

Meeting of the Revenue Scotland Board

MINUTE

09:00, 9 December 2015, Board Room 3W-05, Meadowbank House, Edinburgh

Present:

Dr Keith Nicholson [Chair]

Lynn Bradley

Jane Ryder OBE

Ian Tait

John Whiting OBE

Attended:

Eleanor Emberson, Chief Executive, Revenue Scotland

Susan MacInnes, Head of Corporate Services and Finance, Revenue Scotland

Stephen Crilly, Solicitor, Revenue Scotland, Legal Strategy, Item 7

Colin McHardy, Head of Tax Operations and Compliance, Tax Governance, Item 11

Andrew Fleming, Change Director, Revenue Scotland, NTAP Update, Item 9

Moirra Taylor, Tax Compliance Manager, OMT KPI Targets Proposal, Item 5

Janet Dunsmuir, Corporate and Business Services Manager, Revenue Scotland

Denise McCann, Corporate Services Manager, Revenue Scotland [Secretariat]

Donna Thomson, Corporate Services Officer, Revenue Scotland [Secretariat]

1. Meeting opening

1.1 The Chair welcomed the Board members and officials to the meeting. The Board thanked Registers of Scotland for their hospitality in hosting the Board meeting and for the excellent tour of Meadowbank House.

1.2 No apologies were received.

1.3 There were no interests declared.

1.4 The Board accepted the Minute of 4 November as a true record.

1.5 The Board reviewed the Action Log.

Action (152): Secretariat to publish Minute on the Revenue Scotland website.

2. Chair update

2.1 The Chair advised the Board that the recruitment exercise for the new Chief Executive Officer (CEO) has been completed. A staff announcement by video conference followed by a press release and letters informing key stakeholders will follow in due course. Members noted that they were happy that the whole Board had been involved in the recruitment process.

2.2 The Chair, the CEO and Robert Buchan, Senior Principal Tax Specialist, appeared in front of the Finance Committee on 18 November 2015. This was the first time Revenue Scotland had appeared before the Committee since go-live on 1 April. It was a short session, in which the Chair was able to highlight some of Revenue Scotland's achievements. The Board thanked Marion Dodds for putting together the Briefing Pack for the attendees.

2.3 The Chair met with the Finance Committee Convener and Clerk. They discussed how Revenue Scotland could promote its work to Members of the Scottish Parliament and it was suggested that September 2016 might be a good time to hold an event. The Board discussed holding a joint promotion event with both Registers of Scotland (RoS) and the Scottish Environment Protection Agency (SEPA). The Board also discussed taking part in a MORI poll and asked officials to investigate this.

Action (153): Head of Corporate Services to investigate presenting to MSPs in September 2016 with RoS and SEPA.

2.4 The Board discussed Revenue Scotland being included in a MORI poll which surveys MSPs awareness of public bodies and their views on their effectiveness and asked officials to investigate this.

Action (154): Chief Executive to investigate MORI Polls.

2.5 The Chair noted that he is to meet with the Chair of Prestwick Airport in January to discuss matters around Air Passenger Tax.

2.6 The Board discussed and agreed to invite Heather McCauley, Deputy Director, Head of Strategy Division, Scottish Government to the Board Strategy Session in January to give a presentation on Tax in New Zealand.

Action (155): Secretariat to arrange Heather McCauley's attendance at the January Board Strategy session.

3. Chief Executive Report

3.1 The CEO introduced her Report. The Board briefly discussed the changes made to Stamp Duty Land Tax in the Chancellor's Autumn Statement on 25 November. The Deputy First Minister is due to publish the SG 2016-17 draft budget on 16 December which may make changes to tax as well as spending. Revenue Scotland would need to be ready to respond to any changes in the devolved taxes.

3.2 The Board discussed the responses to the Finance Committee's call for evidence on LBTT, the substantive position around the comments raised and possible improvements to be made.

3.3 The CEO noted that there is no framework contract in place for stakeholder surveys so a procurement process is required. Given the likely value of a contract, this could probably be done through the Quick Quote system. The Board agreed that Revenue Scotland should go ahead with the tendering process and come back to the March Board meeting, with the supplier, to discuss proposals for the questionnaire.

Action (156): Corporate Affairs Team to go ahead with tendering process for Stakeholder feedback evaluation and to bring proposals for a questionnaire to the Board in due course.

3.4 The CEO advised the Board that members of the tax policy team in the Welsh Government would like to meet with them. The Board agreed to the meeting and asked that a trawl for suitable dates is carried out.

Action (157): Secretariat to trawl the Board members for suitable dates for meeting with Welsh Government tax policy officials.

4. Spending Review

4.1 A Spending Review update was given by the CEO in the Chief Accountant's absence. The CEO noted that the Scottish Government draft budget will be published on 16 December 2016.

5. Review of Corporate Plan Performance Framework

5.1 The Board welcomed a representative of the Revenue Scotland Operational Management Team, to the meeting to discuss the paper. The Board scrutinised the target figures within the paper and discussed how these figures were reached. The Board supported and welcomed the process that all staff concerned in delivering the KPIs were consulted in setting the targets.

5.2 The Board acknowledged that the targets are challenging but realistic and achievable and were content to approve the targets in the paper as proposed.

6. Internal Audit Plan

6.1 The Board discussed the Internal Audit Plan noting that the accompanying paper was very helpful in explaining the reasons behind the selection of areas for audit. It also highlighted that Revenue Scotland is a new organisation and that the Internal Audit approach will be flexible and dynamic.

