

RESPONSES MADE TO THIRD PARTY CONSULTATIONS

AUGUST 2016



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Audit Scotland
feeresponse@audit-scotland.gov.uk

Our Ref: ORG13-A3074
Your Ref: Your Reference

If telephoning ask for:
Jennifer Welsh

02 August 2016

Dear Sir / Madam

Consultation on Audit Scotland fee setting arrangements (response sent via email to the above address)

Thank you for the opportunity to respond to the above consultation. SEPA's response is set out below in italic underlined font.

Questions on funding our work

Q1 – Do you have any comments on the overall approach to funding the work of Audit Scotland?

No.

Q2 - Do you have any views on the future funding of NHS performance audit work?

No.

Questions on overall principles for fee setting

Q3 - Do you agree that as far as practicable all audited bodies should pay for the full cost of the direct annual audit work required at each body? If not what alternative would you suggest?

Yes.

Q4 - Do you agree that as far as practicable all audited body should pay the same fee irrespective of whether the auditor is an Audit Scotland team or a private firm? If not what alternative would you suggest?

Yes.

Questions on communication of fees

Q5 - Do you agree with the proposed move to an Expected fee with a fee range reflecting any additional audit work required? If not what alternative to you suggest?

Yes.

Q6 – Would you find the proposed breakdown of the total fee helpful? Do you have any comments on the individual components? Is there any other information you would find useful?

Yes, however it would also be helpful to have the areas of costs and the context to help us identify where we can influence these.

Questions on the calculation of fees

Q7 - Do you agree that Audit Scotland should continue to pool costs as described above and apportion them between audited bodies on the basis of relative levels of auditor remuneration? If not what alternative to you suggest?

Yes.

Q8 - Do you agree that councils should continue to contribute to the cost of best value audit work on the basis of their relative populations? If not what alternative do you suggest?

Yes.

Q5 - Do you agree with the approach to sharing the cost of local government performance audit work between significant bodies on the basis of relative levels of auditor remuneration? If not what alternative do you suggest? Do you have any comments on the approach to sharing the cost of NHS performance audit work if the current funding arrangement continues?

N/A.

Q10 – do you have any other comments on Audit Scotland's approach to setting fees overall or at any specific audited body?

None.

Yours faithfully

Jennifer Welsh
Head of Finance

ORG13-A3078

From: Leishman, Kelly **On Behalf Of** Welsh, Jennifer
Sent: 08 August 2016 15:16
To: 'off-payroll.consultation@hmrc.gsi.gov.uk'
Cc: Cons Admin
Subject: Our ref: ORG13-A3075 - HMRC Consultation on off-payroll working

Dear Sir / Madam

HMRC consultation on off-payroll working

Thank you for the opportunity to comment on the above consultation. Please find attached our response to the consultation questions.

Yours faithfully

Jennifer Welsh
Head of Finance

Tel: 01786 452626

Summary of Consultation Questions

Definition of the public sector

Question 1: Are there other easily understood definitions that work better than the FOI Act and the FOI (Scotland) Act?

We think this definition is well understood.

Question 2: Are there any public sector bodies which are not covered by the FOI acts which should be included in the definition for the proposed rules?

No

Question 3: Should private companies carrying out public functions for the state be included in this definition? Why?

Yes, to improve transparency and accountability in the provision of public services.

Question 4: Are there are public bodies caught by this definition who would face particular impacts which should be considered?

Not to our knowledge.

Information

Question 5: Are rules needed to ensure that engagers have the information they need to make the decision? If so, what should they be?

The type of guidance and principles supplied in the consultation are a better approach than rules.

5% deduction

Question 5: How would accounting for the 5% allowance work in practice?

It is not clear from the consultation on whether the PSC forward normal tax computations and then get a credit for the tax already deducted. The proposals move the tax from Corporation to Income tax regime.

In income tax regime: 5% allowance is not appropriate: it should not be given to one class of worker over another. If the PSC worker has been taxed and has legitimate

business expenses (that could be claimed by an employee) then they can submit a tax return and claim a tax refund.

The consultation is unclear on the PSC position. In theory they should be submitting corporation tax calculations. The company does not necessarily always pay to the individual the amount it has charged for the individual's time, for a variety of reasons. What is proposed may well impact onto small company's financial viability, particularly in start-ups and financially challenged times, where often personal expertise is used to generate cash flows to support development and research and or keep small firms afloat. The accurate reflection of business expenses will then be captured in the corporation tax liability.

