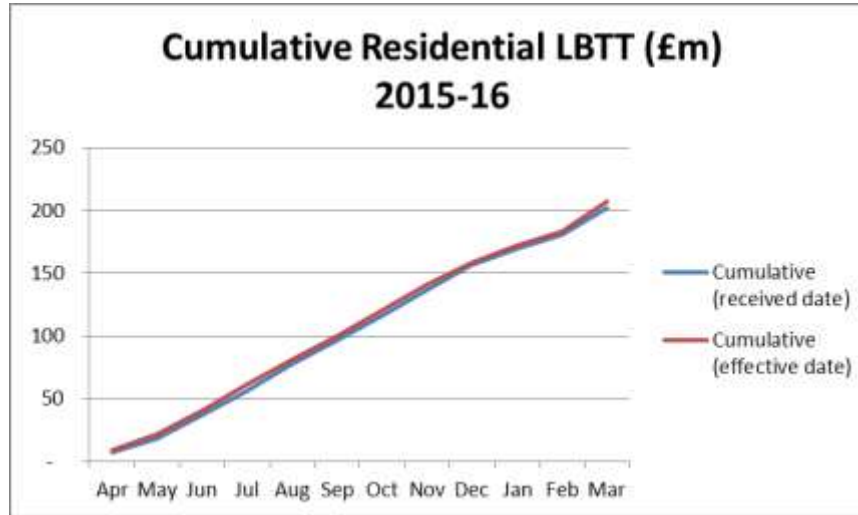


# HMRC

Statutory right of access to Revenue Scotland data to:

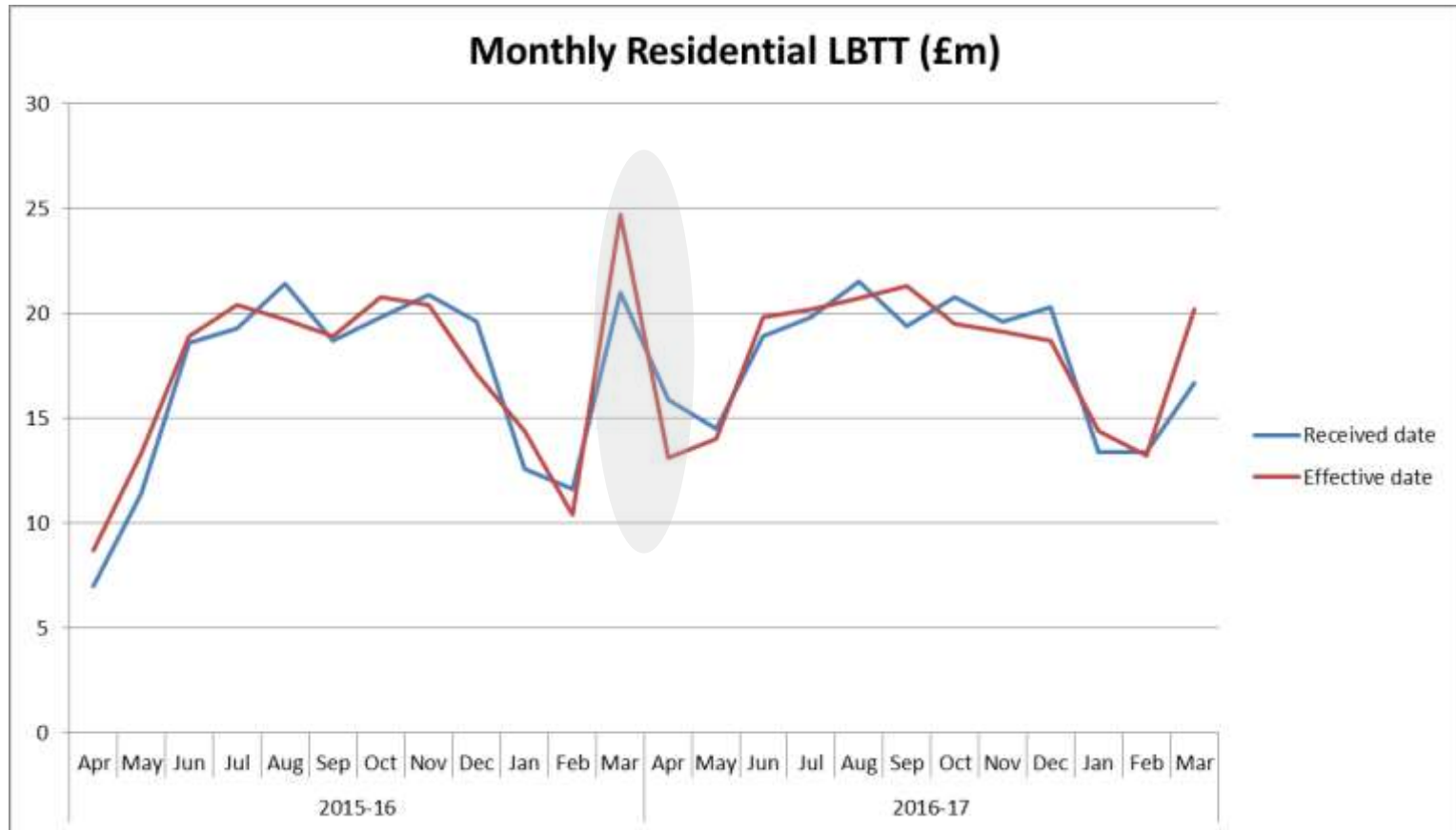
- Carry out wider collection and management of UK tax
- Publish monthly UK property transactions (2005 onwards)
  - Property transactions are allocated to the month in which the transaction was completed.
  - Not all completed transactions in the month prior to processing or the month before that will have been processed when figures for the latest month are compiled. **Estimates** are therefore made for the missing transactions in both the latest month and the previous month.

