

# Revenue Scotland

Corporate Plan  
June 2015 – March 2018

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Laid before the Scottish Parliament by Revenue Scotland in pursuance of section 11(4)(b) of the Revenue Scotland and Tax Powers Act 2014 on 1 June 2015

## CHAIR'S FOREWORD



As Chair of Revenue Scotland, I am delighted to introduce our first Corporate Plan, covering the period to 31 March 2018. Since 1 April this year, Revenue Scotland has been making history – as the administrator of the first national taxes introduced by a Scottish Parliament in more than 300 years.

Revenue Scotland was established by the Revenue Scotland and Tax Powers Act 2014 as the independent tax authority responsible for the collection and management of the devolved taxes in Scotland. “Devolved taxes” are currently defined by the Scotland Act 2012 as tax on transactions involving interests in land and tax on disposals to landfill. Two tax-specific Acts make detailed provision for the two taxes - Land and Buildings Transaction Tax and Scottish Landfill Tax - which Revenue Scotland has administered since 1 April 2015.

Revenue Scotland - a non-Ministerial Department - is part of the Scottish Administration but separate from the Scottish Government, thus ensuring an appropriate degree of operational autonomy and independence.

Adam Smith, in his seminal work, *The Wealth of Nations*, first set out four “maxims”, or governing principles, of taxation:

- *equity* (that is, proportionality to taxpayers’ ability to pay);
- *certainty*;
- *convenience*; and
- *efficiency*.

These four principles - applied in a modern Scottish policy and legal framework to a 21<sup>st</sup> Century tax system in the digital age – underpin all that we do and how we do it. They are integral to this Corporate Plan and central to our purpose, our strategic objectives, our operational approach and our measures of performance and success. They are fundamental to the design of the legislation giving Revenue Scotland its powers and responsibilities; to the design of the devolved taxes which we administer; and to our strategy for administering these taxes.

Revenues from the devolved taxes fund public services for the benefit of all Scottish citizens. Our ambition for Revenue Scotland, however, goes well beyond efficient tax collection, important though that is. We are determined to achieve our goal in a way that promotes public confidence that we will collect the right amount of tax, that we will make it as easy as possible for taxpayers to comply with their tax obligations, and that we will make it as hard as possible for those who try to avoid or evade paying tax.

We have launched these two new taxes with the co-operation and goodwill of taxpayers and tax professionals, and we will continue to work closely with them to ensure that the public service we deliver is responsive to taxpayers' needs and widely recognised as excellent. With everyone involved working together in good faith - Revenue Scotland and those acting on our behalf; taxpayers and their agents and representatives – we are confident that we can and will continue consistently to deliver an excellent service that truly lives up to the principles first articulated by Adam Smith.

It is a privilege to chair the Revenue Scotland Board in its leadership and direction of the new tax authority in fulfilling its crucial role.

Dr Keith Nicholson

## CHIEF EXECUTIVE'S INTRODUCTION



It gives me great pleasure as Revenue Scotland's first Chief Executive to present this Corporate Plan of the new Scottish tax authority covering the period to 31 March 2018.

Our founding legislation, the Revenue Scotland and Tax Powers Act 2014 (the RSTPA), sets out Revenue Scotland's general function: the collection and management of the devolved taxes, currently Land and Buildings Transaction Tax (LBTT) and Scottish Landfill Tax (SLfT). These two taxes were launched on 1 April 2015.

The RSTPA also specifies our particular functions:

- (a) providing information, advice and assistance to Scottish Ministers on matters concerning tax;
- (b) providing information and assistance to taxpayers, their agents and other persons relating to the devolved taxes;
- (c) efficiently resolving disputes relating to the devolved taxes, including by mediation; and
- (d) protecting the revenue against tax fraud (i.e. tax evasion) and tax avoidance.

As already highlighted by the Chair in his foreword to this Corporate Plan, the principles first set out by Adam Smith are at the heart of our approach:

- *equity*: that is, proportionality to taxpayers' ability to pay;
- *certainty*: tax is not arbitrary, and it is clear to everyone what tax they are due to pay, when they pay and how they pay;
- *convenience*: tax is taken at the time and in the way which is most convenient for the person being taxed; and

- *efficiency*: the cost of tax administration is kept low so that the maximum amount of tax can be used on public spending.

At Revenue Scotland these principles are central to our purpose, ambition, strategic objectives and operations, and to how we measure our performance.

