

## Meeting of the Revenue Scotland Board

### MINUTE

13:00-16:45, 31 October 2018, Conference Room 3E-91, Victoria Quay, Edinburgh

#### Present:

Dr Keith Nicholson  
Lynn Bradley  
Jane Ryder  
John Whiting CBE  
Ian Tait

#### In attendance:

Elaine Lorimer, Chief Executive, Revenue Scotland  
Andrew Fleming, Head of Strategy and Corporate Functions, Revenue Scotland  
Stephen Crilly, Solicitor, Revenue Scotland  
Chris Myerscough, Head of Tax, Revenue Scotland  
Gary Sharp, Head of Governance, Revenue Scotland  
Donna Thomson, Policy Officer – Board Secretariat, Revenue Scotland  
Gareth Hill, Chief Accountant, Revenue Scotland (for item 7 only)  
Louise Alonzi, Tax Administration Team Leader, Revenue Scotland (for item 6)  
Anne Marie Hoey, Complex Tax Cases Team Leader, Revenue Scotland (for item 6)  
Nicki Evans, Senior Tax Specialist, Revenue Scotland (for item 6)  
Maira Taylor, Tax Compliance Manager, Revenue Scotland (for item 6)  
Chris Somerville, Tax Specialist, Revenue Scotland (for item 6)  
Jenny Bell, SEPA (for item 6)  
Alan Martin, Strategy and Change Lead, Revenue Scotland (for item 4 only)  
Anthony Slack, LEAP Project Delivery Lead, Revenue Scotland (for item 4 only)  
Peter Tucker, Northgate Public Services Ltd (NPS) (for item 4 only)  
Guy Reid, Northgate Public Services Ltd (NPS) (for item 4 only)

### 1. Meeting opening

1.1 The Chair welcomed Board members and officials to the meeting and opened proceedings.

1.2 The Board approved the minutes of 12 September pending some minor amendments also acknowledging the inclusion of the teleconference call on 14 August 2018.

1.3 In relation to the Action Log, the Board were content to close the proposed closed actions with the addition of further closures at 050, 054, 055, 058, 059, 061 and 063.

1.4 Actions 024, 056, 064, 065, 067 and 068 are to remain open.

1.5 Ian Tait has been appointed as an independent member of Ofgem's ESO Performance Panel. The Head of Tax shared the taxpayer names in relation to two SLfT cases for the advantage of the Board.

## 2. Chair update (Oral)

2.1 The Chair provided an overview to the Board members on recent events.

2.2 He updated members on a good parliamentary meeting where Revenue Scotland were very well received by some nice words from Bruce Crawford, MSP and the Minister, Kate Forbes. There was good cross-party representation and the feedback was that they welcomes the engagement opportunity.

2.3 The Chair updated members on the Public Appointments meeting that took place that morning. He highlighted that this was a very positive early engagement meeting and that we are in a good place to start things moving. Some preparation work is still to be completed on the personal specification to determine criteria and how we present this, but more significantly how we will judge/assess candidates on these criterion. It was highlighted that a consistent evaluation process needs to be developed. The Chair asked that Board members share some thoughts before the formal planning meeting on 5 December.

## 3. CEO Report (Paper RS(07/18)03)

3.1 The Chief Executive introduced her paper providing Board members with an update on Revenue Scotland business.

3.2 She updated officials on the Minister, Kate Forbes visit to Revenue Scotland and how successful that was.

3.3 The CEO highlighted that the Revenue Scotland operation budget had been set for 2019-20. Mr MacKay has asked Revenue Scotland to look at the uplift and report back to Ministers in due course.

3.4 She continued to update members on her meeting with the Welsh Authority noting how much they had learned to date from Revenue Scotland and likewise what we can learn from them as a new organisation.

**Action A075/18: CEO to circulate a note on the Welsh Authority visit to Board members.**

**Action A076/18: CEO to update Board members on access to Connect (HMRC).**

**4. LEAP Update (Paper RS(07/18)04 and annexes A-F**

4.1 The Chair welcomed Northgate Public Services Ltd (NPS) to the meeting and asked the Head of Strategy and Corporate Functions to introduce the item.

4.2 The Board noted that the contract was signed in September 2018 and that NPS are now in attendance in Revenue Scotland on a weekly basis.

