

Revenue Scotland Board Meeting

28 January 2015

MINUTES

REVENUE SCOTLAND BOARD MEETING WEDNESDAY 28 JANUARY 2015, VQ EDINBURGH

Present:

Dr Keith Nicholson (Chair)
Lynn Bradley
Jane Ryder OBE
Ian Tait
John Whiting OBE

Attended:

Eleanor Emberson, Chief Executive
Gareth Hill, Chief Accountant
Alistair Wilson, Deputy Director – Development (Items 1 to 5)
Susan MacInnes, Head of Corporate Services (Items 1 to 5)
John Paul Liddle, Programme Manager (Item 6)
Michael Nicolson, IT Implementation Manager (Item 6)
Sara Grainger, Management Information Lead (Item 8)
Gregor Nimmo (Secretariat) (Items 1 to 5)
Rachel Smith (Secretariat) (Items 6 to 8)

Apologies:

There were no apologies.

1. Minutes and actions from the previous meeting

1.1 The Board passed its congratulations onto Jane Ryder in being appointed chair of Historic Environment Scotland.

Action:

1.2 **Diana Davies** to amend the Board paper template to include a security marking.

2. Revenue Scotland Framework Document

2.1 The Board appreciated all of the work that had gone into the Revenue Scotland Framework Document. Discussions followed with particular consideration of roles and responsibilities, the budgetary process and the Shared Services agreements. The Board recognised that arrangements for shared services were well in hand, but that these would need to be kept under review to ensure they meet the needs of Revenue Scotland and ensure that key issues, including Health and Safety liability and the scope and scale of Internal Audit work, are properly addressed. Procedures for handling complaints would be built on recognised best practice following the Scottish Public Services Ombudsman guidelines. Procedures for

handling tax disputes were being developed as part of the implementation work. These would also need to be kept under review, in light of operational experience.

Action:

- 2.2 **Alastair Wilson** to take Board comments into the document and clear it with the Chair.
- 2.3 **Diana Davies** to ensure that the Board has private review time on its April and August agendas.
- 2.4 **Eleanor Emberson** to ensure papers on the dispute and complaint procedures are brought to a future Board meeting.
- 2.5 **Eleanor Emberson** to bring shared service agreements to the Board for review within first six months of operation, and in particular to ensure that the facilities agreement addresses liability for health and safety issues.

3. Revenue Scotland Board Standing Orders

- 3.1 The Board reviewed the Board Standing Orders making minor amendments. The Standing Orders were approved by the Board. The Board then discussed the scheduling of meetings for the rest of the year.
- 3.2 The Board reviewed and accepted the Draft Code of Conduct with no changes.
- 3.3 The Board discussed the Scheme of Internal Delegation. In discussion, the Board noted that:
- it was important to have a document along these lines but it was another area that might need to be adjusted in light of operational experience; and
 - we might expect more 'novel and contentious' issues in early days, and the Chief Executive would need to be particularly alert to issues that should be reported to the Board or on which Board views should be sought before final decision.

Action:

- 3.4 **Alastair Wilson** to take Board comments into the document and clear it with the Chair.
- 3.5 **Diana Davies** to work with Board members to schedule meetings for the rest of the year, and then to ensure that the Board always has meeting dates set for at least six months ahead.
- 3.6 **Eleanor Emberson** to ensure that the Scheme of Internal Delegation is brought back to the Board in August for review in light of experience.

4. Audit and Risk

- 4.1 The Board discussed the Audit and Risk committee arrangements and the draft Terms of Reference.
- 4.2 The Board made a suggestion of holding the committee the day prior to Board Meetings in principle, but noted that this might not always be possible.

4.3 The Board were content Eleanor Emberson should attend the Scottish Government Audit and Risk Committee in March, as SGARC has taken an interest in the overall implementation of the 2012 Act and Revenue Scotland is a key part of that.

Action:

4.4 **Diana Davies** to organise a meeting for the committee in March depending on availability and to schedule three more meetings through to the end of 2015, looking at the possibility of holding these the day before a Board meeting if possible.

