

Revenue Scotland

Annual Report and Accounts

for the year ended 31 March 2025



Revenue Scotland is a Non-Ministerial Office of the Scottish Administration.

Laid before the Scottish Parliament by Revenue Scotland in pursuance of the Revenue Scotland and Tax Powers Act 2014.

Annual accounts authorised for issue on **02 October 2025**

Published by Revenue Scotland 2025.

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At a Glance

£962m

total tax
revenue



99%

tax
collection
rate



Administrative
cost of tax
collection

0.93%



£3m

secured
through
compliance
activity



Top

10

in the Civil
Service People
Survey



76%

user
satisfaction
with our
service



98% of staff

have completed

30 hours

pro rata of learning
and development



4.1% median

gender pay gap

at 31 March 2025



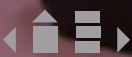
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Part A: Performance Report



Performance Report Chair's Statement

I am delighted to report another year of substantial progress for Revenue Scotland.

With record collections, we have kept our cost of operations as low as possible, while continuing to invest for the future.

As you will read from the detailed report we have begun to implement our Corporate Plan for 2024-27 and the strategic priorities it sets out and this remains our focus over the coming years. Our annual business plan supports our delivery across all four outcomes and I wanted to highlight a few important areas.

A key objective of Revenue Scotland is to ensure our customers receive the best service we can deliver. To enable this we have continued to develop our Digital and Data offerings, improving our architecture to remain 'Digital First', and to ensure we keep our customers' needs at the forefront. We continue to improve our guidance notes, our website and invest in our main digital systems. This is important as we continue to embrace new developments in the IT space and prepare to take responsibility for the collection and management of two new devolved taxes, Scottish Aggregates Tax, and Scottish Building Safety Levy.



Key to ensuring we remain an efficient and effective organisation is the continued investment in our people. With enhanced training and support, we continue to gear up our compliance activities, ensuring that we collect the taxes Scottish Government expects in a fair and robust way. Our People Scores in the annual Civil Service survey reflect a committed and inclusive group of professionals for which we are deeply thankful.

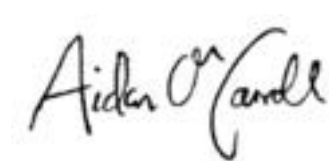
By the time we report next year Elaine Lorimer, our CEO, will have stepped down after almost 10 distinguished years at the helm. Elaine is an inspiring leader and has led from the front in building Revenue Scotland from its early foundations to the strong and vibrant organisation it is today. On behalf of the whole Board we would like to express our deep appreciation for everything Elaine has contributed and wish her all the very best for her next chapter.

We have successfully completed a rigorous process to find Elaine's replacement and I am happy to report that we will have our new CEO in place before Elaine's departure at the end of the calendar year.

Performance Report Chair's Statement

It remains a time of change too at Board level and we have seen the departure of Martin McEwen after six years of excellent service as a Non Exec Director, chairing our ARC more recently, and we thank him for everything he has contributed over the years. We have successfully appointed two new Non Exec Board members, Alison Macdonald and Gillian Wheeler, both of whom will bring great skill sets to the Board. In addition we have added three co-opted members to our ARC and SEC committees, Stephen Ramsay, Julie Hesketh-Laird, and Elizabeth Barnes, further enhancing the skillsets that we will need as we navigate the coming years.

We look forward with confidence to the changes over the next period, supporting fully Public Sector Reform in Scotland, and I am delighted on behalf of the whole Board to endorse this report.



Aidan O'Carroll
Chair of the Board

Performance Report Chief Executive Statement



2024-25 was a significant year for Revenue Scotland in that it began with the announcement of our fourth Corporate Plan which takes us through to 2027. The outcomes we set as part of this plan include the delivery of two new devolved taxes and making a step change in our digital capability, ensuring that we continue to embrace the benefits to our operations that technology offers. In this report we outline the way in which we have been able to automate some of our processes through our investment in our tax system, for example.

We also set out ambitious goals in relation to data, making our use of data much more impactful in the choices we make for our compliance work as well as the operations of our organisation. We report here on the investment by Scottish Government in a new Oracle system for HR and Finance and as a shared services customer, we have benefitted from this. We hope that in time the system will deliver the enhanced functionality it promises which should improve efficiency in transactional services. Our use of data is also at the heart of our approach to working with others and I am particularly pleased to report on the successes we have had across the tax system to bringing our knowledge of tax to bear on the introduction of new taxes in Scotland and in the approach we could take to joining up on compliance efforts through sharing of data with local authorities, for example. We have taken the initiative in these areas, working to build relationships, with providing a better public service at the heart of our intentions.

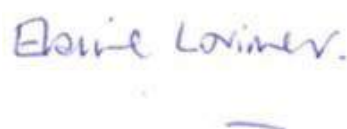
We continue to invest in our people and strive to offer careers which are stretching and fulfilling within a supportive, inclusive environment. Our people survey results are, once again, outstanding and to be placed in the top seven civil service organisations across all key themes was a great result, and a testament to the way in which we lead and manage our people and the culture we have developed throughout our organisation.

This is my ninth annual report and accounts and will be my last as I leave Revenue Scotland later in 2025. As I reflect on this year's performance, it is apparent how far Revenue Scotland has come, from 2015-16 when I joined. Over the years we have learnt much from our experiences. Our ambition and energy to add value is undiminished.

We have always had at our heart the delivery of public service to the people of Scotland. Increasingly we can see the strategic role we can play in improving the wider tax system in Scotland, bringing our expertise to bear where it is relevant and appropriate to do so. The examples this year of our involvement in supporting local authorities and Visit Scotland with the introduction of Visitor Levy as well as the work we have been engaging in on the design and delivery of new taxes, be they local or national, are testament to our maturity and credibility. We have been actively engaging in the discussions around wider public service reform and in this we can also add value, bringing our experience to the table as well as being open to learn from others.

Performance Report Chief Executive Statement

In signing off, I must record my thanks and appreciation to my Board and Aidan for his leadership, to my leadership team, and to everyone who has worked with me over the years to make Revenue Scotland what it is today.

A handwritten signature in blue ink that reads "Elaine Lorimer." followed by a horizontal line.

Elaine Lorimer
Chief Executive

Performance Report

1. Performance Overview

Introduction

1.1 This section outlines Revenue Scotland's purpose and vision, our key activities, organisational structure, strategic objectives, and the key risks we faced during the financial year.



Performance Report

1. Performance Overview

Who we are and what we do

- 1.2 Revenue Scotland was established under the Revenue Scotland and Tax Powers Act 2014 (RSTPA). We are responsible for the collection and management of the fully devolved Scottish taxes: Land and Buildings Transaction Tax (LBTT) and Scottish Landfill Tax (SLfT). We are currently working on the introduction of two new devolved taxes, Scottish Aggregates Tax (SAT) and Scottish Building Safety Levy (SBSL).
- 1.3 As a Non-Ministerial Office and a Crown Body, we are part of the Scottish Administration and we are accountable directly to the Scottish Parliament, ensuring the impartial administration of taxes. We provide policy development support through the provision of advice, data, and information based on our operational experience to the Scottish Government which is responsible for tax policy and the setting of tax rates and bands.
- 1.4 We are also proud to work alongside the Scottish Fiscal Commission (SFC), which is responsible for providing independent forecasts of tax revenue in line with the Fiscal Framework. To aid forecasting work, we provide anonymous, aggregated SLfT and LBTT data to the SFC.
- 1.5 We delegate specific functions for SLfT collection to the Scottish Environment Protection Agency (SEPA) and collaborate with His Majesty's Revenue and Customs (HMRC) on tax compliance activity. We also actively participate in the British Isles Tax Authorities Forum, working closely with other tax authorities to share knowledge and best practices in tax

collection and management. The Devolved Tax Accounts published alongside the Resource Accounts for Revenue Scotland demonstrate the value achieved from the operations of Revenue Scotland in the operation of the Devolved Taxes.

How we are governed

- 1.6 The Revenue Scotland Board is responsible for the strategic direction, oversight, and governance of the organisation. As at the 30 March 2025, the Board comprised seven members appointed by Scottish Ministers through the Scottish Public Appointments process. Board members provide specialist knowledge in key areas and act as ambassadors for the organisation.
- 1.7 The Board has two committees: the Audit and Risk Committee (ARC) and the Staffing and Equalities Committee (SEC), which provide direction, support and detailed scrutiny of key areas of work and report on these matters to the Board. The Chief Executive is accountable to the Board and acts in a personal capacity as the Accountable Officer for Revenue Scotland.
- 1.8 The ARC supports the Accountable Officer on matters related to risk, control, governance and associated assurance processes. The Committee reports to the Accountable Officer and the Board following each of its meetings, through an annual report on its activities and effectiveness and via additional reports on emerging issues as and when required. The Chief Executive is responsible for the day-to-day leadership and operation of the organisation.



Performance Report

1. Performance Overview

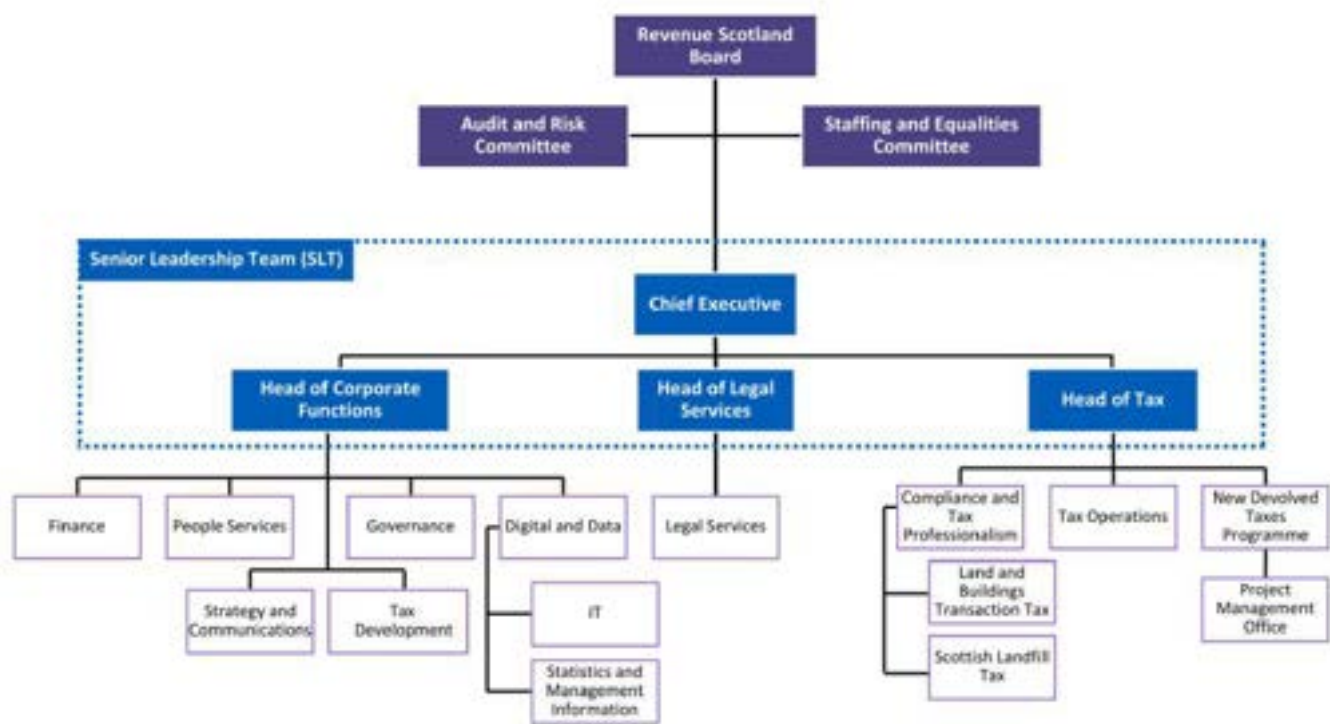
- 1.9 On the 1 July 2025 we welcomed the appointment of two new members to our Board, Gillian Wheeler and Alison Macdonald, following a formal Public Appointments process which had commenced during 2024-25. These appointments will be for an initial period of three years from the 1 July 2025 to 30 June 2028.
- 1.10 **Gillian Wheeler** is a senior executive, international tax lawyer, and mediator with extensive experience across legal, corporate, and professional services. Gillian brings deep expertise in governance, risk, finance, and organisational change, with a strong track record across sectors including property, healthcare, energy, and finance.
- 1.11 **Alison Macdonald** is a Chartered Banker with senior experience in financial services, including as Chief Controls Officer at Lloyds Banking Group. She brings expertise in risk, governance, and strategic change, and holds non-executive roles focused on sustainability and inclusion. She is Chair of climate resilience charity Verture and Trustee of Lar Housing Trust.
- 1.12 These appointments follow Martin McEwen's departure at the end of June 2025 and in anticipation of Jean Lindsay stepping down in June 2026.
- 1.13 We warmly welcome Gillian and Alison, who will bring a wealth of diversity and experience to the Board.
- 1.14 We have also taken action to bolster our Board committees, through the appointment of non-voting, co-opted, members. Biographies of the new and co-opted members can be found on our [website](#).
- 1.15 Further details about the activities of the Board, committees, and staff can be found in the Accountability Report section of the Annual Report on **page 74**.

Performance Report

1. Performance Overview

Our organisational structure

- 1.16 Our Senior Leadership Team is led by the Chief Executive and includes the Head of Tax, the Head of Corporate Functions, and the Head of Legal Services. It provides operational leadership, and the direction and coordination of the delivery of our strategic outcomes.
- 1.17 Our organisational and team structure is depicted in the diagram below, providing a visual representation of the Senior Leadership Team’s role within our organisation.



Performance Report

1. Performance Overview

How we are funded

- 1.18 Revenue Scotland is part of the Scottish Administration, and our budget is set by the annual Budget Bill. The Scottish Government liaises with us to identify our budgetary requirements which are then reflected in the Budget Bill which Ministers present to the Scottish Parliament. Where additional funding for major programmes is required, proposals for funding are developed in line with the guidance on business cases in HM Treasury's 'The Green Book: appraisal and evaluation in central government'.
- 1.19 We are responsible for managing our budget for each financial year to deliver our statutory functions. We have authority to incur expenditure on individual items, but this is subject to the limits imposed by the budget allocated by the Scottish Parliament and guidance from Scottish Ministers.
- 1.20 Our [Framework Document](#) refreshed during the year as described in paragraph 8.1, sets out the funding arrangements agreed between Revenue Scotland and Scottish Ministers and the agreed governance, risk, assurance and monitoring arrangements in place.

Performance Report

1. Performance Overview

Corporate Plan 2024-27

- 1.21 Our fourth Corporate Plan - [Corporate Plan 2024-27](#), was laid in Parliament in March 2024 in accordance with the requirements of the Revenue Scotland and Tax Powers Act 2014. This plan builds on the strong foundations of the past while adapting to a rapidly evolving landscape. It defines our purpose, vision, strategic outcomes and success measures, and sets out our priorities for the corporate plan period which guide our work to collect and manage devolved taxes efficiently and effectively in support of Scotland's public services.

Our purpose

To efficiently and effectively collect and manage the devolved taxes which fund public services for the benefit of the people of Scotland.

Our vision

We are a trusted and valued partner in the delivery of revenue services, informed by our data, digital by design, with a high-performing and engaged workforce.

Performance Report

1. Performance Overview

Strategic outcomes

- 1.22 Our [Corporate Plan 2024-27](#) introduces four new strategic outcomes focused on Operational Excellence, Investing in our People, Working with Others, and Expanding Horizons. These outcomes shape our priorities over the next two years, ensuring we continue to deliver a trusted, accessible and well-governed tax administration service that supports Scotland's people, economy and environment. Further details on the strategic outcomes can be found from page 28.

Overview: How we deliver our purpose and measure our success

- 1.23 Our purpose is delivered through the strategic outcomes in our Corporate Plan, with progress tracked using success measures (see page 24), milestones related to key project objectives, and internal key performance indicators (KPIs).
- 1.24 Our Business Plan details projects and initiatives supporting these outcomes, guiding team and individual goals. This approach ensures a direct connection between individual work goals and the strategic outcomes defined in the Corporate Plan. Our systematic method of managing performance underpins our ability to track and document progress throughout the organisation.

National Performance Framework and National Outcomes

- 1.25 The National Performance Framework (NPF) underpins the Scottish Government's vision, setting out National Outcomes to measure progress towards its goals. Our Corporate Plan is aligned with these Outcomes, guiding our efforts to support those relevant to Revenue Scotland's remit.
- 1.26 Following the recent statutory review of the National Outcomes, and the subsequent Scottish Parliament inquiry, the Scottish Government has committed to a period of reform of the NPF to support the development and implementation of a more strategic and impactful framework for Scotland.
- 1.27 The current 11 National Outcomes are still in operation as is the duty (set out in the Community Empowerment (Scotland) Act 2015) on public bodies to have regard to them. By collecting devolved taxes, we indirectly support all National Outcomes, and directly contribute to six specific areas: economy, environment, fair work and business, communities, human rights, and health. Our approach emphasises investment in our workforce, dedication to equality, diversity, and inclusion, and collaboration with various partners, all underpinned by transparency and accountability.
- 1.28 The delivery of our Corporate Plan 2024-27 involves clearly defined objectives and deliverables, implemented through detailed strategies which include corporate, business and team plans. We track our progress rigorously, with monthly and quarterly performance reviews.



Performance Report

1. Performance Overview

1.29 The following table shows which Revenue Scotland strategic outcomes are relevant to the various National Outcomes.

National Outcomes	Operational Excellence	Investing in our People	Working with Others	Expanding Horizons
We grow up loved, safe and respected so that we realise our full potential	✓			
We live in communities that are inclusive, empowered, resilient and safe	✓		✓	
We are creative and our vibrant and diverse cultures are expressed and enjoyed widely	✓	✓		
We have a globally competitive, entrepreneurial, inclusive and sustainable economy	✓		✓	✓
We are well educated, skilled and able to contribute to society	✓	✓		
We value, enjoy, protect and enhance our environment	✓		✓	
We have thriving and innovative businesses, with quality jobs and fair work for everyone	✓	✓		
We are healthy and active	✓	✓		
We respect, protect and fulfil human rights and live free from discrimination	✓	✓		✓
We are open, connected and make a positive contribution internationally			✓	✓
We tackle poverty by sharing opportunities, wealth and power more equally	✓	✓		✓

Performance Report

1. Performance Overview

Key Issues and Risks Summary

- 1.30 This corporate risk summary provides an overview of the key risks we have faced, their impact on delivering our strategic outcomes, and emerging risks that may affect our future performance. Further details on these risks are provided in the analysis section on pages 60-66.
- 1.31 We have a Risk Management Framework that follows the best practices outlined in the Scottish Public Finance Manual (SPFM) and the Scottish Government's Risk Management Guidance. This framework guides us in identifying, documenting, and scoring risks. It helps us to assign ownership, determine responses, monitor, and report risk management progress.
- 1.32 Managing and communicating potential threats and opportunities is key for meeting the ambitions in our Corporate Plan. The Audit and Risk Committee, together with staff, undertook a detailed review of our Corporate Risk Register during the year to ensure that our corporate risks accurately reflected the key risks to the achievement of the outcomes we set in our new [Corporate Plan for 2024-27](#).
- 1.33 Before taking any action, we thoroughly assess risks using a combination of the likelihood of the risk occurring and the impact on our activities if it did. The concept of 'risk appetite' - the level of risk we are willing to accept to achieve our objectives - helps create a shared understanding across Revenue Scotland and supports confident, risk-based decision-making.
- 1.34 Robust management is in place and our approach to risk management is fully detailed in section 8.15. Full details on all our corporate risks are detailed in section 8.19. The risks presented below are a summary of our key risks as of 31 March 2025.

Performance Report

1. Performance Overview

Summary of Corporate Risks

Risk	Risk Descriptor
Delivery of new taxes	Recognises our ability to deliver new taxes and our core statutory purpose of collecting and managing Scotland's devolved taxes. We have a devolved taxes programme in place to manage the introduction of new taxes. Our Senior Leadership Team meetings are structured to provide strategic focus on the delivery of new projects and programmes.
Communication and stakeholder engagement	Recognises our need to have appropriate internal and external engagement to achieve our corporate plan objectives. We have actively participated in a number of high-profile external events in 2024-25 and our engagement has extended into significant areas of public interest.
Corporate transformation	Recognises our need to continuously improve, adapt to change and embed new systems, policies and procedures. We engage regularly with Scottish Government at all levels.
Data optimisation	Allows us to exploit the potential in our data and realise the opportunities to link to other data sets to improve the design of our systems, deliver evidence-based operational efficiencies and identify areas for innovation. We have a Digital and Data strategy overseen by the Data Digital Programme Board.