# Date tax return received v Date of property transaction



- Taxpayers have 30 days after transaction to submit return
- Median difference between date of transaction (“effective date”) and date return received is 3 days

# Date tax return received v Date of property transaction



# Date tax return received v Date of property transaction

Date tax return received	Date of transaction
<ul style="list-style-type: none"><li>• Aligns well with RS operations</li><li>• Allows timely publication of monthly stats</li><li>• Less prone to revisions in data</li><li>• No estimation required</li><li>• Different basis from accounts but, in practice, similar</li><li>• Not as well aligned to dates of policy changes</li></ul>	<ul style="list-style-type: none"><li>• Introduces delay to publication of stats</li><li>• Subject to revisions</li><li>• Closer to basis used for annual accounts (although difference small)</li><li>• Better aligned to dates of any policy changes</li></ul>

# Data requests

Revenue Scotland responses to data requests must take into account a number of factors, including:

- Meeting statutory rights of access (e.g. Scottish Government, Scottish Fiscal Commission);
- protection of taxpayer information;
- Revenue Scotland resources required; and
- benefit to external users.

## Expansion of existing publications

- Where practical, and where there has been a clear demand, we have added additional data to our publications
  - LBTT transactions and tax declared by Residential and Non-Residential tax bands
  - LBTT transactions and tax declared for Leases

## Publication of external data requests

- Where an external data request has been met (and there may be wider interest) data is made available on the Revenue Scotland website.
- To protect taxpayer information, record level data is not released and Disclosure Control checks are carried out on published statistics and data requests for external customers.

# Forecasting data

- Statutory right to data “reasonably required”
  - Scottish Government
  - Scottish Fiscal Commission
  - Office for Budget Responsibility
- Data published on Revenue Scotland website

# Published forecasting data:

## Data requests

Occasionally Revenue Scotland will publish additional LBTT statistics following a request for data from another organisation (e.g. Scottish Government, Scottish Fiscal Commission).

