Correspondence from Revenue Scotland to the Public Audit Committee, dated 13 February 2014

Thank you for your letter of 20 January seeking clarification on the range of information that Revenue Scotland proposes to provide about its performance on the collection and management of the devolved taxes.

As you will be aware, the Revenue Scotland and Tax Powers Bill anticipates a robust governance structure for Revenue Scotland which, subject to Parliamentary approval, will be established as a non-ministerial department with an appropriate Board and a statutory requirement to agree its corporate plan with Scottish Ministers. The corporate plan will set the targets and performance measures for Revenue Scotland, on which it will be required to report annually. Revenue Scotland’s corporate plan, annual reports and accounts will, of course, all be laid before the Scottish Parliament. Subject to Parliamentary scrutiny of the Revenue Scotland and Tax Powers Bill through the Scottish Parliament, the Board of Revenue Scotland could be appointed and constituted by early 2015, with a view to having the first corporate plan agreed shortly afterwards.

Until the Board of Revenue Scotland is in place and has reached agreement with Scottish Ministers, I can give you only an indication of areas we would expect to cover in our performance management and monitoring data. I would expect that reporting would cover a range of performance measures for each of the devolved taxes along the following lines:

- revenue collected
- volume of tax returns
- compliance activity
- disputes, including any appeals to the Scottish Tax Tribunal and outcomes of disputes
- penalties levied and the circumstances for the levying
- complaints and resolution rates
- performance against customer service standards.

We will be looking to develop arrangements to report on additional tax collected as a result of compliance work, although there will be circumstances – such as those where a taxpayer may volunteer new information because he or she has heard about action taken on a different case – where it may be difficult to link additional compliance directly to specific amounts of tax collected. As you would expect, in developing all of the performance management arrangements, we will ensure that the reporting does not in any way breach the confidentiality of individual taxpayers. We anticipate that the performance data will cover all aspects of the collection of the two devolved taxes, including, where appropriate, the activities of Registers of Scotland and the Scottish Environment Protection Agency.

Revenue Scotland will also be subject to audit by Audit Scotland, which will report its findings annually to Parliament.

I will, of course, take account of the key performance issues which you mention in your letter of 20 January in developing the performance measures for Revenue
Scotland and in eventual advice to the Board. I would be happy to take any further feedback from the Committee about areas you would wish to see covered and to update you further on the development of the corporate plan later this year if that would be helpful.

Yours sincerely,

ELEANOR EMBERSON