Performance Report

1. Performance Overview

Key Projects

Performance Summary

- 1.35 Our Business Plan for 2024-25 outlines key programmes of work, and projects aligned with the first year of our new Corporate Plan. These represent significant investments or carry a high-level of importance, playing a vital role in achieving our strategic outcomes. At the end of this period all of our projects either remain on track for delivery or have been successfully completed.
- 1.36 All of our key projects are linked to our Corporate Plan ambitions. We work closely with our stakeholders as part of the development of our projects (Working with Others), and we ensure our staff receive learning and development opportunities to deliver the projects (Investing in our People). Our key projects also deliver our ambitions of Expanding Horizons, and Operational Excellence, by improving our ways of working, and sharing our learning with others.

Project and scope	Progress	Status
SAT Programme	The work to implement SAT is progressing in line with our programme plan. Our SAT digital module has been built and tested, with work to deliver wider business readiness on track. We continue to engage closely with the Scottish Government Bill team in finalising legislation, and with stakeholders across the industry as we prepare for the introduction of the tax from 1 April 2026.	On track

Performance Report

1. Performance Overview

Project and scope	Progress	Status
SBSL Programme	We work closely with the Scottish Government on the development of the SBSL. This project, along with that for SAT, forms our New Devolved Taxes Programme and benefits from a consistency of approach. Initial work has commenced on both digital and business requirements, and we are represented on the Expert Advisory Group which is informing our understanding of the industry and design of the tax. Work is progressing in line with the overall plan as we prepare for the introduction of the tax from 1 April 2027.	On track
Data and Digital Programme	A new Digital and Data Programme Board has been established including external representatives from across government to provide oversight and assurance. The programme has made progress against all seven missions in the Strategy.	On track
Stakeholder Engagement Programme	We delivered a new Engagement Plan in June 2024 to take a more coordinated approach to stakeholder engagement activity across Revenue Scotland, and deliver our ambitions of acting as a sector connector. The plan supports teams in identifying gaps and areas for improvement, while keeping responsibility for engagement within each business area. Workshops are held every 6 months to identify priorities, capture learning, and identify new or changing stakeholders. We have introduced new tools to support engagement, with further improvements under way.	On track

Performance Report

1. Performance Overview

Project and scope	Progress	Status
Scottish Government Business Transformation Project	In October 2024, the Scottish Government introduced a new digital platform for HR functions. This represented a new shared service for Revenue Scotland. We continue to engage in the improvement and future development of the platform.	Complete
Land and Buildings Transaction Tax (LBTT) Lease Improvement Project	We made good progress across all areas of the Lease Improvement Project in 2024-25. Engagement with high-volume tenants is underway, supported by user research. We also completed the design phase for digital and communications improvements. Our data-sharing pilot with local authorities was approved in October 2024 and is progressing well. A targeted communications strategy has been developed, with implementation of improvements due to begin in 2025-26.	On track
Legislative Framework Project	We made significant progress on the Legislative Framework Project in 2024-25, forming a Tax Partnership Board with the Scottish Government to enable joint oversight of a prioritised programme of legislative work on the devolved taxes. A formal programme is now in place, including the LBTT review committed to in the Scottish Budget 2025-26. This review, which also features in Scotland's Tax Strategy, supports evaluation of key legislative provisions and will inform decisions in the next Parliament. Scotland's Tax Strategy	On track



Performance Report

1. Performance Overview

Project and scope	Progress	Status
People Strategy Action Plan	The People Strategy was developed in consultation with staff, the Senior Leadership Team, and the Staffing and Equalities Committee. The People Strategy, and supporting action plan, was submitted to the Board for approval in May 2025.	On track
New Staff Intranet Project	We successfully launched the platform for a new staff intranet. It offers improved usability, search functionality, and content management. A new approach for updating and refreshing the content on our intranet is underway.	Complete

Performance Report

1. Performance Overview

Success Measures

1.37 The [Corporate Plan 2024-27](#) outlines our key success measures which track our progress and alignment with strategic outcomes. These success measures are detailed in the Performance Analysis section of this Annual Report.

1.38 The success measures assess our progress in delivering our four strategic outcomes: Operational Excellence, Investing in our People, Working with Others, and Expanding Horizons. They provide a clear framework for evaluating our effectiveness in areas such as tax collection performance, service user satisfaction, and workforce diversity. These measures demonstrate our commitment to continuous improvement, enhancing digital capabilities, and supporting the development of new and existing taxes in collaboration with stakeholders.

No.	Success Measure	2024-25	2023-24	Status	More Info
1	A tax collection rate (i.e. tax collected as a proportion of tax declared) of 99% or more	99%	99%	Achieved	Pages 29
2	A cost of collection ratio of 1% or less	0.93%	0.87%	Achieved	Pages 54
3	A service user satisfaction score of 75% or higher	76%	76%	Achieved	Pages 29
4	An annual People Survey Score in the top 25% of Civil Service organisations	Combined rank of 8 out of 103, within the top 25%	Combined rank of 8 out of 103, within the top 25%	Achieved	Pages 38-41
5	Evidence Revenue Scotland has taken action to expand the diversity of the workforce and Board, to advance equality of opportunity	Green	N/A	Achieved	Pages 41-45
6	Case studies will provide evidence Revenue Scotland is actively engaging with national and local authorities to share tax knowledge	Green	N/A	Achieved	Pages 49-52

Performance Report

1. Performance Overview

No.	Success Measure	2024-25	2023-24	Status	More Info
7	Case studies will provide evidence Revenue Scotland is actively engaging with the Scottish Government and other public bodies to support Scotland's Public Service Reform ambitions	Green	N/A	Achieved	Pages 53-54
8	Evidence Revenue Scotland has actively worked in partnership with the Scottish Government to develop and deliver new devolved taxes will be reported each year in the Annual Report and Accounts	Green	N/A	Achieved	Pages 55-57
9	Evidence Revenue Scotland has contributed knowledge and supported the development of new and existing local taxes will be reported each year in the Annual Report and Accounts.	Green	N/A	Achieved	Page 58

Footnote:

RAG Status Definitions:

Red: Significant concerns; the measure is off track and unlikely to meet targets without immediate intervention.

Amber: Some concerns; the measure is at risk but can recover with corrective action.

Green: The measure is on track to achieve its target.

Performance Report

1. Performance Overview

Financial Performance – Resource Accounts

1.39 The figures given below are the final budget (revenue and capital) after adjustment in the Spring Budget review.

Net Expenditure against Resource Budget	Budget - Resource and Non Cash £000	Total Actual - Resource and Non Cash £000
2024-25	9,100	8,694
2023-24	7,872	7,832

Expenditure against Capital Budget	Budget - Capital £000	Total Actual Capital £000
2024-25	1,200	1,252
2023-24	500	500

1.40 In 2024-25 revenue expenditure was £406,000 (5%) less than budget. This underspend was primarily due to delays in filling vacancies across several business areas, as well as a targeted review of discretionary spending and capitalising of bulk laptop purchases. These measures were implemented to support the Scottish Government's wider programme of savings and efficiency improvements.

1.41 £52,000 capital spend variance (4% of the capital budget) is due to the bulk purchase of laptops in-year costing £60,548. This was provided for within the Resource budget, however the bulk purchase of laptops are capitalised as per accounting standards.

Performance Report

1. Performance Overview

Financial Performance - Devolved Taxes Accounts

1.42 The LBTT revenue collected is dependent on performance of both the residential and non-residential property markets within Scotland. The SLfT revenue collected is dependent upon categories and tonnage of waste deposited in landfill sites within Scotland.

1.43 Independent forecasts of LBTT and SLfT revenue are published by the [Scottish Fiscal Commission \(SFC\)](#). The SFC publishes forecast evaluation reports comparing outturn figures to Budget Act estimates, detailing the reasons for any differences observed.

Revenue net of repayment, excluding interest payable and revenue losses	2024-25 Tax, penalties and interest receivable £000	2024-25 Budget Act Estimates £000	2023-24 Tax, penalties & interest receivable Total £'000
LBTT	899,162	730,000	784,372
SLfT	55,938	58,000	68,372
Penalties and interest	6,457	0	2,714
Total	961,557	788,000	855,458

1.44 The values in the above table are for tax returns and amendments submitted during 2024-25. They are adjusted for the value of LBTT and SLfT returns received during April and May 2025, which relate to the period up to March 2025.

1.45 The tax returns submitted during 2024-25 may include adjustments to returns originally submitted in previous financial years.

1.46 However, unless these adjustments were received in April or May of the relevant financial period and therefore accrued into the financial statements of that year, these are accounted for in the year of receipt.

1.47 A summary of the tax revenue and our resource spend over the period 2019-24 is shown on pages 122-123 and this forms part of our Performance Report.

Performance Report

2. Performance Analysis

Introduction

2.1 The purpose of the performance analysis section is to provide a detailed analysis of our performance in 2024-25.

2.2 At the beginning of 2024-25 we published our new [Corporate Plan 2024-27](#). The Corporate Plan has four strategic outcomes:

- ▶ Operational Excellence
- ▶ Investing in our People
- ▶ Working with Others
- ▶ Expanding Horizons

2.3 Each of our strategic outcomes are evaluated by corporate success measures. At the beginning of this corporate plan period, we developed a three year business plan to enable us to deliver the strategic outcomes. Sections 3-7, below, discuss our performance in relation to each of the strategic outcomes. Section 8 discusses our wider corporate performance.

Performance Report

3. Performance Analysis: Operational Excellence

Introduction

3.1 At the heart of Revenue Scotland's work is our commitment to delivering reliable, efficient, and user-friendly digital tax services that support compliance and trust in the tax system. Our ambition is to be a digital and data-informed organisation with robust systems for both stakeholders and staff. This supports the accurate and efficient collection of tax and ensures high quality user experience.

3.2 To achieve this strategic outcome, our Corporate Plan 2024-27 sets out four key priority areas, each one of which is discussed in the remainder of this section:

- I. **Improving the guidance available to taxpayers:** Work with taxpayers to improve guidance, webinars, and systems designed to enable taxpayers to comply with their obligations.
- II. **Optimising our digital architecture:** Create a single end-to-end digital tax service, which is modular by design to provide resilience and flexibility to make better use of data and administer additional taxes.
- III. **Increasing our use of automated processes and reporting:** Improve our efficiency and effectiveness of our processes, enhance reporting capability and enable our staff to spend more time on fulfilling work.
- IV. **Designing user-centric systems:** Collaborate with users of our systems to gather insights, ensuring they have an excellent experience as they engage with us and our systems.

I. Improving the guidance available to taxpayers

3.3 We have an ongoing programme to update and improve our guidance pages, and we also regularly review any service user feedback on our website guidance, and take appropriate action where necessary.

3.4 In 2024-25 we made updates to our technical guidance pages, improvements to the worked examples, and the calculators provided on our website. These changes provide additional clarity, explain legislative changes, and reflect decisions arising from Tribunal cases. Examples of these improvements include:

- **How to claim a repayment of Additional Dwelling Supplement (ADS):** We updated our guidance presenting it in clearer, plain English, and to reflect legislative changes. We also created a step-by-step 'How to' video to support service users through the process: [How to claim a repayment of Additional Dwelling Supplement \(ADS\) | Revenue Scotland](#)
- **Green Freeport Relief:** We added new sections to our guidance covering the introduction of Green Freeports LBTT relief and the designation of Green Freeport sites: [LBTT3049 - Green Freeports | Revenue Scotland](#)

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- ▶ **SETS and Secure Messaging**
Support: We revised our help guides for the Scottish Electronic Tax System (SETS) and published a dedicated guidance page for using our Secure Messaging Service (SMS): [How to create and find secure messages \(SMS\) on SETS | Revenue Scotland](#)
- ▶ We published our Approach to Tax Compliance, setting out the principles which underpin the way we undertake and focus our compliance activities: [Approach to Tax Compliance | Revenue Scotland](#)

Land and Buildings Transaction Tax (LBTT) Lease Improvement Project

- 3.5 Tenants of non-residential property in Scotland who have paid LBTT on their lease are required to submit further tax returns every three years throughout the duration of their lease in order to achieve the correct tax position should the terms of their lease change. Helping taxpayers to comply with their tax obligations has continued to be priority for Revenue Scotland.
- 3.6 During 2024-25 we developed a new lease strategy with the overarching aim of raising taxpayer awareness of their obligations and increasing the compliance rates for three-yearly lease reviews.
- 3.7 The data workstream within the project is currently focused on working with tenants who have a high volume of leases to gain insight and identify opportunities for improvement. We also engaged with key stakeholders to further support our aim of improving

return rates by raising awareness of taxpayer obligations. Engagement has included delivering webinars, advertising through social media platforms and utilising business support organisations and local authority websites to share access to the LBTT guidance. We have received positive responses from taxpayers, agents and wider stakeholders who have praised our approach in supporting taxpayers to improve their processes to meet their tax obligations. Relevant stakeholders have also worked with us to post information on their organisations' websites to promote three yearly obligations.

- 3.8 We are the first organisation to gain approval from the newly created Scotland Debt and Fraud Data Sharing Review Board for data sharing under the Digital Economy Act (DEA) 2017. The DEA allows public bodies to share data if it can be used to identify and recover debt owed to the public sector or to combat fraud.
- 3.9 We identified that Non-Domestic Rates data held by Scottish local authorities could be used to highlight non-compliance with certain lease review return obligations. In 2024 we launched a pilot using the DEA debt provisions to facilitate a data share with three Scottish local authorities: Fife, Falkirk and Perth & Kinross. If successful, we would seek to reach agreement with other local authorities to extend the pilot. Collaborating with local authorities for this pilot has also led to further discussions, exploring mutual compliance benefits that could be obtained.



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- 3.10 To better understand the needs of taxpayers with lease agreements, we have conducted a range of other activities designed to gather valuable user insights. Examples of this are a review of the user journey to identify areas for improvement in our guidance and correspondence. We have also conducted meetings with users to gain feedback on their interactions with us, and to better understand any challenges they have and how we might overcome them. Based on the insights gathered, we have proposed changes to our digital platforms to increase filing accuracy and developed additional communications for our taxpayers and their agents to help to reduce non-compliance.
- 3.11 We have enhanced our approach to communications and engagement by introducing a social media advertising campaign to reach smaller businesses with leases. We have also been expanding our reach by engaging with business support organisations, and worked in partnership with local authorities and Scottish Government to raise awareness of three-yearly lease reviews by adding information and guidance links to their websites. The evidence gathered from the various activities highlighted above has helped to inform the LBTT review.

II. Optimising our Digital Architecture: the Digital and Data Programme

- 3.12 In 2024-25 we began the implementation of the Digital and Data Strategy, which supports the [Corporate Plan 2024-27](#) to ensure we achieve our digital vision:
- ‘To transform the way that people experience and engage with Scotland’s taxes and related public services, by delivering an end-to-end digital service which maximises the potential of our data and positions us as a leader in the public administration tax environment’.
- 3.13 The [Public Sector Cyber Resilience Framework](#) was published in December 2024 and this programme and strategy follow the best practices noted there including for cyber-security, business continuity planning and in terms of improving our cyber resilience.
- 3.14 To provide appropriate governance and oversight of the delivery of the programme, we have established the Digital Data and Technology Programme Board which includes representatives from Registers of Scotland and Scottish Government. We are grateful to both for their time and insights which have helped to guide our activities.

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3.15 The Strategy has seven themes, or 'missions', to track the progress of delivery:

Mission 1: Building a new digital team

As our digital services mature and we look to make better use of our data and other data sources. We have created a Digital, Data and Technology (DDaT) function as part of Corporate Functions, consisting of the existing Statistics and Management Information team, IT team and the creation of a new Product and Design team. This team has been created to develop our in-house capability in business analysis and user-centred design. This will improve our ability to prioritise enhancements to our digital systems and customer experience.

Mission 2: Developing our digital tax architecture

We have redesigned our continuous improvement programme for the SETS system to ensure we are focusing on thematic strategic improvements which will bring the most value for tax administration and our users.

Mission 3: Supporting the development of new taxes and Continuous Improvement

The DDaT team has continued to support the New Devolved Taxes programme to implement SAT and SBSL in SETS. In addition, the team continues to build improvements to our current systems through a continuous improvement project.

Mission 4: Building a new data platform

We have worked with colleagues within Scottish Government to specify and design a new data platform to allow us to improve our analytics capability and exploitation of data.

Mission 5: Focusing on data quality and standards

All of the improvements to our digital services are dependent upon having high quality, standardised data. We have put into place a programme to tackle data quality issues, both on new data entry and retrospectively correcting our historical data.

Mission 6: Developing our capability in property and geospatial data

Most of the data we hold has some geographical element to it, whether a residential address or the location of a landfill site, and so we are developing our expertise in using this data. We are working closely with Ordnance Survey to support this capability building, and have set up a special interest group for other Scottish public sector organisations to share knowledge and best practice.

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Mission 7: Building our digital and data literacy

Building our digital capability needs to be accompanied by ensuring our staff have the knowledge and confidence to make the best use of data and digital technology. We have begun planning a programme of work for 2025-26 that will align with the Scottish Tax Education Programme (STEP) syllabus and provide expert support to Revenue Scotland staff in using data and digital tools, including the use of AI.

III. Increasing our use of automated processes and reporting: the Continuous Improvement Project

3.16 Over the past year, the DDaT Programme has continued to advance the functionality and performance of our core tax system (SETS) through the Continuous Improvement Project (CIMP). This initiative is central to improving operational efficiency, accuracy, and user experience across the end-to-end tax journey. By addressing pain points and modernising our digital infrastructure, CIMP ensures that SETS remains responsive to the evolving needs of taxpayers, internal users, and legislative demands.

Operational Enhancements

3.17 This year we extended the streamlining of our core back-office services through investment in our tax collection system SETS. This capability balances efficiency with human decision making at the appropriate stages.

3.18 Using experience gained from the introduction of standardised letters

in 2023-24, we established a multi-disciplinary team to ensure internal service users' needs were met. End users were actively involved in documenting business requirements and conducting user testing. This approach enabled a seamless integration into operational delivery.

3.19 In 2024-25 we expanded our range of system generated letters. Data from the tax system is now integrated into letters and financial transactions are provided to Revenue Scotland officers for quality assurance checking. This approach increased the efficiency of decision making and reduced the risk of human error. In May 2024, in response to external stakeholder feedback, we introduced functionality in SETS which automatically issued copies of conveyance and lease penalty notices via Secure Messaging System SMS to authorised agents.

3.20 To help lease taxpayers to avoid incurring penalties during the daily penalty period, we introduced automated generation of correspondence which issues reminders to taxpayers to submit their outstanding three-yearly lease review return.

3.21 We also introduced a digital link between SETS and our third-party print/post supplier for selected correspondence. This enhancement delivered efficiency savings by automatically updating SETS.

3.22 During the remainder of our new [Corporate Plan](#) period, we will be working on expanding letter functionality to other types of



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correspondence.

IV. User-Centric Services

Consumer Duty

3.23 Revenue Scotland is now subject to the [Consumer Duty](#), which came into effect on 1 April 2024. It requires us, when making decisions of a 'strategic' nature about how to exercise our functions, to have regard to the impact of those decisions on consumers in Scotland, and the desirability of reducing harm to them.

3.24 To comply with the duty in a proportionate and streamlined way, we developed an Integrated Impact Assessment tool, which brings together the requirements of the Consumer Duty, equalities duties and the Fairer Scotland Duty. This ensures when we are approaching strategic decisions, all these duties are considered early and in the round. It is supported by the roll out of guidance and materials. We intend that this integrated process will enable us to perform these duties in a way that genuinely influences the strategic decisions under consideration.

Acting on User Research

3.25 Putting users at the centre of our services remains a core priority for us. We actively seek and value feedback, and we are committed to delivering a high-quality experience for all users. Over the past financial year, we focused on understanding and improving services where taxpayers interact with us most directly.

3.26 One example is our review of the current process for submitting LBTT lease transactions and three-yearly lease reviews. To guide this work, we engaged directly with taxpayers to better understand their experiences and identify opportunities for improvement. These insights shaped a series of planned enhancements, which we have included in our roadmap for 2025-26. This initiative supports our strategic outcome of delivering accessible, transparent, digital services that meet user needs. We also recognise that agents and tax professionals, who frequently submit returns on behalf of taxpayers, are among our most active service users. It's essential that we continue to meet their needs effectively.

3.27 A second example is the introduction of a major change to how we manage correspondence: all tax-related communication with registered SETS users is now delivered through our Secure Messaging Service (SMS) on the SETS portal. To ensure this change delivered value, we conducted targeted user research and worked closely with agents to gather feedback. Based on this, we improved SMS by enhancing search functionality, refining the file upload process, and publishing comprehensive guidance to help users get the most from the service.



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3.28 We also improved the design and usability of our website by aligning it with the Scottish Government Design System (SGDS). This redesign brought several benefits:

- ▶ A consistent look and feel across our digital platforms - both revenue.scot and SETS now use the same design approach
- ▶ Inclusive and accessible layouts that follow best practice design standards
- ▶ Reusable components that support faster development and ongoing improvements.

3.29 These changes contribute to our broader commitment under the Consumer Duty obligations to ensure our services are transparent, accessible, and designed to support well-informed decision-making.