These statistics are provided here:

Date	Requestor	Purpose of request	Data
5/9/17	Scottish Fiscal Commission	Forecast evaluation	 LBTT - Forecast evaluation data 2015-16 and 2016-17.xlsx

## Forecast evaluation data: 2015-16 and 2016-17

August 2017

### Background

The Scottish Fiscal Commission has a duty to prepare forecasts of Land and Building Transaction Tax (LBTT) to inform the Scottish budget, and has a statutory right of access to relevant LBTT information it reasonably requires. This document contains relevant LBTT data provided by Revenue Scotland to the Scottish Fiscal Commission in August 2017.

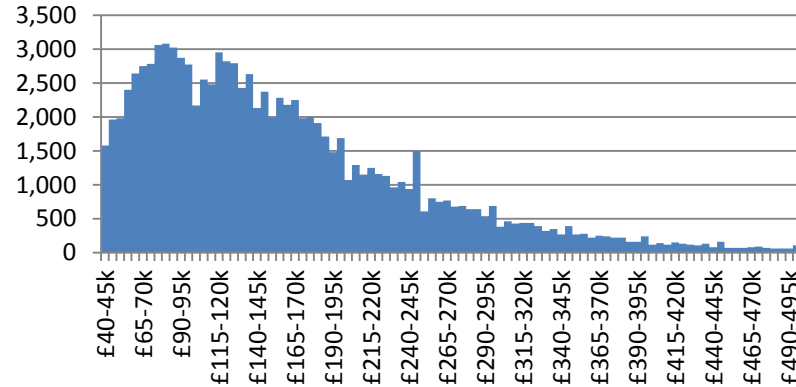
### Contents

<a href="#">Table 1</a>	All notifiable transactions - <i>by effective date</i>
<a href="#">Table 2</a>	Tax Liabilities excluding Additional Dwelling Supplement (ADS) for Notifiable Residential Transactions (excluding Leases) by Total Consideration Band - <i>by effective date</i>
<a href="#">Table 3</a>	Additional Dwelling Supplement (ADS) - <i>by effective date</i>
<a href="#">Table 4</a>	Notifiable Non-Residential Transactions, excluding Leases, by Total Consideration Band - <i>by effective date</i>
<a href="#">Table 5</a>	Notifiable Lease Transactions - <i>by effective date</i>
<a href="#">Table 6</a>	Mean and Median Total Considerations for Residential Transactions - <i>by effective date</i>
<a href="#">Table 7</a>	Mean and Median Total Considerations for Non-Residential Transactions - <i>by effective date</i>
<a href="#">Table 8</a>	Distribution of Residential Transactions by Total Consideration - 2015-16; 2016-17 - <i>by effective date</i>
<a href="#">Table 9</a>	Distribution of Residential ADS Transactions by Total Consideration - 2015-16; 2016-17 - <i>by effective date</i>
<a href="#">Table 10</a>	Distribution of Non-Residential Transactions by Total Consideration - 2015-16; 2016-17 - <i>by effective date</i>
<a href="#">Table 11</a>	Percentage of gross ADS reclaimed in months following original transactions (by <i>effective date</i> and <i>received date</i> )