I also reaffirm from the outset our commitment, jointly with the Scottish Government, to developing a Scottish devolved tax system that:

- is modern and efficient, enabling the delivery of services on a digital platform;
- fosters a culture of tax compliance, minimises scope for tax avoidance and bears down on tax evasion;
- minimises administrative costs; and
- keeps compliance costs as low as possible for taxpayers and businesses alike.

Revenue Scotland is accountable to the Scottish Parliament for the efficient use of public resources in the delivery of its functions. As Accountable Officer, I attach the highest priority to safeguarding the public funds which have been entrusted to Revenue Scotland; to ensuring propriety and regularity in the handling of these funds; to obtaining Value for Money and Best Value in our operational performance; and to ensuring that robust systems of management and control - including comprehensive management of performance and risk - are in place to support the achievement of our strategic aims and objectives.

It has taken a great deal of effort, dedication and professionalism from everyone involved to complete the major change programme required to develop this new tax authority from scratch and to deliver the administrative systems for LBTT and SLfT - to specification and on budget. None of this would have been possible without the close co-operation and support that we have enjoyed throughout from key professional bodies, including the Law Society of Scotland, the Chartered Institute of Taxation and the Institute of Chartered Accountants in Scotland, as well as from HM Revenue and Customs (HMRC).

In live operation we will continue to build on this co-operation, on our key delivery partnerships with Registers of Scotland and the Scottish Environment Protection Agency (to whom Revenue Scotland has delegated specific functions under section 4 of the RSTPA), and on the skills, experience and energy of our staff – so that the devolved taxes are easy to pay and hard to avoid.

Eleanor Emberson

## THE STRATEGIC OPERATIONAL CONTEXT

Revenue Scotland operations are of course not proceeding in a policy vacuum. In preparing for the successful launch of LBTT and SLfT, we have remained responsive to the evolving context in which we will be operating in this first planning period. Change is already arising from the provisions of the Scotland Act 2012 and will continue to flow from the on-going process of further constitutional reform following the outcome of the Smith Commission.

Under the Scotland Act 2012, a key priority for both the UK and Scottish Governments is the continuing work to introduce the Scottish Rate of Income Tax (SRIT) from 1 April 2016. A further major tax change under the post-Referendum constitutional reforms is the prospective devolution to the Scottish Parliament of the power to set Income Tax rates and bands. In both cases, however, HMRC will remain responsible for the administration of SRIT and of Income Tax more generally.

In addition, the ambit of the term “devolved taxes” appears likely soon to expand. Our firm expectation is that powers to charge a tax on air passengers departing from Scottish airports and to levy tax on commercial exploitation of aggregates - in the latter case, once on-going legal processes are fully resolved - will also be devolved to the Scottish Parliament. This follows specific undertakings given by the UK Government and the inclusion of draft Scotland Bill Clauses to that effect in its Command Paper of 22 January 2015.

We are therefore undertaking preliminary work to scope what would be required to administer Scottish air passenger and aggregates taxes. If Revenue Scotland were to collect these taxes, we would be able to build on the modern and efficient systems that we have developed for the introduction of LBTT and SLfT. It is possible that administration of one or both of these taxes may begin before the end of the current planning period.

In considering the evolving wider context, we have sought to ensure that systems, structures and processes being developed for the administration of LBTT and SLfT have sufficient flexibility and strength to accommodate future expansion of Revenue Scotland’s operational responsibilities, without distracting our main focus from our primary initial responsibilities for the existing two devolved taxes.

## REVENUE SCOTLAND'S STRATEGIC FRAMEWORK

### Our Purpose

Our Purpose is:

**To collect the devolved taxes which fund public services for the benefit of all Scottish citizens.**

### Our Ambition

We will achieve our Purpose by:

**Delivering excellent tax administration founded on Adam Smith's four principles of equity, certainty, convenience and efficiency, built on a modern digital platform, with all involved working together in good faith to ensure that the right amount of tax is paid at the right time.**

We value the co-operation and goodwill of taxpayers and tax professionals and we will continue to work closely with them to fulfil our ambition of delivering a public service that is responsive to the needs of taxpayers and their agents, and widely recognised as excellent. We want the devolved taxes to be easy to pay and hard to avoid.

### Our Standards and Values

Our **Charter of Standards and Values** was written in consultation with stakeholders, and laid before the Scottish Parliament and published on 31 March 2015 [<https://www.revenue.scot/who-we-are/charter-standards-and-values>]. The Charter is intended to support taxpayers in understanding their rights and responsibilities and it sets out clearly those standards and values that Revenue Scotland and taxpayers are expected to exhibit in their dealings with each other. To establish a positive, respectful and co-operative relationship between Revenue Scotland and taxpayers, we will embed the Charter principles within Revenue Scotland and raise awareness of the Charter amongst taxpayers, reporting in our Annual Reports on how we have done this and on the impact that this has had.

