

REVENUE SCOTLAND BOARD MEETING

MINUTE

Wednesday 22 April 2015, Conference Room 6, VQ, Edinburgh

Present:

Dr Keith Nicholson [Chair]
Lynn Bradley
Jane Ryder OBE
Ian Tait

Attended:

Eleanor Emberson, Chief Executive, Revenue Scotland
Gareth Hill, Chief Accountant, Revenue Scotland
Susan MacInnes, Head of Corporate Services, Revenue Scotland
Janet Dunsmuir, Corporate Services Manager, Revenue Scotland
John Paul Liddle, Tax Administration Programme Manager, Revenue Scotland
Alistair Wilson, Deputy Director – Development, Revenue Scotland
Julia Mabruk, External relations Manager, Revenue Scotland
Stuart Gardner, IT Manager, Revenue Scotland
Denise McCann, Corporate and Business Services Officer, Revenue Scotland [Secretariat]

1. Meeting Opening

- 1.1 The Chair welcomed Board members and officials to the meeting.
- 1.2 Apologies were received from John Whiting. The Chair noted that John had provided detailed comments on the board papers and these would be introduced at the appropriate points during the meeting.
- 1.3 The Board accepted the previous minute as a true record.
- 1.4 The Board reviewed the Action Log:

Action (73): The Action Log should be sent out along with Board papers (in addition to actions being circulated post meeting).

Action (74): Gareth Hill to send Board members the schedule of dates for expenses returns.

Action (75): Lynn Bradley to be sent the Audit and Risk Committee Minute.

Action (76): Minutes should be sent to the Board with redactions in an annex in future (rather than redacting after circulation).

Action (77): (ref A.61) Chair to send Corporate Governance exemplars to Board members.

1.5 The Chair commented that he is content with the structure of Board papers but would like to see the author's name and email contact added to the documents. This will enable Board members to contact an individual with any queries. Any communication with officials regarding Board papers should be copied to the Chair (to help inform how long discussions will take at meetings) and the Chief Executive (to allow the monitoring of official's workloads).

2. Chair Update

2.1 The Chair updated the Board around events at the formal launch of Revenue Scotland on 1 April 2015. The media event, held in Brodie's Edinburgh office, was very well organised and the Chair noted thanks to Isobel d'Inverno and managing partners of Brodies for all their assistance. The Chair also highlighted that he and the Chief Executive filmed a [You Tube video](#), with the assistance of media colleagues in Registers of Scotland, to be used on the launch day. The Chair thanked the Chief Executive, Senior Management team and the Communications team for organising the launch events. The Chair also noted that at the end of the launch day he wrote to a range of key stakeholders thanking them for their contributions in getting Revenue Scotland up and running. Some positive feedback has followed this correspondence and led to invitations to joint meetings.

The Chair briefly discussed on-going work around the Smith Commission and requested that the Board be kept updated with developments.

Action (78): Chief Executive to keep Board members informed of work around Smith Commission.

The Chair informed the group that he and Jane Ryder attended the Edinburgh Tax Network in March with the Chief Executive. It was noted that there were mixed levels of understanding on the devolved taxes within the audience and therefore there are further awareness raising communications required.

3. Chief Executive Report

The Chief Executive talked through her report:

3.1 The next meeting of the Devolved Tax Collaborative (DTC) is on 15 May and all Board members are welcome to attend. The group discussed roles for the Board attendees (Ian Tait and Jane Ryder) and concluded that they should take an active part in group discussions and present a reflective summary at the end. The Chief Executive also noted that there would be

an informal gathering in the Victoria Quay canteen to mark the launch of Revenue Scotland on 30 April 2015. Several stakeholders have been invited and the Chair will be invited to say a few words.

3.2 The Chief Executive and Chair of the Board have been invited to give evidence (via video link) to the Welsh Assembly Finance Committee. She noted that although Revenue Scotland is not being scrutinised the information will be on public record. It was noted a good working relationship exists between the Welsh and Scottish governments.

3.3 This discussion is considered exempt under the Freedom of Information Act (Scotland) Act 2002.

3.4 One bid was received as a result of the telephony tender process and after evaluation officials are satisfied that it is value for money. It is a three year contract - extendable to 5 years. Full costs will be confirmed once the SG IT team has provided a final estimate of the costs for the element which it will deliver but these are likely to be slightly higher than the original estimate. The difference between call recording storage solutions was discussed and it was decided that the network solution, which is slightly more expensive but more future proof, is the preferred option. The Board confirmed that they do not require further information regarding the contract.

3.5 A third Scottish Electronic Tax System (SETS) environment is required (an environment which replicates the live environment) to enable security testing. This is deemed essential and the Board were content to approve, noting possible budget implications.

3.6 This discussion is considered exempt under the Freedom of Information Act (Scotland) Act 2002.

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3.8 There was a short period of time when the telephones went down this week, due to a technical problem the telephone supplier experienced. A message went on the website alerting users of this immediately however Registers of Scotland should have been informed earlier. Susan MacInnes will hold an incident wash-up/lessons learned exercise.

3.9 All 40 operational posts have now been filled with just two staff members yet to start in post.

3.10 This discussion is considered exempt under the Freedom of Information Act (Scotland) Act 2002.

3.10 As there has been a focus on LBTT the Board requested an update regarding SLfT at the next meeting.

Action (80): Chief Executive to commission paper for the Board on preparations in place for SLfT activities – for May Board.

3.11 The Chair commented that much of the success of Revenue Scotland to date has been due to early and consistent engagement with stakeholders.

