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Collette Stevenson MSP
Convener
Social Justice and Social Security Committee
Scottish Parliament
Edinburgh
EH99 1SP

27 August 2024

Dear Convenor,

Today we have published three reports. We have published a [Fiscal Update](#) to support the pre-Budget scrutiny work of the Scottish Parliament. The report considers the implications for the Scottish Government's fiscal outlook of new information that has become available since our last forecasts in December 2023. We highlight that the Scottish Government will face persistent challenges in balancing its budget. We also discuss the implications of recent and potential developments in social security policy, such as the changes to Winter Fuel Payments.

Our biennial [Statement of Data Needs](#) highlights areas for development in the data we use. We acknowledge the improvements Social Security Scotland has made since our last report in 2022. We also highlight some short-term requirements for existing social security payments and the data we will need for payments that are yet to be launched.

In our [Forecast Evaluation Report](#) we review our income tax forecast for 2022-23 and our forecasts of other devolved taxes and social security spending for 2023-24. Overall spending on devolved social security in 2023-24 was £56 million higher than we forecast, a relative error of 1 per cent. The main reasons for the error are higher spending on disability payments because of higher than anticipated demand and fewer clients than expected having their awards ended. The higher spending from these factors was partially offset by lower spending for Child Disability Payment and Adult Disability Payment because average payment levels were lower than we forecast.

I would be happy to answer any questions you have on these reports and look forward to giving evidence to the Committee after we publish our next set of forecasts.

Yours sincerely

A handwritten signature in black ink that reads "Graeme Roy".

Professor Graeme Roy