The Charter principles are reproduced on the next page. (In the Charter, 'you' refers to the taxpayer and 'we' to Revenue Scotland.)

We will review the Charter of Standards and Values, in consultation with taxpayers, either in preparation of our next Corporate Plan or in preparation of administering replacement Scottish taxes for Air Passenger Duty and Aggregates Levy, whichever comes first.

## Standards and Values

### ***Revenue Scotland will:***

- Treat you as honest (unless there is reason to believe otherwise).
- Bring to account those who act dishonestly and try to evade paying tax, and challenge those who seek to avoid paying tax.
- Treat you courteously and with respect.
- Recognise your right to confidentiality and keep your data secure.
- Act with integrity and fairness, comply with relevant laws and regulations, and provide a prompt, accurate and professional service.
- Use our powers reasonably, consistently and proportionately.
- Provide you with guidance and support, helping to make it easy for you to comply with your obligations, pay the right amount of tax and claim reliefs to which you may be entitled.
- Work with you to minimise your costs in dealing with us, respond promptly and conclude matters as quickly as possible.
- Respect your right to complain if you are unhappy with our service, and your right to appeal if you disagree with a decision we have made on tax liability.
- Respect your right to be represented by someone.

### ***Taxpayers and their agents and representatives (paid or unpaid) will:***

- Be honest, co-operate fully and take reasonable care to ensure you provide all relevant information.
- Accept the responsibility to understand your tax compliance duties and seek assistance where necessary.
- Respect our staff and treat them courteously.
- Keep accurate records of all activities that may be taxable.
- Make accurate returns and claims with care and on time, to the best of your ability, knowledge and belief.
- Let us know promptly if you think you have made a mistake.
- Let us know promptly if you might have difficulty making a payment.

## National Performance Framework

Revenue Scotland's purpose and ambition are fully aligned with the Scottish Government's Purpose:

- *to focus Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth*

and the National Outcomes as set out in the **National Performance Framework** (<http://www.gov.scot/About/Performance/scotPerforms>), in particular:

- National Outcome 1: *We live in a Scotland that is the most attractive place for doing business in Europe; and*
- National Outcome 16: *Our public services are high quality, continually improving, efficient and responsive to local people's needs.*

In addition, our primary function of the collection and management of the devolved taxes is an important contributor - in conjunction with the tax policies of the Scottish Government - to successful delivery of **Scotland's Economic Strategy** (<http://www.gov.scot/Topics/Economy/EconomicStrategy>), including supporting the two pillars of increasing competitiveness and tackling inequality.

## Building Confidence and Trust

Establishing, building and maintaining public confidence and trust in Revenue Scotland is and will remain absolutely central to everything that we do. We fully recognise that earning and keeping this public confidence and trust is not only an essential precondition of our success in achieving our strategic objectives but also an essential outcome of doing our job well. We are determined to achieve this by earning - and keeping - a reputation for excellence in administering the devolved taxes - effectively, efficiently and securely.

As a minimum, we will ensure that we fulfil all our statutory obligations and that we earn recognition for consistent compliance with the letter and spirit of the law, including:

- our founding legislation, the Revenue Scotland and Tax Powers Act 2014, including its provisions on maintaining the confidentiality of protected taxpayer information;
- the tax-specific legislation: the Land and Buildings Transaction Tax (Scotland) Act 2013 and the Landfill Tax (Scotland) Act 2014;

- the Scotland Act 2012;
- the Freedom of Information (Scotland) Act 2002;
- the Data Protection Act 1998; and
- the Equality Act 2010.

We will also strive for excellence in:

- efficient and effective data collection, analysis and use that maintains very high levels of data integrity and security; and
- open and accessible provision of information and assistance to taxpayers and their agents.

## Our Strategic Objectives

Our Purpose and Ambition will be realised through the delivery of our four strategic objectives:

- (a) **Collect** the right amount of tax from the full taxpayer base for each of the devolved taxes, using online technology to best effect
- (b) Ensure **compliance** in payment of the correct amount of tax at the right time, resolving disputes as cost-effectively as possible
- (c) Build an effective, efficient tax authority with a reputation for high-quality **public service** to taxpayers and the people of Scotland
- (d) Attract, develop and retain a knowledgeable and skilled **workforce** who are engaged and motivated to deliver the functions of Revenue Scotland to the highest standards of professionalism and integrity

Each of the four strategic objectives is delivered through a number of key activities set out on pages 16-18 below. These key activities will be described in more detail in our annual Business Plans.