3.30 Looking ahead, we will deepen our understanding of user needs and behaviours through expanded user research and greater use of behavioural and data insights. This will help us design services which are efficient, intuitive, and meet the evolving expectations of taxpayers, agents, and other stakeholders.

Tax Compliance Activity

3.31 Our tax compliance work has three key elements, all of which contribute to our work to deliver user-centric services:

- ▶ **Enabling:** We help taxpayers to understand and comply with their tax obligations through the services we provide. This includes the publication of clear, informative guidance; a user-friendly online system; our support desk; providing tax opinions; and engaging with and upskilling stakeholders, for example, by presenting technical webinars.
- ▶ **Assurance:** We use our resources and statutory powers to ensure the tax system is performing as expected and to help taxpayers to get to the right tax position. This includes checking returns to ensure they are complete, accurate, and that the correct amount of tax has been paid; carrying out landfill inspections; sharing intelligence with other tax authorities; and the use of investigatory powers, statutory enquiries and assessments.
- ▶ **Resolution:** We seek to resolve disputes and pursue non-compliance by using our powers proportionately and applying penalties where required.

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- 3.32 In 2024-25 we published our [Approach to Tax Compliance](#) which outlines the concepts underpinning our compliance work. This document sits alongside our [Settlement and Litigation Principles](#) which details the way in which we resolve tax disputes. Along with our guidance, these proactively inform taxpayers about our approach to dispute resolution. See paragraph 3.42 onwards for details of litigation over the year.
- 3.33 We continue to work closely with other UK tax authorities, sharing information, intelligence and knowledge with HMRC and the Welsh Revenue Authority (WRA). We do this through legislative gateways and through our formal Information sharing agreements.
- 3.34 In addition, we regularly discuss areas of potential legislative change in partnership with Scottish Government policy colleagues. We also frequently meet with bodies such as the Association of Tax Technicians (ATT), the Chartered Institute of Taxation (CIOT), the Convention of Scottish Local Authorities (COSLA), the Institute of Chartered Accountants of Scotland (ICAS), and the Law Society of Scotland (LSS), as well as other industry bodies.
- 3.35 Our data-led approach to identifying tax risks helps to ensure that we maximise our compliance resource. This provides us with an excellent level of assurance of the tax system whilst also targeting the most significant risks.
- 3.36 Our compliance activities secured £3m in tax during the 2024-25 fiscal year. This includes both additional tax identified and 'tax protected'; for

example, where repayment claims were declined because they were found to be unwarranted, directly as a result of our compliance efforts.

- 3.37 This figure represents a strong performance, and whilst lower than the results seen in 2022-23 and 2023-24 it is important to recognise that those years saw exceptional figures reported as a consequence of the culmination of a number of long-running, high value disputes, reflecting compliance work that had spanned a number of years.
- 3.38 The figure does not include the impacts of upstream assurance and compliance activity, such as improving guidance or systems to assist taxpayers to comply with their obligations.

Tax Disputes: Reviews and Appeals

Introduction

- 3.39 We aim to minimise tax disputes by providing clear information and guidance to taxpayers, and by having robust decision-making processes in place. In the event of a dispute, a taxpayer may request an internal review of a decision, request or agree to mediation, or appeal a decision to the Tax Chamber of the First-Tier Tribunal for Scotland (FTTS).
- 3.40 Taxpayers and their agents have the right to request us to review any decision which affects whether a person is liable to pay tax, the amount of tax due, the date the tax is due and payable and the imposition of a penalty or interest. An independent review of the decision will be carried out by someone who was not involved



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3. Performance Analysis: Operational Excellence

in making the decision being reviewed. The Revenue Scotland and Tax Powers Act 2014 (RSTPA) sets out the decisions which are reviewable and appealable. An appeal may be made regardless of whether or not a review has been sought or mediation entered into. The FTTS decides appeals against Revenue Scotland decisions, and the Upper Tribunal for Scotland (UTS) decides appeals on a point of law from decisions of the FTTS.

Reviews

3.41 In 2024-25, we received 596 requests for a review of decisions made. Of those concluded, we upheld the original decision in 364 cases. In 136 cases, we overturned the original decision, for example due to new information received from taxpayers during the review. We varied 13 decisions, and the taxpayer withdrew one review. The remaining cases were live as at 31 March 2025.

Appeals

3.42 We have collected data on appeals since Revenue Scotland was established in 2015. The data shows consistent trends of higher volumes of LBTT appeals compared to SLfT appeals and of the FTTS upholding our decisions in ADS and penalties appeals.

Appeals	2024-25	2023-24	2022-23
New cases initiated	29	23	13
Cases decided	12	6	7
Cases settled ¹	13	8	11
Cases dismissed ²	1	2	0

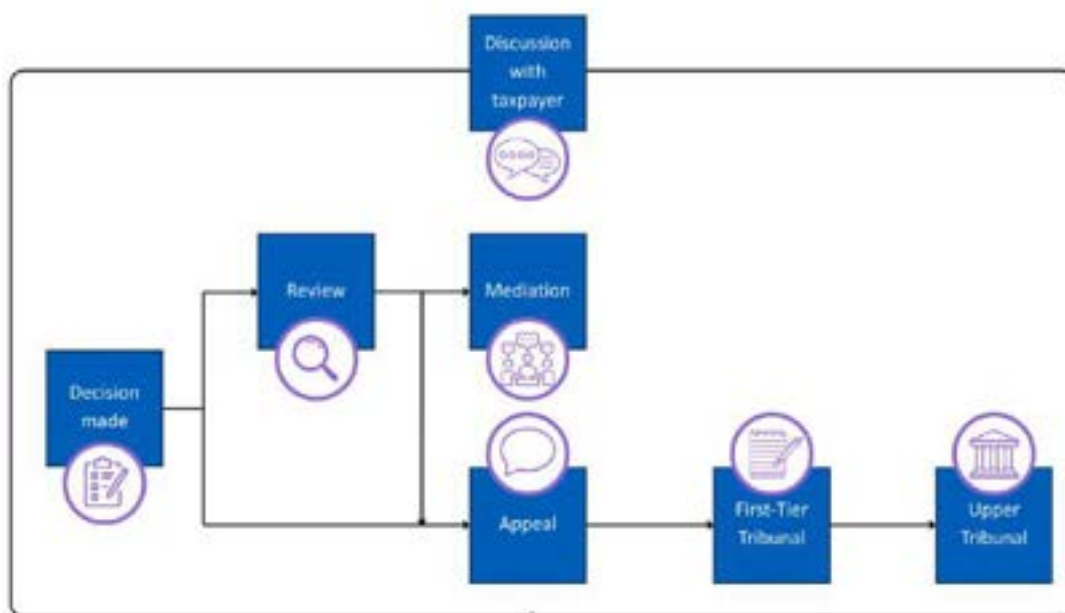
3.43 During 2024-25, 29 appeals were initiated in the FTTS, all of which related to LBTT. This is the highest number of appeals initiated in one year. An increase in penalties issued for failure to make an LBTT return for three-yearly lease reviews gave rise to an increase in the number of appeals received. We expect to see a reduction in ADS appeals following legislative changes introduced from 1 April 2024. More information about the changes can be found on our website [Land and Buildings Transaction Tax \(LBTT\) changes from 1 April 2024](#).

1 'Settled' covers a range of outcomes including agreement between the parties or withdrawal of the appeal by either Revenue Scotland or the taxpayer
2 'Dismissed' covers appeals which have been dismissed due to procedural defects e.g. appeals raised in error

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- 3.44 Of those 29 appeals, 23 had been preceded by a review. 24 of them were raised by an unrepresented taxpayer. If requested, we provide guidance to assist taxpayers to understand their obligations during
- 3.45 A taxpayer can opt to have a hearing before the FTTS, either in person or virtually. If they do not want to attend a hearing, then their appeal may be decided on the papers submitted by the parties. Of the appeals received during 2024-25, 11 taxpayers requested hearing. Appeals decided by the FTTS on the papers take an average of 18 weeks to conclude, whilst the average for an appeal involving a hearing is 35 weeks.
- 3.46 During 2024-25, we participated in 8 hearings took place before the FTTS, 1 of which was conducted virtually. We instructed counsel in 3 of these appeals due to the complex nature of the dispute.
- 3.47 The FTTS upheld our original decision in all 12 cases decided in 2024-25. 9 of those appeals had been preceded by a review. We carefully consider our position before entering or continuing litigation, as shown by the 13 appeals settled in 2024-25.
- 3.48 We received approximately 124,000 returns in 2024-25. When considered in relation to that volume of returns, the above illustrates the very low number of disputes per year. This reflects the support and guidance we provide to taxpayers to help them understand and comply with their obligations. For those taxpayers who dispute our decisions and where it is appropriate to do so, we also proactively share examples of reported FTTS case law on similar grounds, to assist taxpayers to understand the rationale for our decision. It also shows we are prepared to vary our decisions where that is justified and that we litigate responsibly.



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3. Performance Analysis: Operational Excellence

Finance and Human Resources Business Transformation

3.49 In 2024-25, the Scottish Government undertook a significant step in its Corporate Transformation journey with the implementation of Oracle Cloud, a modern, integrated Human Resources (HR) and Finance platform. Delivered by the Scottish Government's Shared Services Programme Team, this initiative replaced multiple legacy systems, consolidating them into a single solution designed to streamline operations, enhance efficiency, and support data-driven decision-making.

3.50 The implementation of Oracle Cloud in October 2024 marked a pivotal moment in the Scottish Government's ambition to become a digitally enabled, collaborative organisation. Developed in close collaboration with colleagues across the wider Scottish Government family, the programme was underpinned by a shared commitment to modernising back-office functions and improving corporate services. The new system provides real-time access to accurate workforce and financial data, enabling better planning, improved user experiences, and more informed outcomes.

3.51 A key feature of the transformation was the introduction of professions aligned with the wider Civil Service, supporting improved workforce planning. The Scottish Government identified 21 professions across its main bargaining unit, including Tax, led by 'Revenue Scotland's Head of Tax. Revenue Scotland's workforce spans nine of these professions, such as HR, Legal, Tax, Statistics, Digital Data and

Technology, Operational Delivery, Finance, Communications, and Project Management.

3.52 To support this transformation, several people-related policies were also enhanced. These changes reduced reliance on HR back-office functions and increased accountability among staff and line managers through a self-service model. A comprehensive communication and training plan ensured staff were well-prepared and confident in using the new system. The Scottish Government pay award 2023-25 included the reduction in working week from 37 to 35 hours with effect from October 2025. The transformation included a complete overhaul of recruitment processes. Revenue Scotland successfully delivered this significant programme of change with minimal disruption. Encouragingly, a recent pulse survey showed that 86% of respondents reported being able to consistently work a 35-hour week without any negative impact on their workload.

3.53 Throughout the transition, regular communications, focus groups, and training resources played a vital role in supporting staff. These resources continue to be available post-implementation, reinforcing the Scottish Government's commitment to continuous improvement and user support.



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4. Performance Analysis: Investing in Our People

Introduction

- 4.1 Our success is built on the skills, commitment, and wellbeing of our people. We aim to be a high-performing, inclusive and supportive workplace where individuals feel valued, empowered, and able to thrive. Our ambition is to be known as an employer of choice, where people are trusted, supported to grow and proud to contribute to the delivery of high-quality public services.
- 4.2 To achieve this strategic outcome, we are focusing on four key priority areas:
- I. **Developing our capabilities:** Ensuring all our staff have the right skills to succeed with a focus on leadership skills, deepening tax knowledge, and digital and data literacy.
 - II. **Creating personalised career development plans:** Ensuring everyone can succeed in their role and supporting them in their career ambitions. Seeking opportunities for secondments, both outgoing and incoming.
 - III. **Prioritising equalities, diversity and inclusion:** Attracting diverse talent into our inclusive organisation, where everyone can bring their whole self to work.
 - IV. **Empowering our people:** Giving our staff autonomy, the tools for a healthy work-life balance, being transparent, and showing recognition.
- 4.3 Together, these actions aim to build an engaged, diverse, and skilled workforce capable of adapting to change and continuously improving the way we work. We assess our performance against this strategic outcome using the following Success Measures:
4. An annual People Survey score in the top 25% of Civil Service organisations
 5. Evidence Revenue Scotland has taken action to expand the diversity of the workforce and Board, to advance equality of opportunity.
- 4.4 The People Strategy is made up of four themes: Leading and Managing Change, Building Capability, Talent Acquisition and Growth and Resilience and Wellbeing. The action plan will seek to deliver the priorities under these pillars to support delivery of the Corporate Plan strategic outcomes under Investing in our People.

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4. Performance Analysis: Investing in Our People

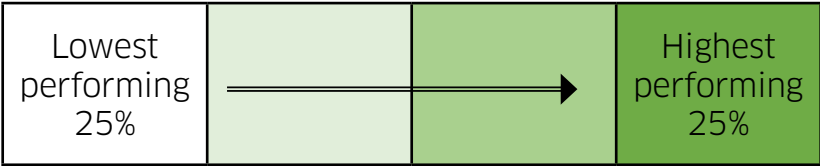
People Survey

- 4.5 Our People Survey performance over the past four years has improved every year. Our response rate in 2024-25 was 98%, the second highest across the Civil Service. This high response rate ensures our results are truly representative of our organisation.

4.6 In 2024-25, our People Survey results placed us in the top seven Civil Service organisations across all themes, achieving our aim of ranking within the top 25% across the UK. This reflects high levels of
- staff engagement and confidence in our leadership. We also strengthened the diversity of our governance by co-opting additional members to our Board committees and sub-committees. In addition, we continued to promote equality of opportunity across our workforce by actively engaging a diverse range of stakeholders in our recruitment campaigns. Our results also rank us second highest in Learning and Development, Inclusion and Fair Treatment, and 15th for engagement.

Revenue Scotland Performance Ranking Across Civil Service

A lower rank indicates better performance relative to the rest of the participating organisations



Theme	2021	2022	2023	2024
My Manager	9	2	2	2
Learning & development	28	5	2	2
Inclusion & fair treatment	25	4	2	2
Leadership & managing change	10	4	3	3
Pay & benefits	4	3	3	4
My work	51	6	6	5
My team	2	1	6	5
Organisational objectives & purpose	11	8	4	7
Resources & workload	56	14	4	7
Engagement Index	55	16	11	15

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4. Performance Analysis: Investing in Our People

- 4.7 We scored 19% on the Proxy Stress Index—the fourth lowest score—which measures factors contributing to workplace stress, including workload demands, control over work, support, relationships, role clarity, and change. A lower score indicates lower stress levels and is therefore desirable.
- 4.8 On the PERMA Index, which assesses positive emotion, engagement, relationships, meaning, and accomplishment, we ranked 11th highest, with a score of 78%, reflecting the extent to which our staff are flourishing at work.
- 4.9 Understanding and maintaining our results remains a priority. We engage staff at all levels to help us understand what is working well, what we need to stop and areas for improvement. This feedback helps us ensure that we continue to focus on the right areas. These include learning and development, team collaboration, workload and resources, employee wellbeing and quality feedback. Actions to support these areas have been integrated into our People Strategy action plan under our four people themes.
- I. Developing our Capabilities (Learning and Development)**
- 4.10 Revenue Scotland's internal Capability and Skills Audit plays a key role in shaping our workforce development. It gathers information from staff about their current knowledge and skills, as well as the core capabilities the organisation needs now and in the future. This data informs our workforce planning and learning and development offer, supporting the delivery of our Corporate Plan. The audit will be conducted annually and outcomes reported to our Staffing and Equalities committee.
- 4.11 In line with both our People Strategy and Corporate Plans, our priority is to build a capable and diverse workforce that values continuous development. By understanding our organisational strengths and skills gaps, we can provide targeted training and development opportunities, enabling greater workforce flexibility. This also empowers staff to explore and develop the core skills that are essential to Revenue Scotland's success.
- 4.12 The audit informed our Data and Digital Strategy. Its findings supported our mission to build data literacy, a priority for 2025-26, to establish a common foundation level. The audit identified subject matter experts to support the mission to build our data literacy. The audit also enabled subject matter experts to be identified to support peer learning to coach colleagues and build capabilities. In addition to the audit, we conduct an annual talent assessment. Both tools help inform our succession planning and individual learning and development plans. Our approach to learning and development has supported us to achieve the second highest score for learning and development in the annual Civil Service People survey for the second year running, a significant achievement.
- 4.13 Induction builds the foundations for building our capabilities. Our induction programme captures core learning and job specific learning with employee



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4. Performance Analysis: Investing in Our People

and line manager monitoring progress to agree successful completion of induction. This programme not only focuses on team learning but wider organisational learning and connecting with organisational purpose. Our Scottish Tax Education Programme (STEP) is the foundation for building our knowledge. This learning is delivered virtually, and this year has evolved to test a blended learning approach supported by action learning sets. One hundred percent of respondents to the evaluation survey reported they had learned something new from the STEP session. And 96% of respondents rating the session 4 or above on a scale of one to five (one being lowest and five highest).

II. Career Development Plans

- 4.14 The [Corporate Plan 2024-27](#) outlines our ambition to have an informed, highly skilled, and diverse staff and Board, able to perform to the best of their ability, delivering success for the organisation. We will achieve this by ensuring staff have the right skills to thrive, with a focus on leadership development, tax expertise, and data literacy. Strengthening leadership capability remains a priority at all levels. Our leadership development programme brings together staff from higher B Band and C Band, featured training in systems thinking and a deep dive into our 10-year organisational journey to foster shared understanding.
- 4.15 Our weekly leadership meetings include monthly reflection on our contributions to the [Corporate Plan 2024-27](#) strategic outcomes, along with deep dives into

team priorities to enhance collaboration and alignment. In preparation for the introduction of new devolved taxes, we conducted an organisational scan to assess our priorities, capabilities, and capacity to deliver on our ambitions.

- 4.16 Leadership capabilities are further enhanced through line manager support from People Services to build capability and confidence to support our staff in line with our people policies. The annual talent assessment, monthly conversations, mid-year and end of year process all feature review of learning and development goals and review of plans to achieve these goals. Investment in learning and development is a priority to ensure we continue to build our professional capabilities. We have supported development of professional qualifications in Digital, Data, Finance, Health and Safety, Project Management, HR, Governance, and Legal.
- 4.17 Increasing our focus on tax development has enabled us to reach out and connect with colleagues across Public Sector to share best practice. This has involved engaging with COSLA, Visit Scotland and local authorities on Visitor Levy. Our guest speaker at the New Year Gathering from Visit Scotland commended our staff on their thinking and support in helping them plan for the collection of the levy. This approach continued in our collaboration with Scottish Government colleagues to share best practices supporting the development of legislation for the SAT. To share knowledge, the New Year Gathering hosted a session on Tax Development, which all attendees



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4. Performance Analysis: Investing in Our People

reported being either satisfied or very satisfied with. Our Tax Design lead has hosted information sessions with tax colleagues to support preparation for user testing and guidance design.

III. Prioritising Equality, Diversity, and Inclusion

4.18 Our [Corporate Plan 2024-27](#) sets out our commitment to prioritise equalities, diversity and inclusion (EDI) by attracting diverse talent into our inclusive organisation, where everyone can bring their whole self to work. Revenue Scotland were the second highest across the Civil Service in the 2024 People Survey for Inclusion and Fair treatment. This is based on response to the following questions:

- ▶ I am treated with respect by the people I work with
- ▶ I am treated fairly at work
- ▶ I think my organisation respects individual differences (cultures, working styles, backgrounds, ideas, etc)
- ▶ I feel valued for the work I do.

4.19 Our [Equalities Mainstreaming Report](#), published on 31 March 2024, set our mainstreaming outcomes for 2024-28. Along with our Corporate Plan for 2024-27, these will serve as our guide to ensure that we meet the needs of the people we serve. The mainstreaming outcomes are:

1. Revenue Scotland will actively promote equality, diversity and inclusion in designing and delivering our services.

2. Revenue Scotland will embed a celebratory culture of equality, diversity and inclusion within our organisation, to have a workforce which reflects the people we serve.

4.20 We developed an EDI strategy and action plan, both of which were approved by our Staff and Equalities Committee. They were influenced by principles including – providing a single vision for an EDI roadmap, high level deliverables, serving and navigating the intersection between the [Corporate Plan 2024-27](#) and Equalities Mainstreaming Report, complementing our People Strategy and keeping a people focus.

4.21 The actions for Equalities Mainstreaming Outcome 1 centre around engaging with service users and stakeholders on the accessibility of our services, the design of our products, projects and communications to consider impacts on protected characteristics, and improving our data collection to consider the equalities impact of the devolved taxes. This will involve analysis of the sources of data already available to us and dovetailing into the development of wider plans to expand what can be gathered. Our work in this area is supported by a steering group and overseen by the Staffing and Equalities Committee.