4.3 They discussed expectations around deliverables in that they will need to be managed as part of the Agile process. We aim to achieve an agreed outcome by the target dates and managing risk therein.

4.4 Staff are engaged with the change and can see the real tangible benefits which is very welcoming.

4.5 John Whiting asked NPS how able is the system to adapt to any new tax changes that may come along. NPS were able to offer assurance that solutions are being developed with this in mind.

4.6 The Chair offered an open invitation to NPS to return to the Board if and when they feel they need to update them on any progress.

4.7 Concerns were raised about the revisions to the programme and risk escalation, the role of the Board and what support should be made.

4.8 The Board recognise the changing risk profile and actions that are in development to mitigate these risks to the programme and endorse the actions taken to date.

4.9 The Head of Strategy and Corporate Functions provided an overview of the case presented around the new finance application. The Board considered the introduction of the finance administration application and considered the risks and opportunities that this presents and were content to approve the case presented.

**Action A077/18: Head of Strategy and Corporate Functions to keep the Board apprised of the timeline and interfaces with other systems.**

**Action A078/18: LEAP assurance paper to have the Accountable Officer role made clear.**

**Decision D051/18:** The Board were content to approve the recommendations as set out by agreeing the delivery plans and timetable.

**Decision D052/18:** The Board were content to approve the finance administration application case presented.

## 5. Quarterly Tax Update (Paper RS(07/18)05)

5.1 The Head of Tax provided her update to Board members on Q2 performance.

5.2 The Board asked for feedback and assurance from Scottish Government and others on the process of the Leases review that the resources needed are achievable and manageable.

5.3 The Board welcomed the update and the detailed analysis of the returns and that they recognise the demands being put on Revenue Scotland staff on the administration, and the Board would want more detail in relation to options in this regard

**Action A079/18:** Head of Tax to consider options around improving the Leases process and report back to the Board.

## 6. Tax Cases (Paper RS(07/18)06-09)

6.1 The Head of Tax introduced the 4 Tax decision papers. The Board reviewed and discussed the Tax Decision papers before endorsing the recommendations.

6.2 The Board welcomed the information contained within the papers and commended the team on their progress to date.

### Paper 06

**Decision D053/18:** The Board approved the decision to issue a penalty notice.

### Paper 07

**Decision D054/18:** The Board approved the proposal to take action under the GAAR in both cases.

### Paper 08

**Decision D055/18:** The Board were content to approve the recommendations made.

### Paper 09

**Decision D056/18:** The Board were content to approve the recommendations set out.

## 7. Finance and Business Performance – Q2 report (Paper RS(07/18)10a and 10b)

### Finance Q2 report

- 7.1 The Chief Accountant introduced the paper on the Q2 Finance Update.
- 7.2 The CEO provided assurance on the work undertaken to better understand our budgeted needs now in going forward and how underspending has arisen.
- 7.3 The Board members welcomed this assurance and were content with the progress to date.

### Business Performance Q2 report

- 7.5 The Head of Governance introduced the Q2 report on Business Performance.
- 7.6 The Board found the KIP presentation most helpful and recognised that some of the processes around this are still evolving. However, the Board would like to see a formal recovery plan so give a better explanation of the cause and effect.
- 7.7 The Board welcomed a very clear and concise quality of reporting and were content with the progress being made.

**Action A080/18: Head of Tax to bring back to the Board in December a more detailed mitigating action plan on reaching KPI targets and how to embed this plan within the accepted process.**

## 8. AOB

- 8.1 The Head of Governance discussed the provisional Board dates for 2019-20 with members.
- 8.2 A few dates were to be revised with the addition of three placeholder dates being added for May and November 2019 and February 2020.
- 8.3 Officials discussed the visit to the Board from Alyson Stafford, DG Scottish Exchequer and the CEO highlighted that she would make contact directly with Alyson and report back to the Board regarding her visit.

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**Action A081/18: Secretariat to revisit 2019-20 Board and Committee dates adding in placeholder dates for May, November and February and circulate to Board members.**

**Action A082/18: CEO to make contact with Alyson Stafford and report back to the Board regarding her visit to the Board along with the new Director of Tax.**

End of Meeting

Revenue Scotland  
31 October 2018