## Our Strategy Map

As clearly highlighted in the Revenue Scotland Strategy Map set out on the next and following pages, the Adam Smith principles are absolutely central to the fulfilment of our purpose and ambition and to the achievement of our strategic objectives – in terms of both policy alignment and delivery.

Our Strategy Map reflects the very close alignment to these fundamental principles both of Scottish Ministers' tax policies and of Revenue Scotland's administration of the devolved taxes. It sets out - through a set of six key activity and performance indicators (KPIs) - how we will gauge our success in living up to these principles.

We will also track our success in delivering our four strategic objectives through the 10 KPIs set out in the Strategy Map.

REVENUE SCOTLAND PURPOSE			
<p>To collect the devolved taxes which fund public services for the benefit of all Scottish citizens by delivering excellent tax administration founded on Adam Smith's four principles of equity, certainty, convenience and efficiency, built on a modern digital platform, with all involved working together in good faith to ensure that the right amount of tax is paid at the right time.</p>			
Adam Smith Principles			
<p><u>Equity</u>: "Proportionate to the taxpayer's ability to pay: The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities"</p>	<p><u>Certainty</u>: "The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other person"</p>	<p><u>Convenience</u>: "Every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributor to pay..."</p>	<p><u>Efficiency</u>: "Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible, over and above what it brings into the public treasury of the state..."</p>
KEY ACTIVITY AND PERFORMANCE INDICATORS			
Direct compliance yield (A)	Proportion of all tax returns that receive no Revenue Scotland intervention (A)	Mean, median and maximum waiting time for all calls made to the support desk (Q) <i>Target: TBA after quarter 1</i>	Total running costs as a percentage of money transferred to the Scottish Consolidated Fund + Scottish Landfill Communities Fund (A)
	Positive stakeholder feedback on Revenue Scotland's taxpayer guidance (A)	Proportion of taxpayer correspondence received by secure message, email and post responded to within 10 and 25 working days (Q) <i>Target: TBA after quarter 1</i>	
Strategic Objectives			
<u>Collect</u> the right amount of tax from the full taxpayer base for each of the devolved taxes, using online technology to best effect	Ensure <u>compliance</u> in payment of the correct amount of tax at the right time, resolving disputes as cost-effectively as possible	Build an effective, efficient tax authority with a reputation for high-quality <u>public service</u> to taxpayers and the people of Scotland	Attract, develop and retain a knowledgeable and skilled <u>workforce</u> who are engaged and motivated to deliver the functions of Revenue Scotland to the highest standards of professionalism and integrity
KEY ACTIVITY AND PERFORMANCE INDICATORS			
Proportion of all due payments received a) on time (Q) b) within 3 months (A) c) within 1 year (A)	Mean, median and maximum days between enquiries being opened and closed (A)	Positive stakeholder feedback on Revenue Scotland's compliance with the Charter of Standards and Values (A)	Employee engagement index (A) <i>Target: to be in the top 25% of all civil service organisations</i>
Proportion of all tax returns filed online (Q) <i>Target: 90%</i>	Value of tax liabilities identified as a consequence of corrections, amendments, assessments, determinations and enquiries (A)	Number of data security breaches (Q) <i>Target: 0</i>	Sickness absence rate (A) <i>Target: fewer than 7 average working days lost</i>
	Number of disputes and time to resolution method (A) <i>Target: TBA after year 1</i>	Number of complaints (Q)	

(A) will be reported annually (Q) will be reported quarterly

## PLANNING AND MEASURING PERFORMANCE

We will hold ourselves to account for our performance against the Adam Smith principles and for successful delivery of our strategic objectives using the range of KPIs set out in our Strategy Map on the previous page and listed below.

Full technical details of all the KPIs are set out at **Annex A**.

As a new organisation, we have set a concise range of focused targets and we will baseline our performance during our first year, developing targets for improvement in our second year where it is sensible to do so.

We have endeavoured to select KPIs that will stand the test of time but we will retain flexibility to make alterations in light of operational experience and reflect on feedback from taxpayers and other stakeholders. If it does become necessary to change any KPIs presented here, we will provide a full explanation for the change in our Annual Report.