4.22 Our Equalities Mainstreaming Outcomes are supported by an Equalities Strategy and Action Plan. As part of this, ensuring we develop inclusive recruitment practice is a priority. Our approach includes use of inclusive language, interview questions issued to candidates 24 hours in advance

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4. Performance Analysis: Investing in Our People

and interviews either taking place in our Edinburgh office or via Microsoft Teams. Candidate evaluation feedback tells us 97% of respondents considered having the questions in advance helped improve their performance at interview and 93% of respondents to panel evaluation responded positively when asked whether having the interview questions in advance aided candidates to give a good account of their skills and experiences.

- 4.23 Revenue Scotland introduced the Employee Passport in 2022, and we continue to promote adoption of the passport to support staff and managers. The passport covers adjustments needed for health reasons, caring responsibilities, and personal circumstances to provide reasonable adjustments to enable staff to remain at work.

Recruitment: Board, Co-option, and Workforce

- 4.24 Over the last year we have taken action to strengthen diversity of thought and experience on our Board and its committees. This was informed by our annual Board skills assessment, which identifies any skills gaps and therefore the recruitment process.
- 4.25 We have recruited three new co-opted, non-voting members, to our Board Committees. These appointments will be for an initial period of 18 months running from 3 February 2025. Two of the new members have joined our Audit and Risk Committee and one new member has joined our Staffing and Equalities Committee. Details of the new co-opted members can be found

on our [website](#). These new members bring a wealth of expertise and new perspectives to our Board committees and will support our Committee members in providing assurance to our Accountable Officer and our Board.

- 4.26 We are also delighted to have two new Board members appointed through the Public Appointments process: this increases our Board to eight members. These appointments strengthen our Board's diversity (a commitment by our Chair in our [Equalities Mainstreaming Report 2024-2028](#)) and bring additional skills, expertise, and experience to complement those of our existing members. This will support us in setting the strategic direction of the organisation and delivering our Corporate Plan ambitions.
- 4.27 Our commitment to the Fairer Scotland Duty is demonstrated through our ongoing support for Modern Apprenticeships and the Going Forward into Employment initiative, which are embedded in our recruitment strategies.



Performance Report

5. Performance Analysis: Empowering Our People

Hybrid Operating Model

- 5.1 Our Hybrid Operating Model was launched in April. This sets out the activities staff are required to attend the office for and the frequency, offering staff flexibility as to when they attend. 96% of staff report that when working from home colleagues are good at keeping in touch formally and informally.

All Staff Gatherings

- 5.2 We bring our staff together in person twice yearly to connect with our organisational objectives and purpose. This is integral to our Hybrid Operating Model.



- 5.3 The Summer Gathering was themed on our Corporate Plan strategic priorities: Operational Excellence, Investing in our People, Working with others, and Expanding Horizons. We were joined by guests from the Scottish Government, Visit Scotland, and NEC, who shared their insights on how we are delivering against our strategic objectives. We also heard from our Board member Robert MacIntosh, who shared his insights on leading and managing change.
- 5.4 The afternoon sessions were focused on the Investing in our People theme and drew on the outputs from our Capability and Skills audit, covering a range of topics. In one session, we heard from another Board member, Idong Usoro, about our digital future. The energy and engagement throughout the day was testament to our culture. Board members especially enjoyed interacting with our staff throughout the day.

Performance Report

5. Performance Analysis: Empowering Our People



- 5.5 New Year is a time for reflection and a forward look, and this is no different for us at Revenue Scotland. Approaching the 10th anniversary year of Revenue Scotland, our New Year Gathering offered an opportunity to reflect on our journey over the years, the progress we have made, a look to the coming year and our readiness for delivering two new devolved taxes: SAT and SBSL. The event also provided an opportunity for staff to contribute to the development of our People Strategy. Their input helped shape our vision and priorities for the People Strategy to support the delivery of the Investing in our People priorities in the Corporate Plan 2024-27. This year several new staff joined our organisation bringing many new skills and experience. Maintaining connection as one organisation is key to help us deliver our period of significant change which moves us from delivering efficient collection of two taxes to four taxes. Team building and readiness for change was the theme of the morning.

Performance Report

5. Performance Analysis: Empowering Our People



Volunteering

- 5.6 Revenue Scotland supports staff to take up to six days special leave each year. In this report period, staff have reported 181 hours volunteering. This ranges from supporting Boards and Committees, Children's Panels, and local charities. During national volunteering week, our Health and Wellbeing group supported Merry-Go-Round, a community enterprise helping families grow up green. In addition, they supported Empty Kitchens Full Hearts, a charity which seeks to relieve poverty in Edinburgh by providing meals made using surplus food to support people across the city free of charge.
- 5.7 The Health and Wellbeing Group also supported MacMillan Cancer Support by hosting a coffee morning raising £302, and Charity for Civil Servants by hosting Christmas Jumper Day raising £111.

- 5.8 This year we made a pledge as part of Communities Channel Scotland to Challenge ourselves to increase the positive impact we make on our local community.

- 5.9 We pledged that we will:

- ▶ Proactively support the use of volunteering days by our staff to support the community and charity projects in the areas they live
- ▶ Support and encourage our staff to organise and engage with charities and support events and fundraising efforts for these
- ▶ Strengthen our ties with other public sector bodies and networks to raise our awareness of socio-economic issues.

Performance Report

6. Performance Analysis: Working With Others

Introduction

6.1 Working with others through collaboration and partnership is essential to how we continue to deliver our functions and contribute to wider improvements in public service delivery in Scotland. We aim to build on existing strong relationships with national and local partners and create new ones, sharing what we learn from administering devolved taxes, and play an active role in supporting public service reform. This is why in our [Corporate Plan 2024-27](#), under the strategic outcome of Working with Others, we commit to supporting the Public Service Reform agenda to share our experience of efficiently and effectively delivering public services; and, we will establish new connections with others working in new and local existing taxes.

6.2 To achieve this strategic outcome, we are focusing on three key areas of work:

- I. **Sharing learning on devolved taxation:** Through building our partnerships and networks we will continue to collaborate and work together on shared goals
- II. **Playing a 'sector connector' role:** We will establish new connections, bringing people together, offering new opportunities for collaborative working in tax across the UK and beyond
- III. **Leading the way in Public Service Reform:** We will embrace change, supporting others by sharing our learning and showcasing our digital services and Shared-Service Model.

6.3 Together, these actions aim to ensure we remain an agile, engaged and outward-looking public body, contributing our knowledge and insights to support the public body landscape in Scotland, and further afield. We assess our performance against this strategic outcome using the following Success Measures:

6. Case studies will provide evidence Revenue Scotland is actively engaging with national and local authorities to share tax knowledge
7. Case studies will provide evidence Revenue Scotland is actively engaging with the Scottish Government and other public bodies to support Scotland's Public Service Reform ambitions.

Stakeholder Engagement Plan

6.4 To address the priorities of the Working with Others theme, in 2024-25, we prepared a new stakeholder engagement plan aligned to the [Corporate Plan 2024-27](#). The plan acknowledges that the expertise and responsibility for undertaking engagement remains within the areas of Revenue Scotland where it is performed, and provides support from the Engagement Team to work together with the teams in identifying where gaps and step changes are required. The plan recognises our role as a sector connector, and ensures that we are well positioned to make connections and build networks.



Performance Report

6. Performance Analysis: Working With Others

6.5 We have delivered a range of tools to support stakeholder engagement, such as standard lines to take for engagement, where a full briefing is not required. Improvements are ongoing in this area, while we finesse the process. Learning from our regular reviews allows us to improve and tailor our approaches to distinct audience groups.

6.6 Below are a series of short case studies, which demonstrate how we work with others. These examples also meet a range of our Corporate Plan Outcomes, including Expanding Horizons, however, we are discussing them in this section to highlight how we achieve our ambitions through closely working with others.

I. Sharing learning on devolved taxation

6.7 We worked with SEPA, the Scottish Government, and local authorities to support the transition away from landfill in preparation for the biodegradable municipal waste ban (BMW ban) (see below). We contributed to the design and implementation of new taxes such as the Visitor Levy and SBSL.

6.8 We also built new relationships by joining the Institute of Revenues, Ratings and Valuation (IRRV) monthly forums and engaged directly with local authorities on tax-related matters including data sharing, automation, and litigation.

6.9 We also held strategic discussions with the Convention of Scottish Local Authorities (COSLA), and the Society of Local Authority Chief Executives (SOLACE) to explore new opportunities.

Biodegradable Municipal Waste Ban

6.10 From 1 January 2026, biodegradable municipal waste (BMW) can no longer be accepted for disposal at landfill sites across Scotland. This will significantly reduce the amount of waste that can be sent to landfill, and will heavily impact the industry and the revenues of landfill companies.

6.11 Despite the ban, landfill will still be required and there is a risk that the shrinking industry means that the sites that have the funds or practices to stay open may not offer Scotland as a whole the coverage and capacity for waste that still needs to go to landfill. There is also the risk that sites will close as revenues decrease, which could result in sites abandoned without aftercare and maintenance.

6.12 To prepare for this, we have been working closely with SEPA colleagues and Environmental Policy colleagues in Scottish Government. Initially, we coordinated a strategy group considering the future of landfill. During these discussions we were able to identify shared objectives across the organisations and flag up risks and attribute ownership.

6.13 Following these initial discussions, we now meet individually with each organisation to ensure that we continue to understand the shared risks of the ban and are prepared for it, including financial concerns and compliance risks that will be present when the ban is implemented.



Performance Report

6. Performance Analysis: Working With Others

6.14 We will continue to work with partners to address concerns in waste compliance, specifically working with SEPA, HMRC, the Welsh Revenue Authority (WRA) and the Joint Unit for Waste Crime, as well as other partners.

Scottish Landfill Communities Fund changes

6.15 The Scottish Landfill Communities Fund (SLCF) is a tax credit fund that Scottish Landfill Tax (SLfT) operators can contribute to. Currently, operators can contribute up to 5.6% of their SLfT tax liability for each year, and they benefit from a tax credit of 90% of any amount that they contribute.

6.16 SLfT is an environmental tax which aims to encourage the prevention, reuse and recycling of waste by making landfill a relatively expensive option. A long-term trend of decreasing SLfT revenues reflects the success of efforts to encourage diversion of waste from landfill, driven by the SLfT and the introduction of the BMW ban.

6.17 However, as the volume of waste disposed of via landfill reduces, so too will operators' tax liabilities and as a result, contributions that can be made to the fund. This means that from April 2026, the fund will be likely to be running at a deficit and no longer able to sustain itself.

6.18 To help manage this transition, we have been working closely with colleagues from the Scottish Government's Tax Policy team and the SEPA SLCF team, which holds delegated responsibility for monitoring the fund's compliance. Our collaboration has included support

in drafting the public consultation for the fund, which closed in June 2025. Additionally, we have engaged with the Approved Bodies, organisations that receive contributions from operators, and would be most directly affected should the fund be discontinued.

6.19 We will continue to work closely with internal and external stakeholders as decisions on the fund are made following the consultation.

Sharing Learning with National and Local Authorities

6.20 Over the course of the last year, we have shared our knowledge of managing self-assessed taxes with Scottish Government, industry and local government in cases where we will not be the collecting agency. An example of this work is the forthcoming Visitor Levy. Since the [Visitor Levy \(Scotland\) Act 2024](#) was passed, we have continued engaging with stakeholders to provide views on technical tax matters emerging through the design of the levy. We supported the drafting of guidance through our membership on the Visitor Levy Expert Group.

6.21 We have also shared our expertise on the management of devolved taxes through specific forums focusing on tax and revenues. This has paved the way for the creation of new working relationships, allowing us to support and learn from others. This work actively contributes to the Public Service Reform agenda and supports our Working with Others strategic outcome to work collaboratively on shared goals.



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6. Performance Analysis: Working With Others

6.22 We continue to work closely with other UK tax authorities, sharing information, intelligence and knowledge through legislative gateways and formal Information Sharing Agreements.

II. Playing a 'sector connector' role

6.23 Through focused and thoughtful engagement over the last year, we have forged new connections and helped to establish key connections between other bodies. We have offered opportunities for collaborative working in tax across the UK through the utilisation of existing relationships and bringing people into the same space for engaging discussion on specific items. For example, we identified areas of the [Year Four Legislative Programme - Programme for Government 2024-25: Serving Scotland - gov.scot](#) where cross-collaboration could benefit mutual outcomes that may have been complex. We also brought other UK tax authorities into discussions, to bring fresh perspectives on how tricky areas have been navigated in different jurisdictions. By taking forward this collaborative model of engagement, we are helping to break down siloes, ensuring that public service organisations work together effectively to achieve outcomes.

Consultation Responses

6.24 In 2024-25, we formally responded to four consultations covering a range of issues across both UK and devolved taxation, and wider public service delivery. Our responses were grounded in operational insight and experience, with the aim of supporting the development of effective, efficient and user-centred policy and legislation.

6.25 The consultations we formally responded to included:

- ▶ Raising standards in the tax advice market: strengthening the regulatory framework and improving registration
- ▶ A Consultation on a Consumer Duty for Public Bodies
- ▶ Public Services Reform (Scotland) Act 2010: Extension of part 2 order making powers
- ▶ Operation of the Public Sector Equality Duty in Scotland.

6.26 Engagement through consultation is a key mechanism through which we contribute to the wider public sector landscape in Scotland. Our evidence-based submissions offer technical expertise and practical perspectives that help ensure new proposals are deliverable and proportionate, while also protecting the integrity of the tax system.

6.27 Our approach to consultation reflects the principles outlined in our [Corporate Plan 2024-27](#). By sharing our knowledge and learning from others, we help to improve outcomes for taxpayers and service users. Our contributions this year have helped



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6. Performance Analysis: Working With Others

deliver our strategic outcomes 'Working with Others' and 'Expanding our Horizons,' ensuring our voice as a high-performing public body continues to inform Scotland's policy landscape.

III. Leading the way in Public Service Reform

6.28 Public service reform is a national priority, and we are committed to contributing actively to this agenda. Our approach, characterised by digital delivery, strong governance, and a skilled, engaged workforce, demonstrates how public services can be efficient, responsive, and adaptable. Through this we are able to utilise our expertise and capabilities by sharing knowledge and engaging with stakeholders to support improvement across Scotland's public services.

6.29 Over the past year, we have delivered key efficiencies including:

- ▶ automating several standard taxpayer letters, significantly reducing manual processing
- ▶ enhancements to our case management system which now enable tracking of tax workloads within SETS, eliminating the need for external tracking tools
- ▶ the implementation of our hybrid operational model which enabled a strategic reduction in our physical footprint at Victoria Quay. As a result, accommodation costs decreased significantly, by nearly £100,000, from £155,001 in 2023-24 to £55,275 in 2024-25.

6.30 In 2024-25, we engaged directly with the Scottish Government, COSLA, SOLACE, and other public bodies to explore opportunities for joint working and mutual learning. We participated in preliminary discussions with the Public Service Reform Unit and other partners to help shape future reform, while continuing to promote our role as a connector across the tax and wider public service landscape. These efforts reflect our commitment to collaboration, innovation, and continuous improvement and we stand ready to contribute our expertise and experience wherever it can add value.

Commissions

6.31 In 2024-25 we responded to two significant commissions that supported strategic decision-making and enhanced collaboration across the Scottish public sector.

6.32 The first came from the Cabinet Office and involved a Corporate Functions benchmarking exercise. This work aimed to help Scottish public bodies improve the effectiveness and efficiency of their corporate services and was achieved by drawing a comparative analysis between bodies. We were pleased to contribute to this UK-wide initiative, which offers the benefit of expert analysis and provides valuable insights to inform our strategic decisions and workforce planning. By participating, we helped ensure both our organisation and other Scottish public bodies can learn from this newly generated information and make evidence-based decisions to strengthen the delivery of their corporate

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6. Performance Analysis: Working With Others

functions.

- 6.33 The second was from the Minister for Public Finance who requested information to support key portfolio budget decisions in the current challenging financial context. As an efficient public body, costing less than 1% of the revenue we collect to fund Scotland's public services, we welcomed the opportunity to share our data and information. Our contribution helped identify opportunities and supported a consistent, evidence-based approach to savings across portfolios.
- 6.34 In responding to both commissions we were grateful to contribute new insights and support improvements in public services efficiency.
- 6.35 Scottish Government have subsequently published a [Public Service Reform Strategy](#).

Shared Services

- 6.36 Our Shared Services model is central to how we contribute to public service reform, enabling us to deliver efficient, effective, and collaborative public services. Our model is built around shared systems and outsourced functions, allowing us to operate with a lean structure while maintaining high standards of service and accountability.

- 6.37 In partnership with the Scottish Government and other public bodies, we access a suite of shared services including procurement, HR, finance, estates, and information and communication technology through the SCOTS platform. We draw on Scottish Government for internal audit expertise and statistical analysis resource, and from the Government Legal Service Scotland for legal resource. We also delegate specific functions, such as compliance activity for Scottish Landfill Tax, to SEPA. Our approach not only reduces duplication and cost, but it also supports alignment and consistency across the wider public sector.
- 6.38 Our approach to shared services operates at a consistently low cost of collection - under 1% for nearly £1 billion in annual tax revenues - all of which is transferred to the Scottish Consolidated Fund to support Scotland's public services. As we take on the administration of new devolved taxes, including SAT and SBSL, we will continue to build on our Shared-Services Model, proactively supporting reform through collaboration, digital innovation, and strategic workforce planning.

Performance Report

7. Performance Analysis: Expanding Horizons

Introduction

- 7.1 Revenue Scotland is preparing to play a leading role in shaping and delivering new and evolving forms of taxation in Scotland. As our responsibilities expand, we aim to share our operational expertise, deliver new tax services effectively, and use the learnings and insights we've acquired from 10 years of administering and managing devolved taxes to help shape the policy and legislative environment in the future.
- 7.2 To achieve this strategic outcome, we are focusing on three key priority areas:
- I. **Developing and delivering new devolved taxes:** We will support the development of SAT and the proposed SBSL. Our delivery programmes will ensure readiness for their introduction.
 - II. **Reviewing devolved taxes legislation:** We will work with Scottish Government to review legislation for existing taxes in light of operational experience.
 - III. **Supporting development of local taxes:** We will offer our insights on digital services and tax collection and compliance. We will support the development of tax policy and legislation.
- 7.3 Together, these actions aim to ensure we are prepared, adaptable, and capable of delivering change in a way that is sustainable and aligned with our public service values. We assess our performance against this strategic outcome using the following Success Measures:
8. Evidence Revenue Scotland has actively worked in partnership with the Scottish Government to develop and deliver new devolved taxes will be reported each year in the Annual Report and Accounts
 9. Evidence Revenue Scotland has contributed knowledge and supported the development of new and existing local taxes will be reported each year in the Annual Report and Accounts.
- 7.4 In 2024, we contributed views towards the creation of '[Scotland's Tax Strategy: Building on our Tax Principles](#)'. We shared our views directly with Scottish Government colleagues through roundtable and bilateral discussions. Various aspects of the published Strategy, including listed actions, will require a shared commitment and have an impact on our future work. An open dialogue is in place to ensure we can assist in this work, providing support around shared areas of interest. An example of this is listed in the section on 'Evidence and Evaluation' where a commitment has been made to conduct the first five-year review of LBTT by the end of this Parliament.

Performance Report

7. Performance Analysis: Expanding Horizons

I. Developing and delivering new devolved taxes

- 7.5 In 2024-25, we continued to work closely with the Scottish Government to support the development and delivery of new devolved taxes. We provided technical and operational input throughout the progression of the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill, and contributed to the design of SBSL through joint workstreams and regular engagement with the SBSL Expert Advisory Group. Alongside this, we deepened our working partnership with the Scottish Government to support development and streamlining of legislative change proposals. Our contributions have ensured that operational considerations remain at the heart of tax policy development.
- 7.6 The programme of work established within Revenue Scotland to introduce SAT has now been expanded to also include delivery of SBSL. This work has been grouped within our 'New Devolved Taxes Programme', establishing a consistent approach to delivery which seeks to adhere to best practice in programme and project management.
- 7.7 Our programme has provided a sound footing for making SAT operate successfully, for both Revenue Scotland and for industry.
- 7.8 Our Programme Board includes representation from key areas, both internal to Revenue Scotland and external, that is Scottish Government and COSLA, and provides our Senior Responsible Officer with support and

assurance. We have clear governance and escalation routes established to support effective decision making to ensure readiness across the business ahead of the implementation of SAT and SBSL. We have also collaborated closely with colleagues in Scottish Government to inform and support the development of legislation and the design of both taxes, and we are fully engaged with recognised Gateway and Digital Assurance processes.

Scottish Aggregates Tax

- 7.9 SAT is a new devolved tax which will replace the UK Aggregates Levy in Scotland from April 2026. The UK Aggregates Levy is an environmental tax which aims to reduce the extraction of primary aggregate. In general, it applies to the commercial exploitation of primary aggregate – predominantly crushed rock, sand, and gravel – which are used in the construction industry for housebuilding, infrastructure works, landscaping, and environmental protection.
- 7.10 We have continued to collaborate closely with the Scottish Government on the development of the legislation to inform the design of SAT. Engagement with the industry has been critical to informing our understanding of the quarry and aggregates sector. The Scottish Government led Expert Advisory Group, in which we participate, has been key. Development work on the SAT component of SETS was finalised in November 2024, and this has now successfully completed internal testing, with further testing and familiarisation with taxpayers planned



Performance Report

7. Performance Analysis: Expanding Horizons

throughout 2025. We are also engaging with HMRC to ensure a smooth transition from the UK Aggregates Levy to SAT.