4. Final draft Corporate Plan

4.1 Alastair Wilson presented the final draft of the Corporate Plan for approval. The Board's previous comments have been incorporated and some further suggestions made around the ordering of the sections. The Board discussed whether the information in the Annex should sit within the Corporate Plan - or should be referred to (and held on the website). The Board concluded that this is a foundation document and therefore will be more detailed than future corporate plans.

4.2 Subject to DFM's comments the document will be signed off at the May Board meeting. This will predominantly be an electronic publication however Communications colleagues have contacted the printer regarding producing a small amount of hard copies necessary for logging in SPICe etc.

4.3 A photographer will be organised to take photographs for the Corporate Plan and will also take formal pictures of Board members for future use.

Action (81): Alastair Wilson to make Board suggested amendments and then submit to DFM before bringing document back to the May Board meeting.

5. Planning for APD and Aggregates Levy

5.1 The Board was updated on the early thinking around plans for implementing two further devolved taxes. The paper sets out understanding to date regarding the taxation of air passengers and aggregates exploitation. It was noted that any replacement taxes may or may not look like the current UK versions. Devolution of these taxes will take place as part of the Scotland Bill. Some thought has gone into the work Revenue Scotland would need to do and assumptions have been made for planning purposes.

5.2 The Board discussed the handling of planning work for further devolved taxes and how this could be done without distracting staff from the operation of the two existing devolved taxes.

Action (82): The Board asked that risks are included when a paper comes back to the Board with more information on further devolved taxes .

5.3 The group discussed Board input into policy development. Two main avenues identified are through a public consultation response and through the Revenue Scotland programme team (representing Board views) who will be working with SG legislative colleagues.

5.4 The Board welcomed this early information paper explaining the context for further devolved taxes and encourage such papers for future evolving issues.

6. Tax Administration Programme Update

6.1 John Paul Liddle presented the Tax Administration Programme (TAP) Highlight Report to the Board. The report detailed work priorities for the period April – June 2015 including: plans for release 1C of the online system, further training and work in hand with the SG IT team. The Board acknowledged progress to date and noted that transition and knowledge transfer plans are well underway, which allow the operations team to work with and develop further the full range of over 600 products the TAP programme has delivered.

7. Commercial Software Provider Support Strategy

7.1 Susan MacInnes and Stuart Gardner introduced a paper and explained that Revenue Scotland has been receiving requests for information and assistance from commercial software providers regarding technical advice on submitting data to the (Scottish Electronic Tax System) SETS. Although Revenue Scotland IT staff have been providing technical data and ad hoc responses to enquiries there has been increasing pressure to answer more technical queries and provide more active support for proposed products, including requests for testing code and form accreditation.

7.2 The Board discussed the best balance of use of Revenue Scotland resources between focusing on Revenue Scotland's own, free to use, online system and supporting developers who produce software which integrates with other systems which some tax professionals may use. The Board concluded that Revenue Scotland should continue to publish information and updates on the website that will assist external developers but should not provide a dedicated line to answer queries on technical development or provide accreditation for forms produced by external parties.

Action (83): Susan MacInnes to ensure that agreed strategy and FAQs document are released to third party developers promptly.

8. Risk Management Framework

8.1 The Risk Management Framework document was presented for final comments and approval, the paper has already been to the Audit and Risk Committee and suggested amendments have been made. Further slight modifications were discussed and on the basis of these being incorporated the Board were content to approve the document.

8.2 The Board discussed the need to see the Risk Register along with the Corporate Plan at the May Board meeting. It was noted that the Risk Management Framework would be published on the Revenue Scotland website as part of the FOI model publication scheme.

Action (84): Risk register to come to May Board meeting with final Corporate Plan (in advance of June's ARC meeting).

Action (85): Secretary to arrange publication of the Risk Management Framework on the website.

9. Working Together MOU with HMRC

9.1 John Paul Little and Julia Mabruk presented the Working Together Memorandum of Understanding (MOU) with HMRC which sets out the framework for working arrangements between the two bodies. The MOU has previously been agreed with HMRC and now requires sign-off from the Board.

9.2 The Board discussed the paper and, with some minor suggestions for additional content and cross-referencing to the Joint Communications Terms of Reference document, they were content to approve the MOU.

10. SLfT Intelligence

10.1 The Board discussed the capturing of intelligence, particularly in relation to SLfT. The Board noted it would not be possible to avoid capturing intelligence and that SEPA already have significant capability and secure systems to capture and store intelligence material and provide 5x5x5 reports in line with Cabinet Office guidance. SEPA has now estimated the cost of providing this intelligence function. There is no provision for this included in Revenue Scotland's 2015-16 budget, this point has been highlighted to the Finance Committee and Public Audit Committee in the Chief Executive's report at the end of February.

10.2 The budget is predominantly for an additional member of staff for one year plus additional system support. The requirement in future will be re-examined before any budget decisions are made for future financial years. The Board agreed that creating a capacity to respond to intelligence is necessary and that any solution Revenue Scotland could put in place would be more expensive than using SEPA's expertise.

10.3 The Board was content with the process as outlined and asked for reviews of costs at the 6 month point and annually thereafter. The Board requested a further paper capturing the Revenue Scotland operating process on intelligence to go to the Audit and Risk Committee.

Action (86): Chief Executive to commission a paper for the Audit and Risk Committee to detail the intelligence handling operational process).

11. AoB

11.1 This discussion is considered exempt under the Freedom of Information Act (Scotland) Act 2002.