## The Adam Smith Principles

Equity: *"Proportionate to the taxpayer's ability to pay: The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities"*

- Direct compliance yield

Revenue Scotland administers the devolved taxes as required to do so by legislation passed by the Scottish Parliament on the basis of policy formulated by the Scottish Government. Revenue Scotland's role as regards the equity principle is to administer the devolved taxes so as to maximise compliance with the law. We will do this by contributing to a culture in which tax compliance is a respected norm, and by using the powers available to tackle non-compliance and avoidance. Direct compliance yield measures the revenue raised as a direct result of determinations, assessments, adjustments and penalties and interest charged where non-compliance is identified.

Certainty: *"The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other person."*

- Proportion of all tax returns that receive no Revenue Scotland intervention
- Positive stakeholder feedback on Revenue Scotland's taxpayer guidance

Convenience: *"Every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributor to pay..."*

- Mean, median and maximum waiting time for all calls made to the support desk
- Proportion of all taxpayer correspondence received by secure message, email and post responded to within 10 and 25 working days

Efficiency: *"Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible, over and above what it brings into the public treasury of the state..."*

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

## Our Strategic Objectives

**Collect** the right amount of tax from the full taxpayer base for each of the devolved taxes, using online technology to best effect.

### Key activities:

- Delivery partnerships with and delegation of functions to RoS and SEPA
- IT systems, including registration systems, online portal for tax returns and electronic payments, maintaining agility and keeping long-term IT strategy under regular review

### Measures of success:

- Proportion of all due payments received (a) on time; (b) within 3 months; (c) within 1 year (*right amount of tax*)
- Proportion of all tax returns filed online (*using online technology to best effect*)

Ensure **compliance** in payment of the correct amount of tax at the right time, resolving disputes as cost-effectively as possible

### Key activities:

- Clear and comprehensive legislative and technical tax guidance
- Effective collaborative working with HMRC and Police Scotland
- Tackling tax evasion
- Tackling tax avoidance, including robust and proportionate compliance activity, application of targeted anti-avoidance rules and application of the General Anti-Avoidance Rule established by Part 5 of the RSTPA
- Efficient administration of penalties, as an integral element of tackling tax evasion and tax avoidance
- Identifying illegal dumping and working to recover the tax due
- Monitoring of the costs of Revenue Scotland posts specific to compliance activity against compliance yield generated, to inform business planning
- Dispute resolution procedures – internal review, mediation and appeal to the Scottish Tax Tribunal

Measures of success:

- Mean, median and maximum days between enquiries being opened and closed
- Value of tax liabilities identified as a consequence of:
  - corrections;
  - amendments;
  - assessments;
  - determinations; and
  - enquiries
- Number of disputes and time to resolution method

*Build an effective, efficient tax authority with a reputation for high-quality **public service** to taxpayers and the people of Scotland*

Key activities:

- Review of OECD (Organisation for Economic Co-operation and Development) comparator studies
- Charter of Standards and Values, including feedback
- Stakeholder engagement, Devolved Tax Collaborative and other fora
- Delivering and maintaining an effective, authoritative and accessible website and print, digital and social media profile

Measures of success:

- Positive stakeholder feedback on Revenue Scotland's compliance with the Charter of Standards and Values
- Number of data security breaches
- Number of complaints

*Attract, develop and retain a knowledgeable and skilled **workforce** who are engaged and motivated to deliver the functions of Revenue Scotland to the highest standards of professionalism and integrity.*

Key activities:

- Overarching and detailed workforce planning aligned to Revenue Scotland's strategic priorities
- Professional development
- Staff engagement strategy
- Excellence in staff wellbeing and in health and safety

Measures of success:

- Employee engagement index
- Sickness absence rate

## Publication of Data

As an open and transparent organisation, we are committed to making much of our data publicly available on the Revenue Scotland website. Where sensible to do so, we will make the KPI data available on our website quarterly, with the rest being published annually as part of our Annual Report alongside additional contextual and qualitative information.

In addition to figures that provide an indication of our performance as an organisation, we will make statistical data about the taxpayer assessed liabilities and the revenues collected freely available on our website, in line with our [Information Charter and Privacy Notice \(https://www.revenue.scot/legal-notices\)](https://www.revenue.scot/legal-notices). The statistical information is intended to meet stakeholder needs for data about the Scottish economy and devolved taxes to support informed public debate and decision making.