- 7.11 All changes required across Revenue Scotland to support successful implementation of SAT have been identified and detailed planning work has been completed to map out the delivery of these to prepare our staff, taxpayers and broader stakeholders (such as builders merchants and tax professional organisations) for the tax launch.

Scottish Building Safety Levy

- 7.12 SBSL was announced as a measure in the [Year Four Legislative Programme - Programme for Government 2024-25](#). Successful devolution of the scope to introduce a new devolved tax was completed in December 2024. The revenue raised from this new tax will contribute to funding for Scotland's Cladding Remediation Programme to tackle unsafe cladding on buildings following the Grenfell Tower tragedy. Scottish Government intends to use its powers to tax developers of new build residential properties, equivalent to the UK Government's Building Safety levy to be introduced in England. We will be responsible for the collection and administration of the tax. The go-live date for SBSL is 1 April 2027.
- 7.13 We continue to work collaboratively with colleagues from Scottish Government, taking a one team approach to developing our understanding of the policy intent and design of the tax which delivers on these objectives. The SBSL project is

in its initial stages, with scoping work and indicative planning having been completed to inform requirements and our timeline. The close working with Scottish Government colleagues has created a positive environment which supports an agile delivery approach as further details are confirmed.

- 7.14 SBSL is a new tax with no existing UK equivalent. We have identified the need for early interaction with the stakeholder group to gain insight into current working practices, provide assurance and prepare taxpayers for the introduction of the tax.
- 7.15 Like SAT, we have played a key role in the relevant Expert Advisory Group which is enabling us to develop understanding of the sector and foster strong working relationships with a range of industry representatives.

II. Reviewing devolved taxes legislation

- 7.16 We have continued our work on the Legislative Framework Project in earnest over the last 12 months. Delivering and operationalising SAT and SBSL creates a busy period in the current Parliamentary session. In recognition of that and a desire to continue to examine legislative change in respect of the existing devolved taxes, the Scottish Government and Revenue Scotland jointly established a Tax Partnership Board. It aims to prioritise and progress a programme of legislative change relating to the existing devolved taxes up to the end of the current Parliamentary session.



Performance Report

7. Performance Analysis: Expanding Horizons

7.17 The ongoing programme of work to review and improve existing legislation aims to better deliver outcomes for taxpayers and enhance our core functions. An agreed programme of work is now in place which encompasses the LBTT review, committed to in the Scottish Budget 2025-26, supporting an evaluation of key aspects of the tax legislation. This review also features in [Scotland's Tax Strategy](#), acknowledging the need to build evaluation across the devolved tax system. This review will support decisions in the Parliamentary session commencing in 2026 on the case for any legislative change identified. This work has been, and continues to be, a large collaborative effort between Scottish Government and Revenue Scotland, highlighting the strong partnership that is laid out in Revenue Scotland's Framework Document.

III. Supporting development of Local Taxes

7.18 As well as the work on the development of new taxes, as outlined above for SAT and SBSL, we have also supported the policy thinking and development of other taxes in the wider revenue landscape within Scotland. This work has strengthened relationships across Scottish Government, local government and industry representatives. We have successfully supported the development of policy thinking regarding these revenue raising measures by offering insight into the delivery of taxation, bringing this into the policy cycle at an early stage to aid discussions. By bringing in a voice

focused on the delivery and operational aspects of tax design, digital services, and administration early, we aim to bridge the gap between policy and implementation.

7.19 Examples of this work in practice can be seen with the Visitor Levy, Cruise Ship Levy, and the single-use cup charge. Our work on Visitor Levy involved productive engagement with local authorities, COSLA, and the Digital Office to support secondary legislation and a digital solution. This work also actively supports the public service reform agenda through the identification of shared goals and collaborative working. We will continue to work with key stakeholders, providing a credible and expert voice in collecting and managing taxes, to assist the development of revenue raising measures in Scotland.

7.20 We have also remained engaged with Scottish Government colleagues and others on Non-Domestic Rates reform, Air Departure Tax and a potential Carbon Land Tax, building networks and acting as a sector connector.



Performance Report

8. Performance Analysis: Wider Corporate Performance

Framework Document

- 8.1 We have worked closely with colleagues in the Scottish Government over the last year to undertake a detailed review of our [Framework Document](#). The document does not confer any legal powers or responsibilities; however, it is a formal document that forms an important part of our governance arrangements. It recognises the independence of Revenue Scotland and sets out the agreement between Scottish Ministers and Revenue Scotland around how we work together to ensure that we can effectively collect and manage the devolved taxes in Scotland.
- 8.2 The document, which was approved by Ministers in March 2025, has been updated to support closer working between both parties in developing Scotland's devolved tax system and to recognise our growing maturity as we approach our 10-year anniversary.
- 8.3 It does so through an articulation of shared principles, promoting a shared understanding of roles and responsibilities, and by setting out arrangements for managing areas where the two organisations interact with each other.

Hybrid Operating Model

- 8.4 Our Hybrid Operating Model continues to harness the benefits of staff flexibility with business needs. While staff have the flexibility of some working from home, office attendance is required for key business activities including new-start induction, regular team meetings, Board and Committee

meetings, project collaboration, bi-annual staff conferences and performance review meetings.

- 8.5 Our Model supports our ambitions of being an employer of choice by helping us to attract and retain talent. All our staff have access to our main office in Edinburgh and an office in Glasgow, aligning with our Green Strategy ambitions.
- 8.6 We have continued to deliver optimal business performance, and the results against our performance success measures are testimony to this. Adoption of our Hybrid Operating Model has also helped deliver savings of almost £100,000 during this financial year. This was achieved by substantially reducing the accommodation costs associated with our in-office footprint.
- 8.7 The Model was previously evaluated by external consultants and our internal auditors. Continuing on from their recommendations, we have continued to take an evidence-based approach and evaluate our Model to ensure it continues to meet our evolving needs. We also remain committed to sharing our experience and methodology with other employers.

Environmental Sustainability

- 8.8 At Revenue Scotland, we are committed to supporting Scotland's net zero ambitions by actively reducing our carbon footprint and improving the sustainability of our operations. Over the year, we have taken significant steps to reduce our environmental impact, this was achieved by closely



Performance Report

8. Performance Analysis: Wider Corporate Performance

monitoring working patterns and more efficiently using the office space needed to operate effectively

- 8.9 In 2024-25 our total reported emissions amounted to 51.52 tCO₂e, representing a 5.5% reduction compared to the previous year's total of 54.5 tCO₂e.
- 8.10 We have reduced our emissions by 5.5% as a result of continued adoption of sustainable practices, improved efficiency in our operations and a reduction of our footprint requirements.

Risk Management

- 8.11 Revenue Scotland's [Risk Management Framework](#) aligns with the best practice guidance presented through the Scottish Public Finance Manual (SPFM) and the Scottish Government's risk management guidance. The Framework sets out the process for identifying and documenting risk, assigning ownership of risk, scoring risk, determining responses to risk and monitoring and reporting on progress in managing risk.
- 8.12 To achieve our ambitions and deliver the strategic outcomes and objectives set out in our Corporate Plan, it is essential that we understand, manage, and communicate the full range of threats and opportunities that could hinder or enhance our organisation.
- 8.13 We ensure risk is assessed and managed prior to taking action to mitigate it or to take opportunities resulting from it. Explicit reference to 'risk appetite' – the agreed amount of risk we are willing to accept in pursuit of our objectives – allows us to adopt a common understanding across our organisation. It also provides a framework for the

risk owner and managers to confidently make risk-based decisions.

- 8.14 During the year the Audit and Risk Committee, together with staff, conducted a detailed review of our Corporate Risk Register. This review was undertaken to ensure that our corporate risks accurately aligned with our new [Corporate Plan 2024-27](#) and reflected the key risks to the achievement of the ambitions set out within it. This review also included looking at risk appetite levels. We plan to review the risk appetites for all of our Corporate Risks in detail at the 2025-26 ARC strategy day.

Defining a Corporate Risk

- 8.15 Corporate risks are those that are significant, cross-cutting and of strategic importance that pose a potential threat to an organisation's operations, financial performance, reputation, or strategic outcomes. These risks may arise from a variety of sources, such as changes to our operating environment, regulatory changes or other unexpected events such as cyber-attacks, natural disasters or pandemics. Corporate risks can have a significant impact on our ability to achieve our goals and objectives, and as such, require the attention of senior management and the Board. While all members of staff have responsibility for managing risks in their areas, each of the corporate risks has one or more named risk owner(s) and a risk manager who, together, are accountable for their management. Our Board retains ultimate responsibility.



Performance Report

8. Performance Analysis: Wider Corporate Performance

- 8.16 Revenue Scotland has managed a range of risks and issues over the last year. Our Board continues to be informed throughout the process, closely scrutinising and monitoring the management of these.
- 8.17 The corporate risks as they stood at 31 March 2025 are set out below. These risks have been actively managed throughout the year by risk managers and risk owners with oversight from the Senior Leadership Team, the ARC and the Board.

Key Issues and Risks

- 8.18 To improve our risk management framework, we continuously review our assurance map as part of our commitment to continuous improvement. During the year this review process identified a number of areas with scope to strengthen controls and enhance risk mitigation. We thoroughly evaluated existing controls across various business functions and strategically enhanced our approach in key areas to ensure comprehensive risk coverage.
- 8.19 This section discusses our thirteen corporate risks, along with the initiatives undertaken to manage them in 2024-25.

Risk 1: Protecting the Integrity of the Tax System

The devolved taxes are self-assessed, meaning taxpayers calculate for themselves how much tax is due. If we disagree with the amount assessed, or a return has not been submitted, we may make decisions in determining the tax due. Taxpayers can challenge our decision, requesting a review (where the decision is reconsidered by another member of staff) or appeal it to the FTTS.

Litigation carries cost and risk for taxpayers and the public purse; therefore, we strive to minimise the scope for tax disputes to arise. We do so by proactively providing services supporting the taxpayer to pay the right amount of tax at the right time. These include high quality guidance, webinars, the opinion service, support desk, direct contact with caseworkers and upholding our [Charter of Values](#). If a dispute emerges, we strive to find areas of agreement. In instances where agreement cannot be reached litigation may ensue in the FTTS. In that forum we co-operate with the FTTS in fulfilling its overriding objective to deal with cases fairly and justly. We also apply our [Settlement and Litigation Principles](#) to guide how we undertake disputes.

In the interest of resolving disputes quickly and efficiently, we are open to settle a dispute by agreement at any point, including during litigation. In 2024-25, we worked collaboratively with taxpayers to reach settlements and the best practicable outcomes whilst still protecting revenue. This approach resulted in 13 appeals settled by the taxpayer. Those 13 cases took an average of 35 days from date of notice of appeal to date the appeal was withdrawn. Disputes can highlight common issues with the legislation.



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We support our Scottish Government colleagues where any requirements for legislative change have been identified.

Disputes can also indicate where improvements could be made to the tax system. In recognition of this, we routinely reflect on and implement continuous improvement during and on conclusion of disputes.

Further information on appeals is available on pages 37-38.

Risk 2: Legislative and Policy Change

It is vital we understand the legal framework in which we operate to ensure compliance with requirements and duties. Our staff maintain an overview of legislative developments and requirements relevant to Revenue Scotland. For instance, Corporate Services teams keep up to date with developments in data protection, procurement and equalities legislation. Tax and Legal colleagues stay informed about developments in comparable tax jurisdictions that might inform our approach.

In performing our core functions, we may also identify ways in which legislation could be improved to reduce risks like loss of tax or create a more efficient tax system. We have channels for raising these issues with Scottish Government colleagues.

Regular engagement with all stakeholders, active communications with our key partners, and monitoring issues as they arise ensures our decision makers are presented with the best solutions and have a complete understanding of the impact of changes on tax revenues and our work practices.

In 2024-25, we created a new 'Head of Tax Development' role. This is a strategic role to

strengthen our ability to contribute to tax policy development within our remit. The Head of Tax Development role is central to ensuring Revenue Scotland can influence and respond effectively to legislative change opportunities, sharing our technical and operational tax expertise. It supports the Senior Leadership Team and the Board in making informed decisions about potential new responsibilities. As our remit evolves, this role will play a critical part in guiding us through change and expanding our position as Scotland's Tax Authority.

Risk 3: Delivery of New Taxes

The ability to deliver new taxes is essential to our core statutory purpose of protecting and collecting tax revenues. If we fail to successfully deliver new taxes, not only will we fail our core statutory purpose, we won't collect the forecasted total tax revenues in the Scottish Budget, miss out on potential opportunities and economies of scale that these taxes may present and may suffer significant reputational damage. In 2024-25, we are actively preparing for the introduction of SAT and SBSL.

We have a new devolved taxes programme in place to manage the introduction of both new taxes. Our Senior Leadership Team meetings have been restructured to provide greater strategic focus on the delivery of key projects and programmes. We collaborate closely with Scottish Government around tax design and regularly engage with key stakeholders including Ministers.

Risk 4: Communications and Stakeholder Engagement

It is essential that stakeholders are well informed about the services we provide. Our Communications Strategy and Engagement



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Plan is designed to enhance our visibility and assert our presence. This ensures the value we provide is clearly understood and appreciated by both current and potential stakeholders.

To further our outreach and engagement objectives, we have actively participated in a number of high-profile external events during the year.

Our engagement has extended into significant areas of public interest, this included attending the Finance and Public Administration Committee several times during the year. Work in this area has also formed a key strand of our [Corporate Plan 2024-27](#).

Risk 5: Corporate Transformation

To deliver our Corporate Transformation Programme, it is essential that we plan properly to embed new systems, policies and processes. If we don't, there may be resistance to change, a lack of understanding and buy in from our staff.

In 2024-25, all of our finance and HR systems moved to the Oracle platform.

The implementation of the Oracle Cloud platform is one of the largest transformation projects the Scottish Government has undertaken in years. It has brought our HR, Finance and Procurement data into one integrated solution, delivering a single data source, improved processes, improved controls and greater transparency of data.

The platform was implemented in the Scottish Government and 32 public sector organisations, including Revenue Scotland in October 2024. A phased approach on the 1st of October saw around 3,000 users begin accessing the first 3 finance modules,

with the HR component rolled out to the full customer base (around 20,000 users) across Scottish Government core and 32 public sector bodies on 7 and 8 October. A further rollout on 14 October saw the implementation of additional finance modules. The platform has been built around a suite of best practice processes, adopted from the UK Government Global Design principles (now superseded by NOVA Functional Reference Model) and was implemented in response to the recognition that the previous Finance and People platforms, SEAS and e-HR respectively, were approaching the end of their useful lives and had not kept pace with the scale or functions of the organisation.

To ensure that the platform continues to meet the ever evolving needs of modern government the Scottish Government has put in place a dedicated management team which will manage and maintain the platform with a process of quarterly updates

We engage regularly with the Scottish Government at all levels. We also participate in the Scottish Government year-end conference, ensuring full collaboration across all required processes and a successful completion of our year-end audit.

Risk 6: Health, Safety, and Wellbeing

Throughout last year we maintained a strong focus on mitigating risks associated with health, safety, and wellbeing. Our commitment to these areas is demonstrated through our regular contact with experts who provide competent advice for both our landfill operations and the other areas of our organisation.

In 2024-25 we implemented proactive measures to anticipate and adapt to new



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issues that may impact our health, safety, and wellbeing practices – launching our Health and Safety Policy to all staff and introducing a Health and Safety Policy handbook. We have also visited a quarry site as part of preparations for SAT to better understand the required health and safety practices. These steps ensure that we not only comply with current regulations, but we are well-prepared for any future requirements.

We have a number of staff within the organisation who have National Examination Board in Occupational Safety and Health (NEBOSH) Health and Safety Qualifications including our new Risk and Assurance Manager who joined in 2024-25. This gives added assurance that our Health and Safety policies are compliant and helps embed our good Health, Safety and Wellbeing culture.

Our Health and Wellbeing Committee delivered a diverse calendar of events that focused on a broad range of topics including, Stress Awareness month, Learning at Work Week, Volunteering week, Pride, MacMillan coffee morning, preventing back pain and RSI campaign, Christmas Jumper fundraising, and participating in the Kiltwalk. These events not only support health and wellbeing but also support staff engagement, and our resilience.

Risk 7: Staff Capacity and Capability

Building our professional capability is a priority. Staff are supported to undertake professional qualifications, and we continue to build our leadership and line management capability.

The capability and skills audit, and our talent assessment outcomes inform our succession plan, workforce planning,

subsequent resourcing plan, and learning and development offering.

Staff/Line Manager monthly conversations focus on development and priorities. We have extended our end of year performance process to now include our capability and skills audit, and we provide coaching for line managers throughout the employee journey.

Our approach to workforce planning regularly reviews our priorities against our Service Delivery Target Operating Model and succession plan, to ensure we create pipelines for emerging talent. This approach saw our People Survey results rise once again from 71% in 2023 to 73% in 2024 in the Learning and Development theme: second highest across Civil Service.

We continue to support all our staff to build professional skills, knowledge, and capability.

Risk 8: Organisational Culture

Adopting an evidence-based approach to hybrid working has enabled us to develop clear and robust Hybrid Working Principles, where staff are empowered to work flexibly, and encouraged to connect with purpose. Compliance is monitored regularly and all staff have a key work objective to comply with the hybrid operating unless by exception through an employee passport.

Our approach to communication and engagement is transparent and collaborative.

Our staff support the design and delivery of our weekly All Staff meeting, and our in-person conferences. Both occasions are integral to maintaining connection as one organisation which is aligned to our purpose and objectives.



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During 2024-25 we adopted a 35-hour working week, which encourages a better work/life balance for our staff. The principles of the 35-hour working week will be regularly reviewed to ensure a balanced workload for all our staff.

Risk 9: Budgeting and Finance

We need to be prepared for any changes to our funding or investment priorities and manage our expenditure appropriately. Failure to do so may mean we can't target our investment to deliver our Corporate Plan priorities and effectively deliver all our functions.

We have strict financial controls in place. Our performance and budgets are scrutinised by our Senior Leadership Team. We proactively engage with Scottish Government, maintaining effective relationships and providing regular outturns. Our capital spending is overseen by our Data and Digital Programme Board who consider return on investment and benefits realisation for all major projects and which are also subject to external assurance through the gateway review process.

We are subject to annual audits by Audit Scotland and benefit from Internal Audit Services provided by the Scottish Government's Directorate of Internal Audit and Assurance.

We have budget monitoring processes in place and our Programme Management Team oversee the delivery of all major projects to ensure they remain within budget. Long term financial planning gives us an indication of future requirements.

Risk 10: Data Optimisation

If we fail to exploit the potential in our data,

we miss the opportunity to improve the design of our services, improve our decision making and deliver operational efficiencies.

Our Statistics and Management Information teams work with teams across Revenue Scotland and with external bodies such as the Welsh Revenue Authority and Registers of Scotland. This gives vital understanding of the analytical needs of various teams and improves the evidence for decision making.

We have a Digital and Data Strategy in place overseen by the Data Digital Programme Board. Also, our Lease Review Projects Board has a workstream on using data more effectively to understand issues around lease reviews.

Risk 11: Information and Cyber Security

Cyber security continues to be a critical area of focus as the threat landscape continues to evolve. This year we participated in a Cyber exercise hosted by the Scottish Cyber Coordination Centre. This focused on a Cyber ransomware attack on our systems.

This exercise, along with benchmarking activities conducted during the year, has helped us to identify areas for improvement which have been progressed in advance of a further similar exercise this winter.

We work closely with our range of suppliers to ensure that their cyber security arrangements continue to be appropriate. Our ongoing efforts in this area are crucial in protecting the data we hold and maintaining the trust of our stakeholders.

We adhere to the Public Sector Cyber Resilience Framework to ensure we have robust cyber security measures in place.



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Risk 12: Digital Systems Performance and Adaptability

We have developed a Data and Digital Strategy which will help us to meet our future Digital Data needs. With our digital-first approach at the forefront of our decision-making, in 2024-25 we have successfully implemented a number of digital initiatives to enhance the efficiency of our operations, whilst reducing risk. We have made many user-centric improvements, designed to streamline processes, and ensure user-friendliness and accessibility for both agents and taxpayers.

We have expanded the Digital, Data and Technology function. A new team has been created to cover business analysis and service design, so we are able to focus on improving our requirements gathering and customer experience. A principal business analyst and user researcher have been recruited to fill the team.

In addition we have recruited a senior data engineer to help us build our cloud analytics platform, to ensure we can derive greater value from our data. Recruitment will continue in 2025.