# Distribution data (LBTT)

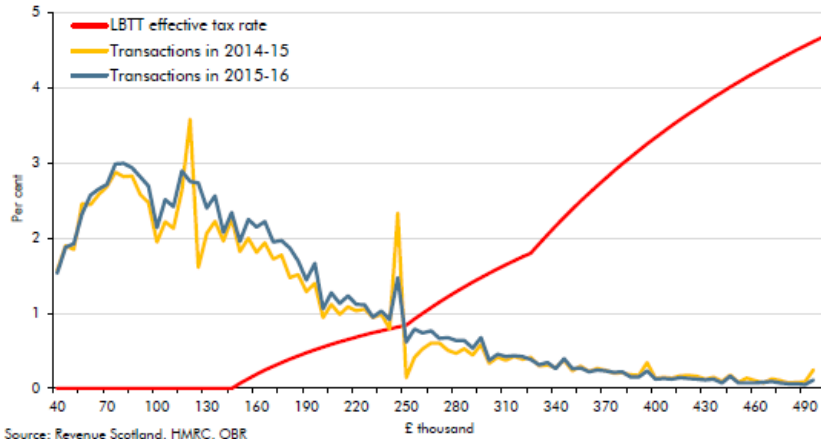
## Revenue Scotland data

### 2015-16 Residential transactions



## OBR Devolved Taxes Report

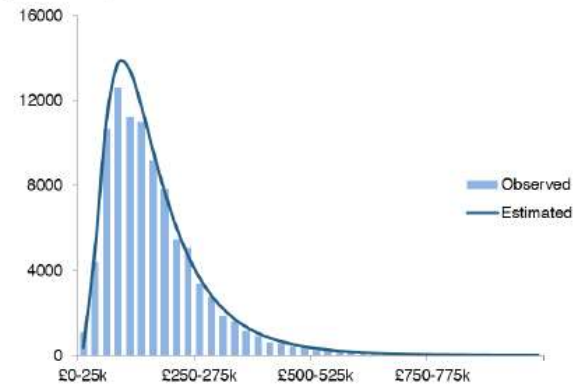
Chart 3.2: Distribution of property transactions in Scotland and LBTT tax rate



Source: Revenue Scotland, HMRC, OBR

## SFC Forecast Evaluation Report

Figure 2.5: Observed and estimated distribution of housing transactions by price in 2016-17 (£25,000 price bands)



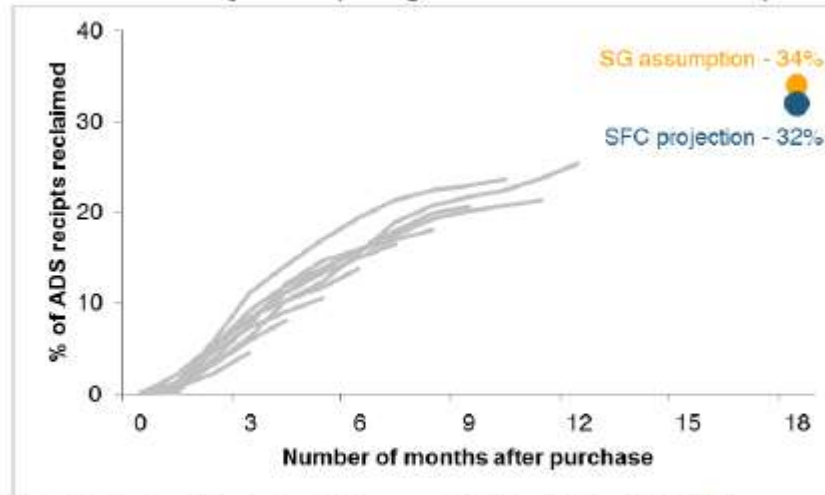
Source: Revenue Scotland statistics ([link](#)); Scottish Fiscal Commission calculations



# Additional Dwelling Supplement (ADS) repayment data:

## SFC Forecast Evaluation Report

Figure 2.9: ADS reclaimed by cohort (% of gross ADS received in month)



Source: Scottish Fiscal Commission calculations; Scottish Government (2016) Draft Budget 2017-18 ([link](#)); Revenue Scotland statistics ([link](#))

# ScotStat - network for users and providers of Scottish Official Statistics

- Aims to improve communication amongst those interested in particular statistics and facilitate the setting up of working groups on specific statistical issues.
- The ScotStat Register allows users and providers of Scottish Statistics to:
  - consult on specific topics
  - seek views on changes to statistics and new statistics
  - receive notification of publications
- Scottish Economic Statistics Consultation Group
  - The Economy, Commerce, Energy and Industry; Labour Market; Tourism; Local Government Finance; **Devolved Taxes**
  - Meets typically once or twice a year

# LBTT and SLfT forums



- Separate forums held every six months for each of the taxes;
- Bring together stakeholders with interest or involvement in LBTT or SLfT to hear latest news and technical updates;
- Also a space for stakeholders to share information and views, and openly discuss issues and concerns.
- To register interest in attending future events, email [info@revenue.scot](mailto:info@revenue.scot)

