



HM Revenue  
& Customs

**Jim Harra**  
**Chief Executive and First Permanent**  
**Secretary**

Dame Meg Hillier  
Chair, Public Accounts Committee

Room 2/75  
100 Parliament Street  
London  
SW1A 2BQ

**By email only**

8 September 2022

Dear Chair,

In March 2022, your Committee published a report into our handling of tax debts during the pandemic. This included several recommendations, including for HMRC to share a plan to manage the increased levels of debt, set out our data sources and approach, and carry out research to estimate the population of individuals with a tax debt who are vulnerable.

In May 2022, we responded, via Treasury Minutes, and committed to:

- sharing a plan to manage the currently elevated debt balance – by 30 September 2022
- setting out what data we use, or are planning to use, to assess ability to pay and why – by 31 December 2022.
- identifying independent research which will help estimate how many people could potentially be eligible for extra support, and how they may be better identified – by 31 December 2022.

We are on track to meet the deadline for the two recommendations due by 31 December 2022.

Since we made the commitment to share a plan to manage the debt balance, there has been a change in Prime Minister and the ministerial team at HM Treasury. It would not be appropriate to share our plan without understanding the government's priorities and affording new ministers the opportunity to provide their input. This is of particular importance given the challenging economic environment which we anticipate leading to an increased volume and value of tax debts. We will share a plan with you and the Committee in January 2023.

I am sorry for any inconvenience this may cause you and the Committee.

I am sharing a copy of this letter with the Treasury Officer of Accounts so that the Treasury Minutes can be updated at the earliest opportunity.

Yours sincerely

**JIM HARRACHIEF EXECUTIVE AND FIRST PERMANENT SECRETARY**