Risk 13: Resilience

We need to have effective business continuity planning in place to enable us to continue to operate and carry out our key functions.

We are part of the Scottish Government Business Continuity Network which gives invaluable insight into what is happening with regards to Business Continuity in other departments and agencies.

We engage regularly with our key suppliers to ensure cohesive business continuity strategies and preparedness.

We carry out annual Business Continuity Exercises. Whilst this year's exercise focused on our Cyber systems, it informed our overall Business Continuity, particularly when reviewing and updating our Business Continuity Plan for 2025.

We make use of telephony software to enable us to contact all of our staff in the event of an incident. Using a secure external file storage system allows us to access key documents during an incident meaning our Incident Management Team can plan accordingly and keep our essential services running even if our main IT services fail.

Values and Behaviours

8.20 Our staff are civil servants who adhere to the Civil Service Code. Staff are expected to carry out their duties with a commitment to the civil service core values of integrity, honesty, objectivity and impartiality. Staff must not misuse their official position to further their private interest or those of others or accept gifts, hospitality or other benefits from anyone which might reasonably be seen to compromise their personal judgement or integrity. All staff undertake annual mandatory training on counter fraud, bribery and corruption to remind them of their responsibilities in this area.

Records Management & General Data Protection Regulation

8.21 Throughout 2024-25, we have remained committed to improving our performance in respect of information governance and assurance. Our Information Management Plan, which we put in place during 2023, continues to provide a solid strategic foundation



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for the direction of the organisation and we are continuing to work through and build upon this.

- 8.22 As well as the network of Information Management Support Officers (IMSOs), which we established in the previous period, we have now revitalised our Information Governance Structure and conducted a thorough review of our Information Asset Register. The Information Governance Group (IGG) we set up in 2024 has also provided us with a valuable forum for Information Governance issues including the introduction of the new SAT and the implementation of new processes and systems. The IGG has also explored new opportunities, including options offered by the Digital Economy Act 2017, which led to a pilot of data sharing with local authorities.
- 8.23 We continue to engage with our external partners in the National Records of Scotland (NRS) and National Library of Scotland (NLS). We have again participated in the Progress Update Review (PUR) with the NRS, through which our efforts to meet our statutory obligations are annually assessed. We have also ensured this year that our key documents, from the inception of Revenue Scotland in 2015, have now been provided to the NLS, which is one of the UK’s libraries of legal deposit.
- 8.24 Education and training also remain at the forefront of our activities. We continue to run a mandatory course for colleagues which covers key issues relating to information management and assurance. Ad hoc sessions are also run internally for our teams which have

covered topics such as data incident reporting. During the last period, we launched our network of Information Management Support Officers (IMSOs) who have continued to champion information governance throughout the organisation. Our website now contains a video explaining our approach to privacy and our Privacy Notice. We continue to interact regularly with taxpayers, responding to data protection Subject Access Requests, Freedom of Information requests and constituency enquiries from MSPs and MPs.

Data Protection Incidents and Losses

- 8.25 Protecting sensitive information that taxpayers entrust us with is vital to their confidence in us as a public body. Accordingly, data protection issues are raised regularly in team meetings and through training. During the year, we recorded the following data incidents and data losses:

Data Protection		2024-25	2023-24
Data Incidents	Reported in period	4	16
	Reported to ICO	0	0
Data Losses	Reported in period	10	7
	Reported to ICO	1	0

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8.26 Each incident and loss is thoroughly investigated internally, with the majority found to be only of a minor nature which do not require reporting to the Information Commissioner’s Office (ICO). One incident during the period was self-reported to ICO, which was assessed as having a low impact and being limited in scale. This resulted in a review of our ways of working and a change to our systems. ICO took no further action.

Freedom of Information and Environmental Information Regulations Requests

8.27 During the course of the period, Revenue Scotland received and processed the following FOI and EIR requests:

FOI requests	2024-25	2023-24
Requests received	19	14
Requests withdrawn	0	0
Requests answered within statutory timescales	18	14

8.28 One request was not fully answered within the statutory timescale but was given an initial partial response by the deadline. It was then fully answered following a Public Interest Test on the remaining material being released.

Whistleblowing Report

8.29 Revenue Scotland is a ‘prescribed person’ under the Public Interest Disclosure Act 1998. The Act provides protection for employees who pass on information concerning wrongdoing in certain circumstances. The protection only applies where the person who makes the disclosure reasonably believes:

1. That they are acting in the public interest, which means that protection is not normally given for personal grievances; and
2. That the disclosure is about one of the following:
 - ▶ Criminal offences (this includes financial improprieties, such as fraud);
 - ▶ Failure to comply with duties set out in law;
 - ▶ Miscarriages of justice;
 - ▶ Endangering someone’s health and safety;
 - ▶ Damage to the environment; or
 - ▶ Covering up wrongdoing in any of the above categories.

8.30 The Prescribed Persons (Reports on Disclosures of Information) Regulations 2017 came into force on 1 April 2017. Prescribed persons are required to report annually on whistleblowing disclosures made to them.

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Reporting

- 8.31 We have a whistleblowing policy and procedure in place to ensure issues can be raised. During the reporting periods 1 April 2024 to 31 March 2025 and 1 April 2023 to 31 March 2024 we received no whistleblowing disclosures.
- 8.32 No investigations were carried out within this reporting period.

Actions

- 8.33 No actions were required during this period.

Improvement objectives

- 8.34 No improvement objectives were required during this period. The next review of our policy will be March 2026.

Elaine Lorimer

Elaine Lorimer – Chief Executive of Revenue Scotland and Accountable Officer

02 October 2025





Part B: Accountability Report

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The Directors' Report

Revenue Scotland Board 2024-25

In line with paragraph 1 of Schedule 1 of the RSTPA, the Scottish Ministers are responsible for appointing between five and nine individuals to be members of the Revenue Scotland Board. One individual is appointed by Ministers as Chair.

Ministers determine the period and terms of appointment of Board members and may re-appoint individuals who already are, or have been on the Board. This is subject to evidence of effective performance and their continued possession of the skills, knowledge, and experience required for the Board at the time of reappointment.

Appointments are made following a public appointments exercise regulated by the Commissioner for Ethical Standards in Public Life in Scotland.

The terms of appointment for board members, and details of our senior leadership are below. For further information visit [Board Members and Senior Leadership Team](#).

Board Members 2024-25	Role	Term of appointment
Aidan O'Carroll	Chair, Revenue Scotland Board	1 August 2021 to 31 July 2027
Martin McEwen	Chair of the Audit and Risk Committee (to 22 January 2025) and Deputy Chair of the Revenue Scotland Board	1 July 2019 to 30 June 2025
Simon Cunningham	Deputy Chair of the Audit and Risk Committee (4 June 2023 – 22 January 2025) Chair of the Audit and Risk Committee (23 January 2025)	1 November 2019 to 31 December 2027
Jean Lindsay	Chair of the Staffing and Equalities Committee	1 July 2019 to 30 June 2026
Idong Usoro	Deputy Chair of the Staffing and Equalities Committee	1 June 2022 to 31 May 2028
Rt Hon Ken Macintosh	Member of the Staffing and Equalities Committee	1 June 2022 to 31 May 2028
Robert MacIntosh	Member of the Audit and Risk Committee	1 June 2022 to 31 May 2028

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Senior Leadership Team 2024-25	Role	Join date
Elaine Lorimer	Chief Executive	March 2016
Michael Paterson	Head of Tax	March 2019
Neil Ferguson	Head of Corporate Functions	January 2016
Mairi Gibson	Head of Legal Services	February 2020

Statement of the Accountable Officer's Responsibilities

Under section 19(4) of the [Public Finance and Accountability \(Scotland\) Act 2000](#), Scottish Ministers have directed Revenue Scotland to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Revenue Scotland and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts I, as the Accountable Officer, am required to comply with the requirements of the Government Financial Reporting Manual (FReM) and to:

- ▶ observe the Accounts Direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- ▶ make judgements and estimates on a reasonable basis;
- ▶ state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;

- ▶ prepare the financial statements on a going concern basis; and
- ▶ confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable. The Accountable Officer takes personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary of the Scottish Government (SG), who is the Principal Accountable Officer for the Scottish Administration has designated, in accordance with sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000, the Chief Executive of Revenue Scotland as Accountable Officer for Revenue Scotland.

The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which they are answerable, for keeping proper records and for safeguarding the Revenue Scotland's assets, are set out in the [Scottish Public Finance Manual](#).

The Accountable Officer may consult with the Scottish Government Chief Financial Officer (CFO) on any aspects of the duties applying to Accountable Officers in the Scottish Administration. The Accountable

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Officer must consult the CFO on any action which they consider is inconsistent with their duties on financial, regulatory or propriety grounds, and specifically where they seek written authority from the Scottish Ministers or a direction from the Board of Revenue Scotland. 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 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 the response to any subsequent recommendations from the SPSO.

As the Accountable Officer, I confirm that I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Revenue Scotland's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

I confirm that this Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement & Framework

Governance Statement

In the paragraphs below, I report on the governance arrangements in place within Revenue Scotland.

Governance Framework

Revenue Scotland is responsible for the collection and management of Scotland's devolved taxes. The relevant powers and duties of Revenue Scotland, and of the Scottish Ministers are set out in the Revenue Scotland and Tax Powers Act 2014.

Scottish Ministers are responsible for appointing the Board of Revenue Scotland following a public appointment exercise, regulated by the Commissioner for Ethical Standards in Public Life in Scotland.

Ministers must not direct, or otherwise seek to control Revenue Scotland in the exercise of its functions but they may give guidance. This 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. Scottish Ministers are responsible for setting rates, bands and thresholds relating to the devolved taxes, subject to the approval of the Scottish Parliament.

The Board of Revenue Scotland is collectively responsible for the leadership and direction of the organisation and for ensuring that it carries out its statutory functions effectively and efficiently. It may delegate any of its functions to an individual Board member, a committee of the Board, the Chief Executive, or any other staff



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member, but it will retain its responsibility for carrying out its function.

As the Chief Executive of Revenue Scotland, I am employed by, and accountable to, the Board of Revenue Scotland for the day-to-day running of the organisation and its operational performance.

In this role, I seek assurance that appropriate controls are in place across the organisation, and in respect of the partners whom we rely on to support us in delivering our objectives. I can confirm that these have been in operation during 2024-25 and to the date of signing these accounts. I am supported by the Senior Leadership Team (SLT), who oversee the day-to-day business of Revenue Scotland, with each member taking responsibility for a specific area. The SLT is made up of the Chief Executive, the Head of Tax, the Head of Corporate Functions and the Head of Legal Services.

Operation of the Board and Committees

The Board is responsible for the functions and powers of Revenue Scotland and delegates authority to staff through a [Scheme of Internal Delegation](#). The Board sets the strategic direction for the organisation, oversees Revenue Scotland's work and monitors performance including the design and operation of risk and governance frameworks. It does this through scrutiny and, where appropriate, approval of:

- ▶ Corporate Plans and Business Plans
- ▶ key strategies and policies
- ▶ regular reports, including reports relating to risk management, corporate performance, tax compliance, staff, health, safety and wellbeing, changes in the devolved taxes, progress on the

introduction of new taxes

- ▶ scrutiny of the Annual Reports and Accounts
- ▶ reports from the Audit and Risk Committee and Staffing and Equalities Committee
- ▶ strategic engagement with key partners and service users.

I can report that during 2024-25 the Board met on six occasions which included a Board strategy session (2023-24: six). During this time our Board scrutinised and considered a number of specific matters including:

- ▶ the review of the Framework Document
- ▶ approval of the 2024-27 Business Plan
- ▶ updates on the programme of activity related to the new taxes; SAT and SBSL development of the Data and Digital vision statement and progress to date for the data and digital programme
- ▶ proposals set out within Revenue Scotland's stakeholder engagement plan
- ▶ approval of the Health and Safety Policy and Policy Statement.

Audit & Risk Committee

The Audit and Risk Committee (ARC) supports the Board and Accountable Officer through reviewing the comprehensiveness, reliability and integrity of the assurances produced in support of the financial statements. The terms of reference of the committee are published on Revenue Scotland's website within the Board's [Standing Orders](#).

The committee fulfils its role through:

- ▶ scrutiny of risk management arrangements



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- ▶ regular liaison with internal and external audit and scrutiny of their plans and reports
- ▶ considering and monitoring of responses to recommendations from internal and external auditors and other bodies
- ▶ review of the certificates of assurance produced by management as part of the financial reporting process and the Chief Executive's governance statement, and
- ▶ overseeing the financial reporting process.

Members of the committee during 2024-2025 were Martin McEwen (Chair until 22 January 2025), Simon Cunningham (Deputy Chair until 22 January 2025 and Chair from 23 January 2025) and Robert MacIntosh (Deputy Chair from 19 March 2025). Stephen Ramsay and Julie Hesketh Laird were appointed to the Committee on 3 February 2025 as co-opted non-voting members.

The committee is also attended by the Chief Executive, Head of Corporate Functions, Head of Legal Services, Head of Tax, Head of Governance, the Head of Finance, representatives of internal and external audit and other Revenue Scotland staff as required.

I can report that during 2024-25 the committee met seven times; this included a strategy session on risk management (2023-24: six). The committee engaged in a number of relevant matters including:

- ▶ consideration of reports from Internal Audit
- ▶ consideration of reports from Audit Scotland including their interim audit letter
- ▶ a strategy session to review Revenue Scotland's Corporate Risk Register, with

a focus on alignment with the new Corporate Plan 2025-2027

- ▶ deep dive on the programme to deliver Scottish Aggregates Tax
- ▶ consideration of assurances around the introduction of new corporate IT systems for HR and Finance.

The committee reviewed its effectiveness during 2024-25, using the checklist set out in the Scottish Government's Audit Committee Handbook. It found no issues of concern which could affect its normal function.

Staffing & Equalities Committee

The Staffing and Equalities Committee (SEC) advises and provides assurance to our Board and Accountable Officer on issues relating to: people, equality, diversity and inclusion and health, safety and wellbeing.

During 2024-25 the committee continued to follow the format for the operation of the committee that was introduced by the Board in 2022-23. This was aimed at ensuring a more strategic focus for the committee. Following a review, the committee agreed that this format continued to meet the needs of SEC and the Board, and should continue.

The terms of reference for the committee are published on Revenue Scotland's website within the Board's [Standing Orders](#).

Members of the committee during 2024-25 were Jean Lindsay (Chair), Idong Usoro (Deputy Chair) and Ken Macintosh. Elizabeth Barnes was appointed to the Committee on 3 February 2025 as a co-opted non-voting member.

Staff attendees comprise the Chief Executive, Head of Corporate Functions, Head of Legal Services, Head of Tax, Head of People



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Services and Head of Governance. Other staff members attend as required.

I can report that during 2024-25, the committee met three times (2023-24: three) and engaged in a number of relevant matters including supporting the development and scrutiny of:

- ▶ the People Strategy and action plan
- ▶ staff survey
- ▶ workforce and succession planning
- ▶ health, safety and wellbeing, including the Health and Safety Policy, Policy Statement and Staff Handbook
- ▶ equality, diversity and inclusion (EDI), including the EDI Strategy and action plan.

The committee reviewed its effectiveness during 2024-25 and found no issues of concern which could affect its normal function.

Assurances Provided to the Accountable Officer

I have received written assurances from my Heads of Service, who have responsibility for the operation and effectiveness of internal controls within Revenue Scotland's Tax, Legal and Corporate Functions teams.

These assurances raised some issues in respect of financial controls within the organisation. The issues were identified by Audit Scotland and reported within their interim audit letter to our Audit and Risk Committee and some additional matters identified internally relating to backlogs of work within the finance function.

Audit Scotland's interim audit letter, summarising the audit work completed during their 2024-25 interim audit of

Revenue Scotland, identified four issues. Two of these related to recommendations from the prior year which had since been addressed. The other two related to weaknesses in controls around user permissions and to four sets of reconciliations which had not been undertaken in full during the year.

The other matters identified internally related to other routine finance tasks which had lapsed during the year, leading to backlogs.

Prompt action was taken to establish a programme of work to address the issues identified, overseen by a Steering Group including senior representation from the Scottish Government's Directorate of Internal Audit and Assurance.

All of the issues identified have been addressed and the backlogs all brought under control. I can confirm that in undertaking this work, no fraud or losses of tax revenues were identified nor was there any delay to the annual audit process. The Board and Audit and Risk Committee were kept informed throughout and were assured by the action that has been taken.

In order to ensure that our controls are sufficiently robust and to prevent any recurrence of these issues, I commissioned a review by our internal auditors to examine the root causes and to make recommendations that will identify where we can enhance the controls we have in place and strengthen management oversight.

The implementation of the Oracle Cloud platform, which I referred to in last year's report, is one of the largest transformation projects the Scottish Government has undertaken in years. It has brought our HR, Finance and Procurement data into

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one integrated solution, delivering a single data source, improved processes, improved controls and greater transparency of data.

The platform was implemented in the Scottish Government and 32 public sector organisations in October 2024. A phased approach on 1 October saw around 3,000 users begin accessing the first three finance modules, with the HR component rolled out to the full customer base (around 20,000 users) across Scottish Government core and 32 public sector bodies on 7 and 8 October. A further rollout on 14 October saw the implementation of additional finance modules. The platform has been built around a suite of best practice processes, adopted from the UK Government Global Design principles (now superseded by NOVA Functional Reference Model) and was implemented by the Scottish Government in response to the recognition that the previous Finance and People platforms, SEAS and e-HR respectively, were approaching the end of their useful lives and had not kept pace with the scale or functions of the organisation.

To ensure that the platform continues to meet the ever evolving needs of modern government the Scottish Government has put in place a dedicated management team which will manage and maintain the platform with a process of quarterly updates.

Revenue Scotland experienced some transitional issues in moving to the new Oracle platform and these are reflected in the assurances from my Heads of Service. Issues experienced during the introduction of the system included delays to some (non-tax related) payments made by Revenue Scotland and the need to implement alternative arrangements for the collection of Direct Debits.

I am pleased to report that these have not had a fundamental impact on our functions. The majority of our payments are now being made within required timescales and we continue to monitor this closely, engaging with Scottish Government as appropriate given that this remains outwith our direct control. We have also introduced a new shared service arrangement with the Accountant in Bankruptcy for the processing of Direct Debits. This replaces our previous arrangement and was implemented without any disruption to the payments we receive through this channel.

My team and I continue to work closely with the Scottish Government to ensure that the Oracle system works effectively for our organisation and to encourage continued investment, in order that the maximum benefits of the new system can be realised.

No other significant matters were raised with me.

The Accountable Officer of SEPA has provided me with assurance in respect of the statutory functions delegated to SEPA by Revenue Scotland. No significant issues were raised with me by SEPA.

I also receive copies of the certificates of assurance provided to the Scottish Government's Director-General Corporate, produced to support the assurances she provides to the Principal Accountable Officer in respect of the Scottish Government's digital, financial, and people services. These are shared with me as some aspects of these are relevant to the services we receive from the Scottish Government as a shared service. No significant issues were raised with me. These certificates did, however, reference the implementation of Oracle Cloud, which I have discussed above.



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In conclusion, I can confirm that, based on the aforementioned written assurances received, there were no significant control weaknesses identified in the period under review.

Report on Personal Data Incidents

Revenue Scotland manages, maintains, and protects all information according to the requirements of relevant legislation, our own information policies, and best practice. We have an Information Assurance Governance structure which prioritises and manages information risks. The governance structure:

- ▶ protects the organisation, its staff, and our service users from information risks where the likelihood of occurrence and the consequences are significant
- ▶ ensures adherence with statutory duties and
- ▶ assists in safeguarding Revenue Scotland's information assets.

Revenue Scotland has a Senior Information Risk Owner (SIRO) whose role is to ensure information security policies and procedures are fit for purpose and are reviewed and implemented across all of Revenue Scotland's business functions. The SIRO is supported by a Data Protection Officer (DPO) and a number of Information Asset Owners (IAOs), who provide assurance to the SIRO that proper controls are in place.

Our IAOs are tasked with ensuring compliance with statutory duties, knowing what information assets they 'own', and what information they handle. They also ensure the relevant security requirements, sensitivity, importance, and protocols for sharing of information assets.

The DPO monitors internal compliance with data protection laws, advises on the

organisation's data protection obligations, reviews Data Protection Impact Assessments (DPIAs) and acts as a contact point for data subjects and the Information Commissioner's Office (ICO).

In addition, our Information Governance Group (IGG), chaired by the DPO, steers Revenue Scotland's approach to information governance, reviews issues arising with regards to data protection, carries out horizon scanning in relation to new legislative and other developments relating to information governance, and monitors our compliance with our mandatory legal obligations.

Parliamentary Scrutiny

As a Non-Ministerial Office, Revenue Scotland is accountable to the Scottish Parliament and, as such, can be called to appear before parliamentary committees to provide updates on operational matters, give evidence on tax related matters or provide written statements.