# Future developments in our statistics

Darren Knox

Senior Assistant Statistician

# Official statistics

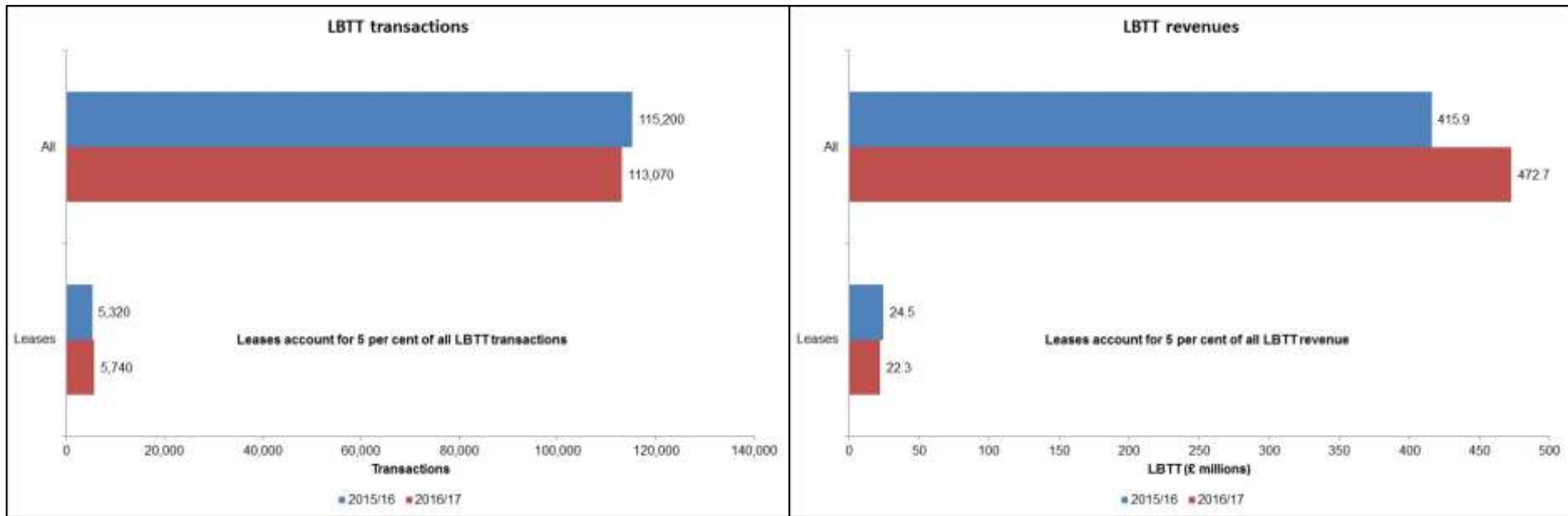
- Revenue Scotland's publication practices are consistent with [The Code of Practice for Official Statistics](#)
- Publishing monthly LBTT and quarterly SLfT stats of official stats from Nov 2017 onwards
- Principle 2: Impartiality and objectivity
- Principle 5: Confidentiality
- Publish info on data sources/quality
- [ScotStat](#)
- [statistics.gov.scot](#)

# Leases

- Non-residential leases are subject to LBTT
- Net present value of lease over £150,000 is taxed at one per cent
- Standard tax rates and bands for non-residential property transactions apply to any premium
- Residential leases are generally exempt from LBTT apart from certain long leases

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/lbtt-legislation-guidance/leases>

# LBTT transactions and revenue



# Three-year lease reviews

- In contrast to SDLT, lease reviews must be submitted on every third anniversary of the lease
- Lease reviews will account for changes in the previous three years, e.g. to rental payments and/or any extensions or variations
- Revenue Scotland will receive three-year lease reviews from 1 April 2018
- Note: LBTT could be payable or a repayment due



# Treatment in LBTT publication

- There will be interest in the number of lease reviews received and revenue generated
- Revenue Scotland will publish monthly stats on lease reviews
- First publication in May 2018
- Currently publish five LBTT tables, only two of which (Tables 1 and 5) include leases
- Do not propose creating additional tables for lease reviews
- Propose adding additional columns to Table 5 detailing the number of lease reviews received and LBTT due (net of repayments)
- Lease reviews will also be included in Table 1