6.2 The Board noted that the Internal Audit Plan had previously been presented to the Audit and Risk Committee but that two inaccuracies remained, the wrong date in Annex A and audit objectives not appearing in the Comments/Scope section of the table. These points would be fed back to the Internal Audit team.

6.3 The Board agreed to accept the Internal Audit Plan and monitor progress at Audit and Risk Committee meetings. The Board noted that they look forward to seeing the Governance Review - due imminently - and noted that they would expect Internal Audit to have a risk based approach with cross linkages to the Revenue Scotland Risk Register.

7. Legal Strategy

7.1 The Board briefly discussed the debt recovery work Revenue Scotland is undertaking. The Board noted the need for Revenue Scotland to calculate and apply interest in cases where penalties apply and include this in notifications to avoid duplication of effort.

7.2 The Board discussed the Legal Strategy paper and were content with the proposal. The Board agreed that Revenue Scotland should progress the procurement exercise for the outsourcing of legal services (with input from Jane Ryder) and update the Board in June.

7.3 Keith Nicholson declared an interest in one of the solicitor firms on the 'one stop shop' procurement list which he uses for his personal business.

Action (158): Procurement Mini-Competition for outsourced Legal Support to go ahead with input from Jane Ryder.

Action (159): Revenue Scotland Solicitor to come back to the Board in June to discuss progress with the legal strategy.

8. New Tax Administration Programme Update

8.1 The Change Director updated the Board on progress to date concerning the New Tax Administration Programme (NTAP) which has included engaging with Scottish Government

policy colleagues and the wider sector; developing a draft project brief and increasing awareness of UK Air Passenger Duty within Revenue Scotland.

8.2 The Board reviewed the Programme Design Brief and High Level Plan. The Plan has divided the programme of work into five separate phases. Currently in Phase 0 'Scoping' the team will move into Phase 1 'Development of Business Case' in February 2016. Work over the coming months will include a stakeholder mapping exercise which Jane Ryder has volunteered to assist with.

Action (160): NTAP Team to undertake Stakeholder Mapping for the Business Case early in the new year with input from Jane Ryder.

8.3 Due to changes in the legislative timeline the team are not looking to recruit more staff as early as originally planned. Existing NTAP staff will assist Revenue Scotland with internal business change in the meantime. The Board acknowledged the interdependencies and constraints affecting the NTAP team which are outwith Revenue Scotland control.

8.4 The NTAP team intend to use Managing Successful Programmes (MSP) methodology and discussed bringing in an MSP expert to provide a refresher training course to staff. The Board expressed an interest in being included in this.

Action (161): Change Director to open up MSP refresher training to wider group including Board members and to circulate dates when they are confirmed.

9. Update from Staffing and Equalities Committee

9.1 Jane Ryder, Chair of the Staffing and Equalities Committee (SEC), updated the Board on the meeting which took place on 3 December 2015.

9.2 The SEC discussed the People Survey results and agreed that the Board should discuss these in more detail at the January Strategy Session in January.

Action (162): Board to discuss People Survey results at the Board's Strategy Session in January.

9.3 The SEC also reviewed and accepted the proposed Communications Plan around the appointment of the new CEO and their proposed Induction Programme. They also reviewed the Health and Wellbeing; Summary of HR policies; and Equalities papers presented.

10. Risk Management

10.1 The Head of Corporate Services introduced the paper. The Board and Senior Management Team took part in an excellent Risk Workshop in November run by the

Business Strategy Team Leader in SEPA. Following the workshop all were agreed that Revenue Scotland should adopt elements of SEPA's Risk Management templates and processes.

10.2 The Board endorsed the revised approach to Risk Profile and Summary Cards with the addition of 'objectives' added to the Summary Cards. The Board would like to see Risk Cards and Summary Cards in operation at the next Board meeting (17 February) before reviewing the frequency of the Risk Register being presented to the Board.

Action (163): Head of Corporate Services to include links to Corporate Objectives in Summary Risk Cards.

Action (164): Board to revisit frequency of reviewing the Risk Register at the next meeting.

11. Tax Governance

11.1 The Board discussed the Tax Governance paper presented by the Head of Tax Operations and Compliance. The Board broadly endorsed the content and approach of the Tax Governance paper, however recognising staff feedback that limits are low. These will be reviewed when Board members have more experience of devolved tax cases and have built up their knowledge and confidence in the arrangements.

11.2 The Board considered that aspects of the document could usefully be reviewed for clarity. Key points would be keeping the use of acronyms to a minimum and the addition of flow charts. The Board requested that a revised version in the RS house style be presented at the February meeting.

Action (165): Head of Tax Operations and Compliance to revise Tax Governance document and present to the Board in February.

12. Board Planner

12.1 The Board reviewed the Planner and decided to increase the length of the Strategy Session in January to accommodate the Scottish Government Strategy Unit who will present on some current work relevant to Revenue Scotland, a meeting with members of the Law Society Scotland and an update from Neil Ferguson on local tax reform. The Board will also discuss the People Survey results and have a second 'Meet the Staff' session.

Action (166): Secretariat to arrange longer Board Strategy Session in January.

12.2 The Board agreed to moving annual reviews of documents if Board meetings are too congested.

13. Review of Board Commitments

13.1 The Board discussed their commitments for the coming year. The members agreed to keep an audit trail of all work carried out, including that done in Short-life Working Groups. The level of commitment may have to be reviewed if Revenue Scotland are tasked with any extra responsibility in 2016/17.

Action (167): Board members to keep an audit trail of time spent on Board business.

Action (168): Secretariat to include Committee standing and agenda items on the Board Planner (rather than having separate committee planners).

14. AOB

14.1 No other business was discussed.