

Cabinet Secretary for Finance, Employment and Sustainable Growth
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Mr Kenneth Gibson MSP
Convenor of the Finance Committee
The Scottish Parliament
Edinburgh
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Dear Kenneth,

It has been brought to my attention that there is an error in the Financial Memorandum accompanying the Land and Buildings Transaction Tax (Scotland) Bill currently being scrutinised by the Finance Committee.

On pages 50 to 51 of the Financial Memorandum, the table entitled "Staff Costs" sets out the staff costs of establishing Revenue Scotland. In the table, the "Cost per year" column shows annual costs, and the "Total cost" column shows total set-up costs in the period June 2013 to March 2015. In the table the estimated cost per year associated with Appeals, Disputes and Compliance appears as £289,000. The correct figure is £481,000. However the figure of £240,000 shown in the Total cost column is correct, since the cost of setting up Appeals, Disputes and Compliance capacity is expected to fall into the 6-month period October 2014 to March 2015 and total set-up costs are therefore half the annualised cost. The estimated total staff costs of setting up Revenue Scotland remains as given in the table at £1,200,000.

The error has been brought to the attention of the Committee Clerks who have helpfully suggested to my officials that the Financial Memorandum should be corrected at stage 2.

I apologise for this error, and trust this explanation is helpful to the Committee.

Yours,

JOHN SWINNEY