5. Memorandum of Understanding

5.1 The Board members reviewed the draft Memoranda of Understanding with Registers of Scotland and SEPA.

5.2 In discussion, the following key points were made:

- The Board considered that the MoU's should draw out the Adam Smith principles more, along with the best regulatory principles.
- The Board felt a stronger clarification was required to confirm that while Revenue Scotland can delegate, it will **always** be the responsible party.
- Consideration was a given to setting service standards which could draw information from the Better Regulation Terms which SEPA are developing.
- There was still work to do on service standards to ensure that RoS and SEPA have a clear understanding of Revenue Scotland's expectations.

Action:

5.3 **Board members** to email Eleanor Emberson by 3 February 2015 with any further key points the Board would wish to see covered in MOUs.

5.4 **Eleanor Emberson** to ensure that near final draft MOUs are available for scrutiny at the February Board meeting.

6. Programme Updates

Highlight Report

6.1 The Board noted the good progress being made on delivery of the Tax Administration Programme, and the active management of risks and dependencies.

Staffing

6.2 In discussion, the following key points were made.

- The Board were encouraged by progress on recruitment and the level of interest in working for Revenue Scotland.
- The Board strongly endorsed the recruitment of Modern Apprentices to fill two posts.

Training

6.3 In discussion, the following key points were made.

- The Board are content with the Training Plan, and felt that it was well structured.
- The Board regarded the training they had received during their induction meeting on 20 and 21 January as excellent.

Communications

6.4 The Board noted positive feedback they had seen about the Roadshows. There was discussion about the communications plan, and the need for the Board to review the forward plans for public and media communications and stakeholder engagement.

IT Update

6.5 The Board noted the good progress towards finalising the IT system, including the outcome of unit testing involving external users. It would be important for the Board to keep the IT project under active review, and to consider the strategy for future development of the system beyond 1 April.

Action:

6.6 **John Paul Liddle** to amend the highlight report to include a summary of the number of products completed in previous stages, the numbers completed and at Green, Amber or Red in the current stage, and the number of products scheduled for future stages.

6.7 **John Paul Liddle** to ensure that future progress reporting provides clear updates on recruitment against plan, and an updated organogram for the Operational Team.

6.8 **Eleanor Emberson** to bring Communications and Engagement Plans, including media planning, to the February Board meeting.

6.9 **Eleanor Emberson** to explore with the Communications team the possibility of further search engine optimisation to ensure Revenue Scotland's own website appears as the top item in searches.

6.10 **Michael Nicolson** to confirm to the Board who is involved in carrying out load and penetration testing of the IT system.

7. Finance Report and Financial Control Framework

7.1 In discussion, the following key points were made.

- The Board welcomed the Financial Report, recognised the uncertainty in some aspects, and understand the constraints around this.
- The Board were content with the level of governance at this stage.
- It was noted that much attention was focused on absolute costs rather than considering the balance between cost and revenue collected. One option for a performance indicator on efficiency would be the cost of collection as a percentage of the revenue collected, which would also allow international benchmarking. This would need to be approached with care, as property market fluctuations and the projected decline in landfill tax revenues in future years would need to be factored into any performance measure.
- Looking at costs as a percentage of revenue collected would also allow for international benchmarking.

Action:

7.2 **Gareth Hill** to continue to keep cost estimates for 2015-16 and future years under active review and report at future Board meetings. Cost estimates for implementing and operating APD and Aggregates Levy should also be included once these are sufficiently refined.

7.3 **Gareth Hill** to review OECD data on costs of tax administration as a proportion of revenue collected to inform development of benchmarks for Revenue Scotland.

8. Reporting and Performance Framework

8.1 In discussion, the following key points were made.

- The Board welcomed the paper and the proposal to develop an effective online tool to allow easy access to Revenue Scotland data. They commended Sara for her initiative.
- The Board were less convinced on the need for statistically estimated gender split of data for residential purchases. As it would be based on estimates, it would have a different status to other Revenue Scotland data which would be factually accurate. The Board decided that we should not attempt to produce such estimates at this stage.
- The Board recognise that we will need to get the data out, but it may not be in the desired format from April, and this could evolve over time.

- Work was underway not only on data for publication and to inform management of Revenue Scotland but also to identify some key performance indicators that would be included in Revenue Scotland's Corporate Plan.

Action:

8.2 **Sara Grainger** to bring refined proposals for performance indicators and data publication to the Board for its February meeting

9. Any Other Business

9.1 None