## REVENUE SCOTLAND GOVERNANCE AND CORPORATE SERVICES

### The Revenue Scotland Board



Dr Keith Nicholson  
Chair



John Whiting  
Board member



Jane Ryder  
Board member



Ian Tait  
Board member



Lynn Bradley  
Board member

The Board is chaired by Dr Keith Nicholson and the other members are Lynn Bradley, Jane Ryder OBE, Ian Tait and John Whiting OBE. Biographical details are provided at <https://www.revenue.scot/who-we-are/revenue-scotland-board>.

The Board of Revenue Scotland is collectively responsible for the leadership and direction of the organisation; for ensuring that Revenue Scotland carries out its statutory functions effectively and efficiently; and for ensuring that it achieves the aims and objectives agreed between Revenue Scotland and Scottish Ministers as set out in this Corporate Plan.

### Board Committees

The Board is supported by:

(a) an Audit and Risk Committee in its responsibilities for establishing and maintaining an overall framework for governance, risk and control. The Committee is chaired by Lynn Bradley and the other members are Ian Tait and John Whiting; and

(b) a Staffing Committee in its responsibilities for overseeing a framework for the attraction, development and retention of a skilled and motivated workforce. The Committee is chaired by Jane Ryder and the other member is John Whiting.

## The Executive Team

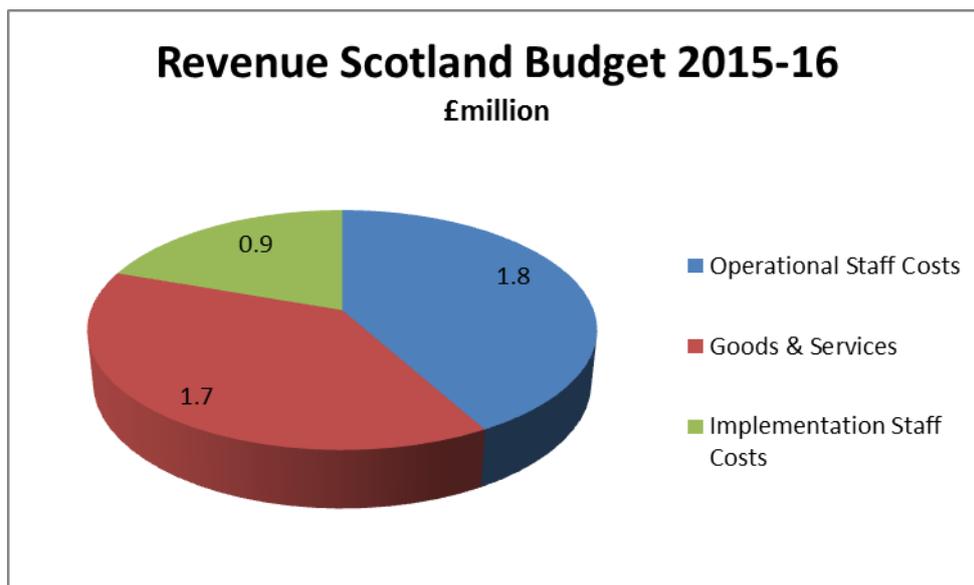
The Senior Management Team comprises:

- Eleanor Emberson (Chief Executive and Accountable Officer);
- Susan MacInnes (Head of Corporate Services and Finance);
- Donald Carvel (Head of Tax Policy);
- Colin McHardy (Head of Tax Operations and Compliance); and
- Stephen Crilly (Legal Adviser).

Revenue Scotland has a total staff complement of 40, in addition to the Chief Executive who is a member of the Senior Civil Service.

## Administration Budget

Revenue Scotland’s administration budget for 2015-16 is £4.3 million. A breakdown of costs is provided in the pie chart below:



*Note: Figures do not tally due to rounding.*

Revenue Scotland is strongly committed to achieving financial efficiency in its operations, as demonstrated by the KPI on total running costs as a percentage of money transferred to the Scottish Consolidated Fund and the Scottish Landfill Communities Fund.

The budget covers 2015-16 only. Budget projections for 2016-17 and 2017-18 will not be available until the outcome of the Scottish Spending Review, in turn consequent upon the forthcoming UK Comprehensive Spending Review, is known. Re-projection of budgets for future years will also be required in the event of Revenue Scotland acquiring additional duties in respect of further devolved taxes within the period of this Corporate Plan.

## ANNEX A: KPIs: RATIONALE, DEFINITIONS AND PRESENTATION NOTES

All indicators will relate to the year 1 April to 31 March inclusive.