During 2024-25, Revenue Scotland attended Parliament on 19 November 2024 for an annual evidence session on our performance during 2023-24. Revenue Scotland's supporting legislation, our Corporate Plan, and this Annual Report are all publicly available documents. The [Corporate Plan 2024-27](#), on which this document reports, was approved by Scottish Ministers and laid before the Scottish Parliament on 28 March 2024, and this report will be laid before Parliament in October 2025. Corporate plans, all annual reports and accounts, and minutes of Revenue Scotland Board meetings are available on our [website](#).



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Internal Audit

The Scottish Government's Directorate for Internal Audit and Assurance (DIAA) provide Revenue Scotland's internal audit service through a shared service arrangement with the Scottish Government.

DIAA produce an annual audit plan which is reviewed by the Audit and Risk Committee, who provide advice on the plan to the Board and the Accountable Officer. Regular updates on progress against the audit plan are presented by DIAA to the Audit and Risk Committee's meetings.

During the year, DIAA completed audits on the following:

Commercial Relationship Management

This review looked at the controls in place to manage risk around our contract and commercial relationship management arrangements. It found a good understanding of the role that commercial relationship management plays within the organisation and a strong attitude and ability to develop it further.

A 'Reasonable' assurance rating was awarded, recognising that there were some areas where improvements were required to enhance the adequacy and effectiveness of procedures. These areas for improvement related to:

- ▶ providing clarity in relation to the governance structure for contract management
- ▶ due diligence on lower value contracts
- ▶ maintaining the contracts register
- ▶ providing contract extension/award recommendations in a timely manner.

The report also recommended identifying actions to strengthen capability around commercial relationship management and to ensure that the organisation obtains the most benefit and added value from commercial relationships.

Stakeholder Engagement

This review looked at the controls in place to manage the risk surrounding our stakeholder engagement arrangements. The work considered the approach taken by Revenue Scotland and the benefits it had delivered.

A 'Reasonable' assurance rating was awarded, recognising that there were some areas where improvements were required to enhance the adequacy and effectiveness of procedures. The review found the overall controls and governance of stakeholder engagement were well managed and identified opportunities for improvement related to: improving capacity and capability across all teams to deliver a consistent standard of stakeholder engagement; improving guidance to facilitate a more consistent approach to recording of stakeholder engagement data; strengthening the lessons learned approach; and further developing the Stakeholder Engagement plan to provide more clarity and ensuring that the plan is followed consistently.

Information Management

This review evaluated and reported on the controls in place to manage the risk surrounding Revenue Scotland's information management arrangements.

A 'Substantial' assurance rating was awarded. The review highlighted the organisation's strong and compliant information management practices, which aligned with applicable Scottish Government guidance. It was noted that there was: a clearly defined

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governance structure to support effective oversight; efficient information management gathering and dispersal methods; and robust data protection measures in place. It also recognised work to enhance information management capabilities and work to ensure that information management documents, strategies and policies were kept up-to-date.

Opportunities for improvement were identified in relation to the review of data held on shared drives, to ensure on-going compliance with organisational information management policies, and ensuring that information management roles held by staff were consistently reflected within individual's annual work objectives.

Annual Assurance Opinion 2024-25

The overall annual assurance opinion provided by DIAA for 2024-25 was 'Substantial' assurance. This reflects DIAA's opinion that Revenue Scotland's risk, governance and control procedures remain effective in supporting the delivery of its objectives and that any exposure to potential weakness is low and the materiality of any consequent risks negligible.

DIAA reported that the culture within Revenue Scotland continues to be open to audit and assurance, with the RS Senior Leadership Team engaging with designated DIAA contacts on key strategic and operational matters.

External Audit

External Audit is provided by Audit Scotland. The Audit Director is appointed under the Public Finance and Accountability (Scotland) Act 2000 to carry out the external audit of Revenue Scotland and the devolved taxes. During the year, the Audit and Risk Committee scrutinised Audit Scotland's audit plan and received regular updates from them. The Independent Auditor's Report can be found on pages 97-101.

As part of the 2023-24 audit undertaken by Audit Scotland, the matter highlighted for attention, is for the scope for medium term financial planning arrangements to be developed further to highlight and ensure financial sustainability:

Action to address this matter is underway and is expected to be completed during 2025-26.

Audit Scotland issued an interim audit letter in May 2025, in which they summarised the audit work they had undertaken during their 2024-25 interim audit of Revenue Scotland and identified some risks related to financial controls which required to be addressed. Details of the organisation's response to this letter are set out in the Assurances Provided to the Accountable Officer section on page 76.

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Assessment of Corporate Governance

Revenue Scotland has in place a system of internal controls and policies which are designed to safeguard its assets, data, and ensure the reliability of financial records in relation to operational and tax duties.

I have noted above the issues experienced in relation to some of our finance controls. I am satisfied that the action that has been taken has ensured that these controls are now all working satisfactorily. In addition, the review by our internal auditors will provide me with additional assurance and expert advice on any further actions we should be taking to ensure that these controls are as robust as they can be moving forward.

I continue to ensure that these controls are subject to review by management on a regular basis. Our internal controls also undergo formal review by both Internal and External Audit, whose reports are made available to the Audit and Risk Committee. Having assessed our corporate governance arrangements, I confirm that they comply with generally accepted best practice principles and relevant guidance.

Risk Management

I have assessed our risk management arrangements and confirm that they are in accordance with the guidance set out in the Scottish Public Finance Manual. The year-end Certificates of Assurance include a dedicated section assessing the effectiveness of Revenue Scotland's risk management approach over the year and no significant control matters were raised. This, alongside the detailed review of the Corporate Risk Register undertaken with our Audit and Risk Committee and the assessment of risk throughout the year, contributes to my overall confidence assessment offered; further confirming that robust arrangements and practices were in operation throughout 2024-25.

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Remuneration

The remuneration of senior civil servants is set in accordance with the rules set out in chapter 7.1, Annex A of the Civil Service Management Code and in conjunction with independent advice from the Senior Salaries Review Body (SSRB). In reaching its recommendations, the SSRB is to have regard to the following considerations:

- ▶ the need to recruit, retain and motivate and, where relevant, promote suitably able and qualified people to exercise their different responsibilities
- ▶ regional/local variations in labour markets and their effects on the recruitment and retention of staff
- ▶ government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services
- ▶ the funds available to departments as set out in the Government's departmental expenditure limits X the Government's inflation target
- ▶ evidence they receive about wider economic considerations and the affordability of their recommendations.

Further information about the work of the SSRB can be found in the UK Government website <https://www.gov.uk/government/organisations/review-body-on-senior-salaries/about>.

The remuneration of non-senior civil servants within Revenue Scotland is set in accordance with Scottish Government Public Sector Pay Policy 2024-25 as part of the Scottish Government Main Bargaining Unit. Revenue Scotland's Board members are non-executive and receive fees for duties on behalf of Revenue Scotland, including attendance at Revenue Scotland Board and committee meetings. Fees are paid at the daily rate set out in their letters of appointment and increased annually in line with the Scottish Government Public Sector Pay Policy. Expenses incurred in carrying out these duties are also reimbursed.

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Fees of Board members and salaries of the Senior Leadership Team are shown below.

Non-executive Board		2024-25 Fees £000	2023-24 Fees £000
Aidan O’Carroll	Chair	5-10	10-15
Simon Cunningham	Board member	0-5	0-5
Jean Lindsay	Board member	0-5	0-5
Ken Macintosh	Board member	0-5	5-10
Robert MacIntosh	Board member	0-5	0-5
Martin McEwen	Board member	5-10	5-10
Idong Usoro	Board member	10-15	10-15

Non-executive Board members are not employees of Revenue Scotland and do not benefit from pension arrangements. The maximum banded annual fees that could be claimed under the letters of appointment are: Chair £15,000-20,000 and Board members £10,000-15,000.

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Senior Leadership Team		Salary £000		Pension Benefits to the nearest £1,000		Total 2024-25 £000	Total 2023-24 £000
		2024-25 £000	2023-24 £000	2024-25 £000	2023-24 £000		
Elaine Lorimer	Chief Executive	115-120	110-115	78	36	195-200	145-150
Neil Ferguson	Head of Corporate Functions	85-90	80-85	57	28	140-145	110-115
Mairi Gibson	Head of Legal Services	85-90	80-85	48	42	130-135	125-130
Michael Paterson	Head of Tax	85-90	80-85	64	32	150-155	115-120

None of the above received any benefits in kind or bonus payments in the years 2024-25 or 2023-24. Salary covers both pensionable and non-pensionable amounts and includes, gross salaries; overtime; recruitment and retention allowances; or other allowances to the extent that they are subject to UK taxation and any ex gratia payments. It does not include amounts which are a reimbursement of expenses directly incurred in the performance of an individual's duties.

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Fair pay disclosure

Reporting bodies are required to disclose the percentage increase in pay from the previous financial year for the highest-paid director in their organisation and the average percentage increase for all employees of the organisation. In 2024-25 the mid-point of the band of the highest-paid member of the Senior Leadership Team increased by 4.26% from 2023-24. The average increase for all other employees was 4%. Actual grade pay increases varied from 3% to 9%. Reporting bodies are also required to disclose pay-ratio information for the highest-paid director and median and quartile employee pay.

Year		25th percentile	Median	75th percentile
2024-25	Ratio	3.6	2.8	2.0
	Employee pay	£32,455	£42,244	£57,881
2023-24	Ratio	3.3	2.7	2.0
	Employee pay	£34,177	£41,013	£53,351

No employee received remuneration in excess of the highest-paid member of the Senior Leadership Team. Remuneration ranged from £25,235 to £117,329 (2023-24: £23,735 to £111,741)

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Pension Benefits

Senior Leadership Team	Accrued pension at NRA as at 31 March 2025 and related lump sum £000	Real increase in pension and related lump sum at NRA £000	CETV as at 31 March 2025 £000	CETV as at 31 March 2024 £000	Real increase in CETV in 2024-25 £000
Elaine Lorimer – Chief Executive	50 - 55 plus a lump sum of 130 - 135	2.5 - 5 plus a lump sum of 2.5 - 5	1218	1,103	67
Neil Ferguson – Head of Corporate Functions	45-50	2.5-5	920	835	48
Mairi Gibson – Head of Legal Services	30-35	2.5-5	610	534	39
Michael Paterson – Head of Tax	50 - 55 plus a lump sum of 45 - 50	2.5 - 5 plus a lump sum of 0 - 2.5	1140	1,036	58

Pension benefits are calculated on normal retirement age (NRA) where the pension entitlement is due at that age or at current age if over NRA. Pension data is supplied to Revenue Scotland by MyCSP, pension administrators.

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Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or Alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date, all newly appointed civil servants and the majority of those already in service joined Alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (Classic, Premium or Classic Plus) with a normal pension age of 60; and one providing benefits on a whole career basis (Nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus, Nuvos and Alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switched onto Alpha sometime between 1 June 2015 and 1 February 2022. The Government removed discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members. As a result, eligible members with relevant service between 1 April 2015 and 31 March 2022 may have been entitled to different pension benefits in relation to that period.

All members who switch to Alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave Alpha. (The pension figures quoted for officials show pension earned in PCSPS or Alpha, as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of Classic, Premium, Classic Plus, Nuvos and Alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In Nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in Alpha build up in a similar way to Nuvos, except that the accrual rate is 2.32%



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In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8.0% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3.0% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement). The accrued pension is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age.

The pension figures for officials show pension earned in PCSPS or Alpha, as appropriate. Where the official has benefits in both the PCSPS and Alpha the figure is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages. Further details about the Civil Service pension arrangements can be found at the [Civil Service Pension Scheme website](#).

Cash equivalent transfer values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement, which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at Their own cost. CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax, which may be due when pension benefits are taken.



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Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff Report

Staff at Revenue Scotland are civil servants who form part of the Scottish Administration, rather than the Scottish Government, and must adhere to the Civil Service Code applicable to personnel in Non-Ministerial Offices in Scotland. The code 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 Revenue Scotland and act under the direction of the Board of Revenue Scotland. 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, adhere to the Scottish Government’s recruitment policies and procedures.

Average number of employees

The average number of whole-time equivalent people employed during the year was as follows:

	2024-25	2023-24
Permanent contracted staff	96	88
Fixed term contracted staff	1	3
Seconded in or on loan staff	1	2
Seconded out staff	0	0
Agency staff	1	1
Average number of persons employed	99	94

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Staff composition

The average number of people of each sex employed by Revenue Scotland by category is set out in the following table. The numbers include permanent and temporary staff.

	2024-25		2023-24	
	Female	Male	Female	Male
SLT - Chief Executive	1	0	1	0
SLT - Others	1	2	1	2
Employees	53	42	48	42
Total	55	44	50	44

Gender pay gap

The gender pay gap is calculated as the difference between average hourly earnings of men and women as a proportion of average hourly earnings (excluding overtime) of men's earnings. A positive pay gap means that men earn more than women on average. The gender pay gap is a means of highlighting a disparity in the pay received by men and women. It is influenced by both the pay levels for equivalent jobs and the distribution of men and women across the grades within the permanent workforce.

Provisional Data for 2024 published by the ONS reports the gender pay gap for Scotland as 9.1% and 13.1% for the UK. This is the mean figure which is the standard figure used by the Office of National Statistics (ONS) to calculate the pay gap. The median gender pay gap for all staff at Revenue Scotland at the end of March 2025 was 4.1% compared to 0% in 2023-24, and the mean gender pay gap is 5.9% compared to 1.6% in 2023-24. The movement arises from changes in the gender mix of staff at March in each financial year as represented in the table above, as well as changes in grades of those staff. Within Revenue Scotland, where men and women are undertaking work of an equal value (i.e. within the same pay range) they are paid a similar rate. A pay gap can arise if a higher percentage of female staff are at lower grades than male staff, and the size of the organisation means that figures can be disproportionately affected by a small change in composition. It should be noted that the pay gap is calculated at a point in time and can move significantly from month to month.

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Sickness and absence

We recognise the success of any organisation depends largely on the effective performance and full attendance of all its employees. People are a valued resource, and as an employer, Revenue Scotland's attendance management procedures are designed to maintain a happy, well-motivated and healthy workforce. The procedures aim to:

- ▶ be supportive and positive
- ▶ promote fair and consistent treatment for everyone
- ▶ encourage, assist and support people to stay in work
- ▶ explain employees' entitlements and roles and responsibilities.

In 2024-25 an average of 10.7 working days per employee were lost (2023-24: 8.6 days). This increase was attributed to increase in long term absences 6.7% (2023-24 was 3.9%), short term absence levels remain similar 4% (2023-24 was 4.7%).

Staff

Turnover was reported in previous reports as total staff leaving the Scottish Government (excluding agencies and non-departmental public bodies) in the 12-month period divided by the average headcount over that period, 7%:2023-24. Churn was reported as total staff leaving the business area in the 12-month period divided by the average headcount over that period, 13%:2023-24. For 2024-25 turnover is now defined as all staff leaving the business area in the 12-month period divided by the average headcount over that period, this was 16%.

Staff engagement

Revenue Scotland participates in the Civil Service People Survey and includes the employee engagement index as one of the key performance indicators. More information on this is given on page 41.

Employees with disabilities

We comply with the Scottish Government's Civil Service Code of Practice on the employment of people with disabilities. The code aims to ensure there is no discrimination on the grounds of disability and that employment opportunities and career advancement is based solely on ability, qualifications and suitability for the work.

Equality, Diversity, and Inclusion

Equality and diversity are central to the way we conduct our business, and this is demonstrated in the Corporate Plan and People Strategy, as well as being set out in the Equality Mainstreaming Reports. More information on Equality and Diversity can be found on pages 44-45.

Health and Safety

Health and safety is a central priority for Revenue Scotland. We are committed to developing a positive health and safety culture and ensuring that all employees are trained and aware of their responsibilities. Over the past year we have taken forward a range of activity to promote health and safety awareness and ensure training compliance.

A key priority has been the launch of our refreshed Health and Safety Policy and Policy Statement, which was completed early in 2024-25. To compliment the Policy



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and embed its importance across our staff, a supporting staff handbook was developed and launched during the period. Early 2025-26 will see a training package on the policy being added to our set of mandatory training for all staff. During 2025-26, this will be complemented with specific training for our staff who will be carrying out tax compliance site visits.

Our dedicated Health, Safety, and Wellbeing Committee has continued to play a pivotal role in maintaining and enhancing our safety controls. Throughout the 2024-25 period the team met regularly to review safety actions and discuss feedback from across the organisation. These meetings have been crucial in fostering a culture of continuous improvement and ensuring that all safety measures are effectively implemented and updated in response to both internal and external feedback.

Our Health and Safety Annual Report for 2024-25 outlines our strategic approach for the coming year. This report details our plans to sustain and enhance our safety protocols. It focuses on both pre-emptive measures and responsive strategies to address any emergent issues. It serves as a roadmap guiding our efforts to ensure the health and safety of all our employees and stakeholders and reinforcing our commitment to upholding high standards of workplace safety.

Recognising the unique challenges presented by our operations, which include routine organisational activities and specific tasks like landfill site visits, we have continued to utilise specialist knowledge that is crucial for these environments. Through our Memorandum of Understanding (MoU) with them, SEPA provides us with competent advice in respect of landfill site visits. This

allows us to benefit from their extensive expertise in conducting site visits across a variety of settings. This is valuable in ensuring high standards of health and safety in these environments.

This year we have continued to utilise our Competent Person service, in particular in our planning for SAT site visits. This has included a visit to a working quarry. This has given invaluable insight which will help to shape our risk assessments, checklists and staff training when SAT goes live in 2026. This will be a key focus in 2025-26. The Competent person service allows us to take advantage of specialised expertise and an independent perspective to our risk management practices. This complements the advice we receive from SEPA and will ensure that we fully recognise the accompanying health and safety implications, understand the unique hazards and how to mitigate these.

We are focused on being proactive in addressing these concerns to ensure that we are prepared ahead of implementation of SAT. Our approach includes careful assessment of potential risks. This enhanced capability enables us to tailor our health and safety strategies effectively ensuring that expert advice is available where and when it is most needed.

Health, safety and wellbeing dashboard reports are discussed at each SEC meeting. This adds an additional layer of assurance, ensuring we are meeting our health and safety obligations. SEC also conducts an annual deep dive into our health, safety and wellbeing arrangements to ensure that our health and safety management is appropriate. Additionally, a Health and Safety update is included as a standing agenda item within the CEO reports that are



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presented to each formal quarterly meeting of the Board.

As well as the mandatory health and safety training provided to all of our staff, several of our senior managers and all our Board members have NEBOSH qualifications in Health and Safety Leadership Excellence, which equips individuals with the knowledge and skills necessary to lead and support the delivery of a culture of health and safety throughout the organisation.

Added to this, our new Risk and Assurance Manager has NEBOSH qualifications in Health and Safety and Fire Safety giving added assurance.

Our Unacceptable Behaviour Policy, which ensures a safe working environment for all of our staff was reviewed and strengthened with the addition of a section on our staff being filmed. Our fire evacuation procedures have also been strengthened so that all of our staff can be accounted for, as far as reasonably practical, if there's an evacuation at our Victoria Quay premises.

During 2024-25, we moved to a temporary office space in Victoria Quay to allow for works to take place in our permanent location as part of an ongoing Scottish Government heating upgrade project. The temporary area was risk assessed ahead of our staff taking occupation. Concerns around the safety of the area were raised with the Scottish Government Project lead and Victoria Quay house team and were satisfactorily resolved ahead of occupation.

Good co-ordination across all of our teams led to a smooth and safe transition which was repeated when we moved back to our permanent area in December 2025.

Our office areas in Victoria Quay and St Vincent's Plaza were inspected every quarter

in 2025-26 to ensure they were safe for all of our staff to use.

The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) require that certain categories of accidents, occupational diseases and dangerous occurrences must be reported to the Health and Safety Executive (HSE). There were no incidents of any of these categories reported in 2023-24 or 2024-25. Definitions for 'Occupational Disease' and 'Dangerous Occurrence' can be found on the [HSE Website](#).

Wellbeing

Revenue Scotland prioritises the promotion of staff wellbeing. This helps us to create a positive and supportive workplace culture that fosters creativity, innovation, and collaboration. We are committed to continually reviewing and updating our staff wellbeing initiatives to ensure that we are providing the best possible support to our staff. Our staff-led health and wellbeing group delivered a variety of health and wellbeing initiatives. These included Learning at work week, Volunteering week, Pride March, Macmillan coffee morning, musculoskeletal awareness and Jumper Day supporting The Charity for Civil Servants.

Our volunteering campaign saw staff support Empty Kitchen Full Hearts in Edinburgh and Merry Go Round in Glasgow, both support those in need. The Civil Service People Survey reports 81% of Revenue Scotland respondents responded positively when asked if Revenue Scotland provides good support for their health, wellbeing, and resilience.



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Trade Union representatives

The Trade Union (Facility Time Publication Requirements) Regulations came into force on 1 April 2017. No employees were trade union representatives in 2024-25. There were no trade union representatives during 2023-24.