It is not clear where the income has not all been transferred to the individual how the company reflects / gets credit for the income tax it has paid.

Question 6: Are there business costs specific to PSCs that are covered by the 5% that aren't covered under the usual business expense rules?

See answer above.

Making the decision

Question 7: Does this first part of the test work to quickly rule out engagements that are clearly out of scope?

It looks reasonable.

Question 8: Are these the right questions in the right order of priority?

The question is the worker their own company should be under the agency question

Question 9: Are the questions simple to understand and use?

Yes

Question 10: Do the two parts of the test give engagers certainty on day one of the hire?

Yes

Question 11: How can the organisation completing the tests ensure have the information to answer the questions?

They will need to reflect these requirements in their procurement and recruitment processes.

HMRC is moving the administrative burden from itself to other areas of the public sector. In times of public expenditure reduction this is an unnecessary administrative burden across the public sector.

If HMRC considers PSC a real loss of tax revenue, it should not be restricted to public sector and the new rules should apply equally across public and private sectors.

Question 12: How could the new online tool be designed to be simple and straightforward to use?

Involve end users in its design.

Transfer of liability

Question 14: Where should the liability for tax and National Insurance (and penalties and interest where appropriate) fall when the rules haven't been applied correctly?

If PAYE is applied appropriately (the additional proposals should not be required) these payments should already be going through payroll. The current regime leaves the liability with the employer.

Question 15: Should the liability move to the PSC where the PSC has given false information to the engager?

Yes.

Costs

Question 15: What one-off and ongoing costs and burdens do you anticipate will arise as a result of this reform?

Costs of amending systems to administer, staff costs to do the actual administration. Costs of staff and management time of dealing with HMRC and PSC's.

Our Ref: JM/JL/HA/
ORG13-A3076

Your Ref: -

04 August 2016

Haylay Forbes
Livestock Policy
Food, Drink and Rural Communities
The Scottish Government
B1 Spur, Saughton House
Edinburgh EH11 3XD

By email: BESConsultation@govt.scot

Dear Ms Forbes

PROPOSED AMENDMENT TO THE PROHIBITED PROCEDURES ON PROTECTED ANIMALS (EXEMPTIONS) (SCOTLAND) REGULATIONS 2010

Thank you for providing the Scottish Environment Protection Agency (SEPA) with the opportunity to comment on the above consultation document.

I write to advise you that SEPA has no comments to make on this occasion.

As a public body committed to openness and transparency, SEPA feels it is appropriate that this response be placed on the public record. If you require further clarification on any aspect of this correspondence, please contact Stephen Field, Land Unit Manager, National Operations (by email: Stephen.Field@sepa.org.uk).

Yours sincerely

Janice Milne
Head of National Operations

Our Ref: JM/JL/HA/
ORG13-A3077

Your Ref: -

04 August 2016

Stuart McCaskell
Policy Officer
Water Industry Team
Scottish Government
Victoria Quay
Edinburgh EH6 6QQ

By email: stuart.mccaskell@gov.scot

Dear Stuart

USE OF RATEABLE VALUE TO CHARGE NON-HOUSEHOLDS

Thank you for contacting SEPA on this consultation paper. We have reviewed the paper and do not have any comments.

As a public body committed to openness and transparency, SEPA feels it is appropriate that this response be placed on the public record. If you require further clarification on any aspect of this correspondence, please contact Jennifer Leonard, Unit Manager – Quality & Standards at the address shown.

Yours sincerely

Janice Milne
Head of National Operations

Our Ref: JM/JL/HA/
ORG13-A3078

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Lisa Yates
Assistant Decommissioning Manager
Department of Energy & Climate Change (DECC)
3rd Floor, AB1 Building
48 Huntly Street
Aberdeen AB10 1SH

15 August 2016

By email: lisa.yates@decc.gsi.gov.uk

Dear Lisa

JANICE, JAMES AND AFFLECK FIELDS DECOMMISSIONING PROGRAMMES

Thank you for providing the Scottish Environment Protection Agency (SEPA) with the opportunity to comment on the above consultation document.

I write to advise you that SEPA has no comments to make on this occasion.

As a public body committed to openness and transparency, SEPA feels it is appropriate that this response be placed on the public record. If you require further clarification on any aspect of this correspondence, please contact Adam Stackhouse, Specialist 1, Radioactive Substances & Nuclear Regulation, at the address shown.

Yours sincerely

Janice Milne
Head of National Operations