“Taxpayers” should be read throughout as “taxpayers or their agents or representatives”. Revenue Scotland should be understood to include SEPA and RoS in exercising their delegated functions throughout, unless otherwise specified.

### Direct compliance yield

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- (The value of all interest payments received
- + The value of all charges received following determinations
- + The value of all charges received following assessments - the original self-assessed liability
- + The value of all charges received following adjustments - the original self-assessed liability
- + all penalties received
- + all receipts from the Sheriff Court or Court of Session
- + the value of all requests for repayments declined
- + the value of liabilities reported following a Revenue Scotland opinion where it is greater than the value originally suggested by the taxpayer)
- any subsequent repayments made following review or appeal.

This figure captures direct compliance yield only and does not include estimates of deterrent and preventative effects. It is therefore not comparable to HMRC compliance yield. The most recent year’s figures will be presented as provisional and revised the following year. This is necessary because some disputes regarding tax liabilities could take several months to resolve.

Direct compliance yield, as defined above, will measure all money that is received by Revenue Scotland following all assessments and determinations, including those that are made using the General Anti-Avoidance Rule, and those that result from direct compliance activity delivered by SEPA in the execution of their delegated functions.

Direct compliance yield will provide an indication of the extent to which the right amount of tax has been collected from the full taxpayer base over the course of the year, but is not a direct measure of that. In future years Revenue Scotland may develop estimates of the Tax Gap (the gap between tax collected and that which is estimated to be due). Tax Gap estimates require several years of data to calculate and are therefore not within the terms of the 2015-18 Corporate Plan.

**Proportion of all tax returns that receive no Revenue Scotland intervention**

= The number of all self-assessed tax returns that are not corrected so as to affect liability, amended, subject to enquiry or assessment.

This indicator will be presented as a percentage and the numerator and denominator both shown. The most recent year's figures will be presented as provisional and revised the following year. This is necessary because some corrections may not be made for several months following the original tax return.

A high proportion of tax returns being accepted as right first time will indicate that taxpayers are clear about the amount of tax they ought to pay. In the terms of the definition taxpayers may not then make the payment on time, and that element is captured by a different KPI (the Proportion of all due payments received on-time).

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

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

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

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

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

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

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

**Positive stakeholder feedback on Revenue Scotland's taxpayer guidance**

A methodology will be developed to capture this information in due course. The intention is to provide an indication as to how well Revenue Scotland is considered by its stakeholders to be helping taxpayers understand how and when they ought to pay tax.

**Proportion of all taxpayer correspondence received by secure message, email and post and responded to within 10 and 25 working days.**

=

(number of messages received via the SETS Secure Messaging functionality + number of messages received via the LBTT@RevenueScotland, SLFT@RevenueScotland addresses + number of letters received, which were categorised as being taxpayer queries or complaints and to which a substantive response was issued within 10 or 25 working days of the correspondence being received)

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number of messages received via the SETS Secure Messaging functionality + number of messages received via the LBTT@RevenueScotland, SLFT@RevenueScotland addresses + number of letters received, which were categorised as being taxpayer queries or complaints.)

A substantive response is any response that seeks to resolve the query or issue at hand, and excludes holding replies or automatic acknowledgements. The definition seeks to exclude correspondence from stakeholder organisations (e.g. HMRC, Scottish Government) as opposed to taxpayers, their agents or representatives.

This information will be presented as a composite and for each correspondence method separately. In addition, the mean, median and maximum days from receipt to response to taxpayer emails, secure portal messages, and white mail will be presented.

This measure is an indication of the convenience of Revenue Scotland's services to taxpayers, who are expected to consider long delays in response to queries inconvenient to helping them pay the correct amount in a timely manner.

**Proportion of all due payments received a) on time b) within 3 months due date c) within 1 year of due date.**

= number all payments of tax liability receipted a) within the terms of Arrangements Satisfactory b) within 3 calendar months of the last day of Arrangements Satisfactory c) within 1 calendar year of Arrangements Satisfactory

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total number of tax liability payments due.

The most recent years figures for b) will be presented as provisional and revised the following year and c) will be presented for the last-but-one year, and hence not reported in the first year.

This indicator will provide information about how well Revenue Scotland's systems are performing in terms of supporting taxpayers pay their tax on time, and it excludes payments of penalties and interest.

**Mean, median and maximum days between enquiries being opened and closed**

= mean, median and maximum of the number of days from dates enquiry notices were issued to the date the enquiry closure notices were issued.

