



HM Revenue  
& Customs

**Edward Troup**  
**Second Permanent Secretary and**  
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Kenneth Gibson MSP  
Convenor, Finance Committee  
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Dear Convenor,

When I appeared before your committee on 28 October, I agreed to provide further clarification of a couple of points, and I am happy to do so now.

First, now that the date of publication of the Scottish Government's draft Budget has been announced, I can confirm that the letters to Scottish taxpayers will be issued in the first two weeks of December. This will allow enough time for people to contact us if we have wrongly identified them because of an out of date address, so that we can issue the correct tax codes to employers in time for the start of the 2016-17 tax year. The letter will include the date of the Budget announcement so that recipients will know when the Scottish Government's proposals for the Scottish rate will be published.

Jackie Baillie asked about the costs of our proposed publicity to reach customers who may not have been identified as Scottish taxpayers. As I explained to the Committee, we have a comprehensive communications plan which includes a wide range of activity apart from paid advertising, including briefing journalists and providing support for employers and professional advisers. We expect to undertake some targeted paid publicity before the start of the tax year, probably in February. We don't yet have an estimate for the cost of this advertising, but the cost will be identified in the UK Government's annual report on implementation of the Scotland Act 2012 which we expect to be published before the Parliament is dissolved in March 2016.

Finally, Mark McDonald asked for more information about the way in which the risks shown on the project risk register are scored for impact and probability. I attach a diagram which shows how risks are scored. For example, the risk of not having an acceptable strategy for identifying Scottish taxpayers is currently scored 17, which represents a high impact but low probability.

I hope this further information is helpful to the Committee.

Yours sincerely,

**Edward Troup**  
**Second Permanent Secretary and Tax Assurance Commissioner**

## Risk Matrix

The risk matrix is a simple mechanism to present a picture of the identified risks. It is a snapshot of information found on a risk register at any one time. Residual risk scores can be plotted on the HMRC 5 x 5 risk matrix using the appropriate impact and probability rating to show the current risk exposure. Impact and probability are both rated from very low to very high.

Impact