Civil Service early departure compensation schemes

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. These are employer costs associated with early departure and are accounted for in full in the year of departure. Where Revenue Scotland has agreed early retirements, the additional costs are met by Revenue Scotland and not the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the undernoted. No members of staff left Revenue Scotland under the scheme in 2024-25 or 2023-24.

Staff costs

	Administrative and Programme costs		Total 2024-25	Total 2023-24
	Permanently employed £000	Other £000	£000	£000
Wages and salaries	4,371	274	4,645	4,161
Social security	481	30	511	465
Pension	1,246	76	1,322	1,151
Agency	64	0	64	46
Total staff costs	6,162	380	6,542	5,823

Staff costs for Revenue Scotland in the period 2024-25 are set out above. Wages and salaries include gross salaries, performance pay or bonuses received in year (of which there were none), overtime and any other allowance that is subject to UK taxation. The payment of legitimate expenses is not part of salary.

Accountability Report

Remuneration and Staff Report

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as ‘Alpha’ – are unfunded multi-employer defined benefit schemes. However, Revenue Scotland is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31/03/2020. The schemes are accounted for as defined contribution schemes under the multi-employer exemption permitted under IAS19 employee benefits. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation. For 2024-25, employers’ contributions of £1,322,000 were payable to the PCSPS (2023-24: £1,151,000) at 28.97% of pensionable earnings across all salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024-25 to be paid when the member retires and not the benefits paid during this period to existing pensioners. Employees can opt to open a partnership pension account, which is a stakeholder pension with an employer contribution.

Employers’ contributions of £nil (2023-24: £nil) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings. The information included within the remuneration, fair pay, pension benefits, Civil Service early departure compensation packages, average number of persons employed and staff costs sections above are covered by the audit opinion.

Accountability Report Parliamentary Accountability and Audit Report

Losses and special payments

In accordance with the SPFM, we are required to disclose losses and special payments above £300,000. During 2024-25 there were no losses or special payments within this criteria (2023-24: £nil).

Gifts and Charitable Donations

There were no gifts made during the year (2023-24: £nil). There were no charitable donations made during the year (2023-24: £nil).

Fees and charges

The fees and charges guidance in the SPFM require charges at market rates whenever applicable. RS has nothing to report for the year to 31 March 2025 (2023-24: nil) relating to fees and charges.

Remote Contingent Liabilities

Revenue Scotland are required to report any liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability under IAS37. There are currently no remote contingent liabilities.

Elaine Lorimer

Elaine Lorimer – Chief Executive of Revenue Scotland and Accountable Officer

02 October 2025





Part C: Independent Auditor's Report

Independent auditor's report to
Revenue Scotland, the Auditor
General for Scotland and the
Scottish Parliament

Independent auditor's report to Revenue Scotland, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Revenue Scotland for the year ended 31 March 2025 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM).

In my opinion the accompanying financial statements:

- ▶ give a true and fair view of the state of the body's affairs as at 31 March 2025 and of its net expenditure for the year then ended;
- ▶ have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 FReM; and
- ▶ have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards

on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 27 May 2025. My period of appointment is three years, covering 2024/25 to 2026/27. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).



Independent auditor's report to Revenue Scotland, the Auditor General for Scotland and the Scottish Parliament

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- ▶ using my understanding of the central government sector to identify that the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- ▶ inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- ▶ inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- ▶ discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- ▶ considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud



Independent auditor's report to Revenue Scotland, the Auditor General for Scotland and the Scottish Parliament

may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the [Financial Reporting Council's website](#). This description forms part of my auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects:

- ▶ the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- ▶ the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of

my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.



Independent auditor's report to Revenue Scotland, the Auditor General for Scotland and the Scottish Parliament

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- ▶ the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- ▶ adequate accounting records have not been kept; or
- ▶ the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or

- ▶ I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Lisa Duthie

Lisa Duthie
Audit Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

02 October 2025



Part D: Financial Statements 2024-25



Financial Statements 2024-25

Statement of comprehensive net expenditure

For the Year Ended 31 March 2025

	Note	2024-25 Administration £000	2024-25 Programme £000	2024-25 Total £000	2023-24 Total £000
Income	2	0	0	0	1
Staff costs	2	(6,162)	(380)	(6,542)	(5,823)
Purchase of goods and services	3	(1,476)	(10)	(1,486)	(1,476)
Depreciation	5	(27)	0	(27)	(29)
Amortisation	5	(639)	0	(639)	(505)
Impairment reversal	5	0	0	0	49
Impairment	5	0	0	0	0
Loss on disposal	5	0	0	0	(49)
Net operating costs for the year		(8,304)	(390)	(8,694)	(7,832)

The notes on pages 108-120 form part of the financial statements

Financial Statements 2024-25

Statement of financial position

As at 31 March 2025

	Note	2024-25 £000	2023-24 £000
Non-current assets			
Tangible assets	5	96	62
Intangible assets	5	3,464	2,912
Total non-current assets		3,560	2,974
Current assets			
Other receivables	6	93	25
Total current assets		93	25
Current liabilities			
Trade & other payables	7	(1,133)	(626)
Total current liabilities		(1,133)	(626)
Total net assets		2,520	2,373
Taxpayers' equity		2,520	2,373

The notes on pages 108-120 form part of these financial statements.

The Chief Executive and Accountable Officer authorised these financial statements for issue
on 02 October 2025

Elaine Lorimer

Elaine Lorimer – Chief Executive of Revenue Scotland and Accountable Officer

Financial Statements 2024-25

Statement of cash flows

For the year ended 31 March 2025

	Note	2024-25 £000	2023-24 £000
Cash flows from operating activities			
Net operating costs for the year	SOCNE	(8,694)	(7,832)
Adjustments for non cash transactions			
Audit fee	9	108	107
Depreciation	5	27	29
Amortisation	5	639	505
Impairment	5	0	(49)
Loss on disposal	5	0	49
Movements in working capital			
(Increase)/Decrease in trade and other receivables	6	(68)	3
(Decrease)/Increase in trade and other payables	7	476	12
Net cash outflow from operating activities		(7,512)	(7,176)
Cash flows from investing activities			
Purchase of non-current assets	5	(1,252)	(500)
Proceeds from disposal of assets	4	0	6
(Decrease)/Increase in capital creditors	7	31	0
Net cash outflow from investing activities		(1,221)	(494)
Cash flows from financing activities		0	0
Net funding		(8,733)	(7,670)

The notes on pages 108-120 form part of the financial statements



Financial Statements 2024-25

Statement of changes in taxpayers' equity

For the year ended 31 March 2025

	Note	General Fund Reserves 2024-25 £000	General Fund Reserves 2023-24 £000
Balance at 31 March		2,373	2,428
Net operating costs for the year	SoCNE	(8,694)	(7,832)
Non cash charges – auditor's remuneration	9	108	107
Net funding	SoCF	8,733	7,670
Balance at 31 March		2,520	2,373

The notes of pages 108-120 form part of these financial statements



Notes to the Accounts



Financial Statements 2024-25

Notes to the Accounts

1. Statement of Accounting Policies

Basis of accounting

In line with section 12 of the Revenue Scotland and Tax Powers Act 2014 (RSTPA), and in accordance with the accounts direction issued by the Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, these financial statements have been prepared conforming to the 2024-25 Government Financial Reporting Manual (FReM) issued by His Majesty's Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. The particular policies adopted are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The accounts are prepared using accounting policies, and where necessary, estimation techniques which are judged to be most appropriate to the particular circumstances for the purpose of giving a true and fair view regarding the principles set out in International Accounting Standards (IAS) 8 Accounting Policies, Changing in Accounting Estimates and Errors.

In accordance with the FReM these accounts have been prepared under the historical cost convention and on a going concern basis, which provides that the organisation will continue in operational existence for the foreseeable future.

Accounting convention

The accounts have been prepared in accordance with the historical cost convention modified to account for fair value of non-current assets. Expenditure has been accounted for on an accruals basis.

New accounting standards

Changes to International Financial Reporting Standards (IFRS) that have been issued but not yet effective have been reviewed for impact on the financial statements in the period of initial application. There are no standards that are considered relevant to Revenue Scotland. IFRS17 (Insurance Contracts) is expected to replace IFRS 4 (Insurance Contracts) in 2025-26, it is not expected that this will impact on the Revenue Scotland Resource Accounts.

Value Added Tax (VAT)

Revenue Scotland is registered for VAT as part of the Scottish Government VAT group registration, which is responsible for recovering VAT on behalf of Revenue Scotland.

Revenue Scotland does not provide any chargeable services and therefore output VAT does not apply. Irrecoverable input VAT is charged to the relevant expenditure category. Where VAT is recoverable, the amounts are stated net of VAT.

Financial Statements 2024-25

Notes to the Accounts

Property, plant, equipment and intangible assets

Recognition

All property, plant, equipment and intangible assets are accounted for as non-current assets unless they are deemed to be held for sale.

Capitalisation

Minor expenditure on equipment and furniture are written off in the year of purchase, as are all other items of a capital nature costing less than £10,000, unless the pooled value of a programme of expenditure on items of a capital nature exceeds £10,000, then this pooled expenditure is capitalised.

Assets under development

Assets under development are shown separately in note 5. Costs are accumulated until the assets is brought into use whereupon it is transferred into the relevant asset class and depreciated.

Staff costs

Where staff have been working on the development, integration and testing of IT software, these costs are included in the amounts capitalised.

Depreciation and Amortisation

Provision for depreciation and amortisation is made to write off the cost of non-current assets on a straight-line basis over the expected useful lives of the assets concerned. The expected useful lives of assets are regularly and systematically reviewed to ensure that they genuinely reflect the actual replacement cycle of all assets. Depreciation and amortisation are not charged on assets in the course of development until the month after they are brought into use.

The expected useful lives are as follows:

- ▶ computer equipment, 3-10 years
- ▶ IT and telephony systems, 3-10 years
- ▶ office equipment, 3-10 years
- ▶ furniture and fittings, 3-15 years.

Asset Valuation

Depreciated and amortised historical cost is used as a proxy for fair value since the assets are low value and have short useful lives. The majority of the intangible assets represent bespoke IT systems and there is no active market for these assets. In accordance with the FReM impairment relating to a consumption of economic benefit or reduction in service potential is taken to the SoCNE.

Financial Statements 2024-25

Notes to the Accounts

Financial instruments

As the cash requirements of Revenue Scotland are met through the Scottish Government, financial instruments play a limited role in creating and managing risk. The only financial instruments within the accounts are financial assets in the form of other receivables, and financial liabilities such as trade and other liabilities.

Leases

Revenue Scotland has adopted IFRS 16 including the exemption for short term leases in accordance with the FReM. This standard replaces the previous standard IAS 17. Leases which are considered to be low value or have an expected length of less than a year, are not recognised under IFRS 16 and the related costs are shown in the Statement of Comprehensive Net Expenditure.

Pension costs

Revenue Scotland employees are civil servants who are entitled to be members of the Civil Servant and Others Pension Scheme or the Principal Civil Service Pension Scheme. These are unfunded, multi-employer defined benefit schemes in which Revenue Scotland is unable to identify its share of the underlying assets and liabilities. The schemes are accounted for as defined contribution schemes under the multi-employer exemption permitted in IAS 19 Employee Benefits.

Revenue Scotland's contribution is recognised as a cost in the year.

Short term employee benefits

The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised as an accrual of benefits in the financial statements. Employees are permitted to carry forward leave into the following year.

Other receivables

Other receivables are stated at their nominal value.

Trade and other payables

Trade payables are stated at their nominal value.

Provisions for liabilities and charges

A provision is recognised where an outflow of resources is expected because of a past event. These are included within the accounts at the estimated value.

Financial Statements 2024-25

Notes to the Accounts

2. Staff costs

	2024-25 Admin £000	2024-25 Programme £000	2024-25 £000	2023-24 £000
Staff costs				
Wages and salaries	4,371	274	4,645	4,161
Social security	481	30	511	465
Pension	1,246	76	1,322	1,151
Agency	64	0	64	46
Total staff costs	6,162	380	6,542	5,823

Programme costs incurred relate to staff working on the introduction of SAT and SBSL. More details on staff numbers and related costs can be found in the Staff Report on page 89.

Financial Statements 2024-25

Notes to the Accounts

3. Goods and services

	2024-25 £000	2023-24 £000
Income		
Misc Income	0	(1)
Total income	0	(1)
Staff-related costs		
Board fees & expenses	43	49
Travel & subsistence	5	4
Training	12	28
Supplies & services		
Legal	27	22
Computer & telephone	435	374
Shared services (1)	383	401
Delegated duties (2)	369	384
Other supplies & services	104	107
Audit fee – external	108	107
Total goods & services	1,486	1,476

Financial Statements 2024-25

Notes to the Accounts

(1) In the interests of efficiency, effectiveness and economy, Revenue Scotland and the Scottish Ministers are committed to identifying opportunities for shared services. The amount represents costs charged by the Scottish Government 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 finance systems)
- ▶ information systems, telephony, information and library service
- ▶ estates and facilities management
- ▶ internal audit
- ▶ procurement.

(2) Delegated duties represent the amounts payable to the SEPA in relation to the duties delegated to them under the Revenue Scotland and Tax Powers Act 2014

4. Reconciliation of net resource outturn to net funding received

	Notes	2024-25 £000	2023-24 £000
Resource outturn	SoCNE	8,694	7,832
Capital outturn – tangible asset additions	5	61	0
Capital outturn – intangible asset additions	5	1,191	500
Proceeds from disposal of assets	SoCF	0	(6)
Non cash charges – auditor's remuneration	9	(108)	(107)
Loss on disposal	5	0	(49)
Depreciation	5	(27)	(19)
Amortisation	5	(639)	(505)
Impairment	5	0	49
Changes in working capital	SoCF	(439)	(15)
Net funding		8,733	7,670

Financial Statements 2024-25

Notes to the Accounts

5. Non-current assets

Tangible Assets

	IT Hardware	Furniture & Fittings	2024-25
	£000	£000	£000
Cost			
At 1 April	81	76	157
Additions	61	0	61
Impairment reversal	0	0	0
Disposals	0	0	0
At 31 March	142	76	218
Depreciation			
At 1 April	34	61	95
Charged in the year	22	5	27
Disposals	0	0	0
At 31 March	56	66	122
Asset financing			
Owned	86	10	96
Carrying amount at 31 March	86	10	96

Financial Statements 2024-25

Notes to the Accounts

Prior Year	IT Hardware	Furniture & Fittings	2023-24
	£000	£000	£000
Cost			
At 1 April	91	76	167
Additions	0	0	0
Impairment reversal	15	0	15
Disposal	(25)	0	(25)
At 31 March	81	76	157
Depreciation			
At 1 April	14	56	70
Charged in the year	24	5	29
Depreciation Disposal	(4)	0	(4)
At 31 March	34	61	95
Asset financing			
Owned	47	15	62
Carrying amount at 31 March	47	15	62

Financial Statements 2024-25

Notes to the Accounts

Intangible Assets

	IT System under development	IT System	2024-25 Total
	£000	£000	£000
Cost			
At 1 April	125	4,621	4,746
Additions	0	1,191	1,191
Transfer	(125)	125	0
Impairment reversal	0	0	0
Disposals	0	0	0
At 31 March	0	5,937	5,937
Amortisation			
At 1 April	0	1,834	1,834
Charged in year	0	639	639
Disposals	0	0	0
At 31 March	0	2,473	2,473
Asset Financing			
Owned	0	3,464	3,464
Carrying amount at 31 March	0	3,464	3,464

Financial Statements 2024-25

Notes to the Accounts

Prior Year	IT System under development	IT System	Telephony	2023-24 Total
	£000	£000	£000	£000
Cost				
At 1 April	152	4,094	53	4,299
Additions	125	375	0	500
Transfer	(152)	152	0	0
Impairment reversal	0	0	34	34
Disposal	0	0	(87)	(87)
At 31 March	125	4,621	0	4,746
Amortisation				
At 1 April	0	1,329	53	1,382
Charged in the year	0	505	0	505
Disposal	0	0	(53)	(53)
At 31 March	0	1,834	0	1,834
Asset Financing				
Owned	125	2,787	0	2,912
Carrying amount at 31 March	125	2,787	0	2,912

Financial Statements 2024-25

Notes to the Accounts

6. Other receivables

Amounts falling due within one year:	2024-25 £000	2023-24 £000
Prepaid expenses	19	24
Sundry debtors	74	1
Total receivables within one year	93	25

7. Trade and other payables

Amounts falling due within one year:	2024-25 £000	2023-24 £000
Trade payables	126	42
Social security and payroll-related	260	246
Accrued short term employee benefits	286	224
Other accruals	461	114
Total payables within one year	1,133	626

Financial Statements 2024-25

Notes to the Accounts

8. Related party transactions

Revenue Scotland is a Non-Ministerial Office of the Scottish Administration, and it considers that the Scottish Government, its agencies, and non-departmental bodies are related parties within this context. During the year, Revenue Scotland had a number of material financial transactions with the Scottish Government. Those relating to shared services provided are detailed in note 3 above. In line with RSTPA, section 2, Revenue Scotland has delegated some of its functions relating to SLfT to SEPA. The costs incurred are provided in note 3 above. None of the Board members, key managerial staff or other related parties has undertaken any material transactions with Revenue Scotland during the year

9. Audit fee

	2024-25 £000	2023-24 £000
Auditor's fee – resource accounts	21	21
Auditor's fee – devolved taxes account	87	86
Total Auditor's fees	108	107

Auditor's remuneration is disclosed as a notional charge and relates to fees notified to Revenue Scotland by Audit Scotland in respect of audit work carried out to the year ended 31 March 2025. All audit fees are paid from the Scottish Consolidated Fund.

No non-audit work was carried out by Audit Scotland during the year ended 31 March 2025.

Financial Statements 2024-25

Notes to the Accounts

10. Commitments

Total future minimum payments under contractual commitments are given in the tables below for each of the following periods.

Revenue Commitments

	2024-25 £000	2023-24 £000
IT Systems		
Not later than one year	338	284
Between one and five years	975	1,142
Beyond five years	0	0
Total revenue commitments	1,313	1,426

The amounts above are in relation to the contracts for the provision of Revenue Scotland’s tax, finance and call management systems.

Capital Commitments

Revenue Scotland had no capital commitments in either 2023-24 or 2024-25 financial years.



Summary Financial Data



Financial Statements 2024-25

Summary Financial Data

Devolved Taxes 2019-25

	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000
LBTT	597,368	517,354	807,183	847,836	784,372	899,162
SLfT	118,959	106,528	125,248	109,699	68,372	55,938
Penalties & Interest	735	138	1,245	2,797	2,714	6,457
Total Tax Revenue	717,062	624,020	933,676	960,332	855,458	961,557

LBTT 2019-25

LBTT	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000
Residential	286,908	259,632	418,390	464,904	421,046	485,450
Net ADS	120,226	115,104	140,750	162,896	176,226	179,740
Non-residential	190,234	142,618	248,043	220,036	187,100	233,972
Total LBTT (£000)	597,368	517,354	807,183	847,836	784,372	899,162
No. of Tax Returns	121,050	109,170	126,350	118,990	110,830	123,950

SLfT 2019-25

SLfT	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000
Tax (£000)	118,959	106,528	125,248	109,699	68,372	55,938
Standard rate tonnage	1,343,700	1,170,300	1,348,600	1,179,100	693,100	551,000
Lower rate tonnage	685,700	618,800	680,100	684,500	607,000	550,500
Total tonnage	2,029,400	1,789,100	2,028,700	1,863,600	1,300,100	1,101,500

Resource Spend (including programme costs) 2019-25

	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000
Income	0	59	41	44	1	0
Staff costs	(3,998)	(4,234)	(4,324)	(4,800)	(5,455)	(6,162)
Goods & services	(1,912)	(1,651)	(1,638)	(1,568)	(1,467)	(1,476)
Programme costs ³	(763)	(30)	0	(104)	(377)	(390)
Depreciation & amortisation	(182)	(377)	(417)	(432)	(534)	(666)
Impairment	0	0	0	(49)	49	0
Provision	(212)	0	0	0	0	0
Loss on Disposal	0	0	0	0	(49)	0
Net operating costs	(7,067)	(6,233)	(6,338)	(6,909)	(7,832)	(8,694)

³ Includes staff and non-staff costs of developing processes and systems to comply with new legislation or the introduction of IT systems.

Financial Statements 2024-25

Accounts Direction



REVENUE SCOTLAND

DIRECTION BY THE SCOTTISH MINISTERS

In accordance with section 19(4) of the Public Finance and Accountability Scotland Act 2000, The Scottish Ministers hereby give the following direction:

1. Revenue Scotland will prepare accounts for the financial year ended 31 March 2016, and subsequent years. The accounts shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the accounts are prepared.
2. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year of Revenue Scotland in the exercise of its functions
3. This direction shall be reproduced as an appendix to the accounts.

Signed by the authority of the Scottish Ministers

Dated 20 April 2016

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