All enquiries closed within the financial year (regardless of when they were opened) will be included, with the number of enquiries open as at 31 March provided for context.

**Positive stakeholder feedback on Revenue Scotland's compliance with the Charter of Standards and Values**

A methodology will be developed to capture this information in due course. The intention is to provide an indication as to how well Revenue Scotland is considered by its stakeholders to be meeting the standards and values of behaviour committed to in the Charter.

**Employee engagement index**

The employee engagement index is calculated on the basis of responses to the Civil Service-wide People Survey which Revenue Scotland will take part in. The top scoring 25% of organisations are considered to be “high performers” by the Cabinet Office (who run the People Survey) and the target to be in the top 25% of organisations is based on that.

**Proportion of all tax returns filed online**

= number of all tax returns entered by taxpayer  
/ number of all tax returns entered by taxpayer + number received as hardcopy and entered into SETS by Revenue Scotland or RoS.

This indicator will be presented as a percentage and the numerator and denominator both shown. The figure will provide an indication of how well Revenue Scotland is using online technology, with a high figure indicating that the online system is more convenient than use of paper forms.

**Value of tax liabilities identified by Revenue Scotland as a consequence of Revenue Scotland corrections, amendments, assessments, adjustments and determinations**

= The value of all tax liabilities charged following Revenue Scotland corrections, amendments, assessments, determinations and adjustments - minus the original self-assessed liability where there was one. Where the charge is made within the financial year.

This indicator, which differs from compliance yield as it measures charges made rather than payments received and does not include interest and penalty charges, provides a measure of the extent to which Revenue Scotland is delivering its duty to identify the right amount of tax that taxpayers should be paying. The number of changes that result in an increase in liability, and the number that resulted in a decrease, will also be presented for context.

**Number of data security breaches**

= Number of data security breaches (unintentional release of confidential or personal information to unauthorised persons, through either accidental or deliberate disclosure, loss or theft of the information – as per the Security Breach and Incident Management Policy) identified within the Financial Year.

This definition is in line with Revenue Scotland's Security Breach and Incident Management Policy and the indicator will show the extent to which Revenue Scotland provides high quality public service in terms of protection of taxpayer data.

**Sickness absence rate**

= Average Working Days Lost per Full Time Equivalent staff, for a 12 month rolling period.

This indicator is intended as a proxy measure of staff morale and satisfaction. It will include staff in both core Revenue Scotland and in the SEPA tax team. It will exclude staff in Registers of Scotland who work on processing LBTT returns because there is a pool of staff within RoS who are called upon to deliver that role depending on the number of paper forms delivered to RoS by taxpayers, and it is therefore very complex to include RoS staff in this indicator.

The Chartered Institute of Personnel and Development's 2014 sickness absence report shows that the Average Working Days Lost in the public services is 7.9 and 7.4 in non-profit organisations. A target of less than 7 is therefore ambitious but achievable.

**Number of disputes and time to resolution**

= Number of taxpayers who requested a review and/ or appealed to the tribunal and/ or requested mediation.

Disputes are counted at the point they are resolved and are counted only once regardless of the number of dispute resolution methods used.

Time to resolution is the number of calendar days from the date the taxpayer requested a review / appealed to the tribunal / requested mediation (whichever came first) to the date when Revenue Scotland gives notice of the conclusion of the review (and the taxpayer does not appeal or request mediation) or Revenue Scotland gives notice of the settlement agreement (and the taxpayer does not appeal) or the tribunal concludes the matter in question (and the taxpayer does not appeal) or the Court of Session concludes the matter in question.

Count is per taxpayer not per agent/representative and not per case, to avoid double counting. The most recent year's figures will be presented as provisional and revised the following year. This is necessary as there may be occasions on which an issue that we considered resolved is appealed by the taxpayer.

### **Number of complaints**

Number of complaints received verbally or in writing from taxpayer. As per our Complaints Policy, complaints can only be about service and are distinct from tax disputes; complaints about liabilities (which are therefore tax disputes, for which a distinct resolution process exists) or that should have been directed at a different organisation will not be counted.

Numbers of complaints will be reported quarterly and in our Annual Report we will provide information about how we have used complaints to improve our services and how many, if any, complaints are escalated by the complainant to Scottish Public Service Ombudsman.

## Contact for further information about Revenue Scotland

Further information about Revenue Scotland is  
available on the Revenue Scotland website  
([www.revenue.scot](http://www.revenue.scot)) or by emailing:  
[info@revenue.scot](mailto:info@revenue.scot).

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