# Table 5 – including lease reviews (changes in green)

Table 5: Notifiable Lease Transactions

	Residential Leases		Non-Residential Leases		Lease reviews <sup>1</sup>		Total Leases	
	Returns Received <sup>1</sup>	Tax Liabilities <sup>2</sup>	Returns Received <sup>1</sup>	Tax Liabilities <sup>2</sup>	Returns Received <sup>1</sup> <sup>3</sup>	Tax Liabilities <sup>2</sup> <sup>4</sup>	Returns Received <sup>1</sup> <sup>5</sup>	Tax Liabilities <sup>2</sup> <sup>6</sup>
Apr-2015 <sup>7</sup>	0	0	180	900,000			190	900,000
May-2015 <sup>7</sup>	0	0	350	1,600,000			360	1,600,000
Jun-2015 <sup>7</sup>	0	0	450	2,100,000			450	2,100,000
Jul-2015 <sup>7</sup>	10	0	460	2,800,000			470	2,800,000
Aug-2015 <sup>7</sup>	10	0	390	1,400,000			400	1,400,000
Sep-2015 <sup>7</sup>	10	0	460	2,100,000			470	2,100,000
Oct-2015 <sup>7</sup>	10	0	430	2,100,000			440	2,100,000
Nov-2015 <sup>7</sup>	0	0	550	3,400,000			560	3,400,000
Dec-2015 <sup>7</sup>	10	0	410	1,600,000			420	1,600,000
Jan-2016 <sup>7</sup>	10	0	490	1,800,000			500	1,800,000
Feb-2016 <sup>7</sup>	10	0	490	2,500,000			500	2,500,000
Mar-2016 <sup>7</sup>	0	0	560	2,200,000			560	2,200,000
Apr-2016 <sup>7</sup>	0	0	590	1,600,000			590	1,600,000
May-2016 <sup>7</sup>	0	0	470	1,800,000			470	1,800,000
Jun-2016 <sup>7</sup>	0	0	500	3,600,000			500	3,600,000
July-2016 <sup>7</sup>	10	0	510	2,000,000			510	2,000,000
Aug-2016 <sup>7</sup>	10	0	490	2,000,000			490	2,000,000
Sep-2016 <sup>7</sup>	10	0	460	1,600,000			460	1,600,000
Oct-2016 <sup>7</sup>	0	0	470	1,800,000			470	1,800,000
Nov-2016 <sup>7</sup>	10	0	470	1,700,000			480	1,700,000
Dec-2016 <sup>7</sup>	0	0	410	1,300,000			410	1,300,000
Jan-2017 <sup>7</sup>	10	0	380	1,100,000			390	1,100,000
Feb-2017 <sup>7</sup>	0	0	440	2,100,000			440	2,100,000
Mar-2017 <sup>7</sup>	10	0	520	1,700,000			530	1,700,000
Apr-2017 <sup>7</sup>	10	0	470	1,600,000			480	1,600,000
May-2017 <sup>7</sup>	20	0	460	1,400,000			480	1,400,000
Jun-2017 <sup>7</sup>	10	0	470	1,200,000			480	1,200,000
Jul-2017 <sup>7</sup>	20	0	480	1,400,000			500	1,400,000
Aug-2017 <sup>7</sup>	10	0	460	1,600,000			460	1,700,000
Sep-2017 <sup>7</sup>	10	0	400	1,400,000	When it starts		410	1,400,000

<sup>1</sup> Lease returns received during the stated month. Excludes returns which were subsequently voided.

<sup>2</sup> Total self-reported tax due on returns originally received during the stated month.

<sup>3</sup> Lease reviews were first received in April 2018. Figures provided in this table are for net tax due on lease reviews (i.e. net of any repayments as a result of the lease review).

<sup>4</sup> Lease reviews received during the stated month.

<sup>5</sup> Net self-reported tax due on lease reviews originally received during the stated month.

<sup>6</sup> Provisional.

# Sub-Scotland LBTT data

- Revenue Scotland are aware of interest in sub-Scotland LBTT data
- Local Authority (LA) is a mandatory field in 'About the Property' section of the LBTT return
- Postcode is an optional field

**About the Property**

Local authority number

*(Enter the code from the guidance notes)*

Address

Postcode

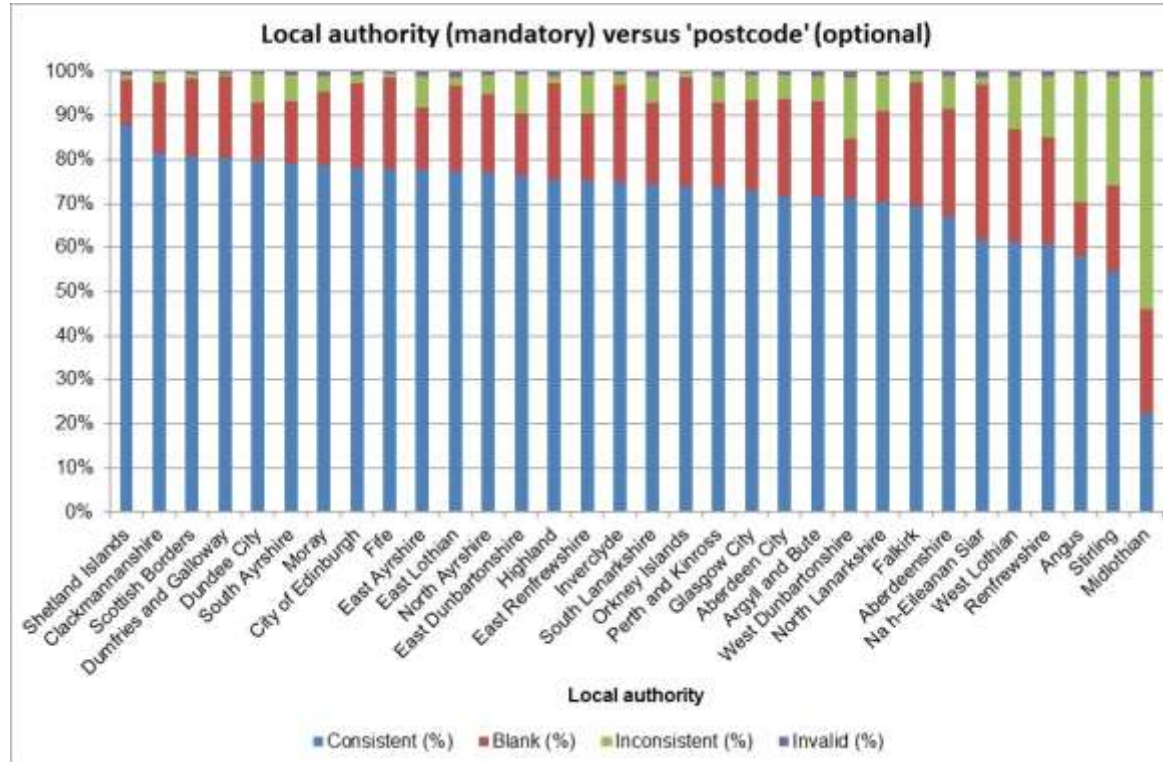
Title number

Parent title number

Is Additional Dwelling Supplement due on this property?  
Put 'X' in one box  
 YES  NO

- However, Revenue Scotland do not currently publish data by LA due to concerns about the quality of the raw data for the LA mandatory field

# Local authority (mandatory) vs 'postcode' (optional)



Local authority (mandatory)	'Postcode' (optional)						
	Consistent (%) (i.e. Midlothian)	Blank (%)	Inconsistent (%)				Invalid (%)
			City of Edinburgh	East Lothian	West Lothian	Other	
Midlothian	22.2	23.8	45.3	3.3	3.6	0.5	1.2

# Workshop 2

## Future developments and improvements in Revenue Scotland statistics

# Closing remarks

Jane Ryder  
Board Member

# Contact Us



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