
Statement of Data Needs

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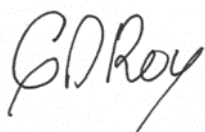
Foreword

The Scottish Fiscal Commission (SFC) is the independent fiscal institution for Scotland. Our statutory duty is to provide independent and official forecasts of the economy, tax revenues and social security spending to inform the Scottish Budget. We also provide an assessment of the reasonableness of the Government's borrowing projections, set out the funding for the Scottish Budget and report on its fiscal sustainability.

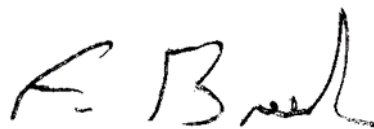
In order to fulfil our duties, we often need new or better data and information. This Statement of Data Needs sets out our latest requests and recommendations for additions and improvements to the information we receive from different providers. If addressed, they would improve our analytical work and benefit the wider public.

We can report that since the previous Statement of Data Needs in 2022, providers have taken steps to address our recommendations. We are grateful for these improvements, which are summarised in [Annex A](#).

Finally, we would like to thank the hard-working staff of the SFC for their support in the production of this report.



Professor Graeme Roy



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Professor David Ulph

27 August 2024

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Chapter 1

Overview

- 1.1 The Scottish Fiscal Commission (SFC) is the independent fiscal institution for Scotland. Our statutory duty is to provide independent and official forecasts of the economy, tax revenues and social security spending to inform the Scottish Budget. We also provide an assessment of the reasonableness of the Government's borrowing projections, set out the funding for the Scottish Budget and report on its fiscal sustainability.
- 1.2 It is essential we have access to relevant and high-quality data for our analysis and commentary. We regularly publish a Statement of Data Needs (SDN) to specify our requirements from providers. In it, we highlight areas for additions and improvements which would help us produce and evaluate our forecasts.
- 1.3 [Chapter 2](#) covers data needs on public funding and spending. We make requests so we can better assess how reasonable the Scottish Government's borrowing plans are, and the sustainability of its finances. [Chapter 3](#) sets out requests relating to our forecasts of Scottish Gross Domestic Product (GDP), the labour market, and devolved tax revenue. [Chapter 4](#) covers data requests so that we can improve our forecasts of devolved social security spending.
- 1.4 Most of the requests in this SDN relate to funding and spending information. We welcome that the Scottish Government publishes more detail than at the time of our last SDN in 2022. But we need more data, and in a more accessible format, to better scrutinise and analyse spending trends, and in particular to assess the long-term fiscal implications of climate change. We also make recommendations to HM Treasury to improve its Block Grant Transparency data.
- 1.5 On the economy, we ask for Scottish labour market estimates to be of high quality and consistent with UK estimates, in the context of current challenges with Labour Force Survey and Annual Population Survey produced by the Office for National Statistics (ONS). We also ask HM Revenue and Customs (HMRC) and the Scottish Government for information to improve our public sector earnings and employment forecasts. On tax, we discuss what we will need to forecast Scottish Aggregates Tax, which is due to be introduced in April 2026.
- 1.6 On social security, we welcome the improvements Social Security Scotland has made since our last SDN in 2022. We highlight our short-term requirements, which include statistics on the outcome of award reviews for disability payments and on characteristics of the recipients of carer payments. We also present our medium-term requirement that, as more payments are launched, Social Security Scotland should produce statistics that match the level of detail provided by the Department for Work and Pensions (DWP).
- 1.7 We bring together in a single table all the recommendations we make in this SDN in [Chapter 5](#). Finally, the progress of our previous data requests, many of which have been addressed, is summarised in [Annex A](#).

Chapter 2

Funding and spending

Introduction

- 2.1 The SFC produces analysis on the Scottish Government’s discretionary funding and spending.
- 2.2 In our Scotland’s Economic and Fiscal Forecasts (SEFF) publications accompanying the Scottish Budget and the Medium-Term Financial Strategy (MTFS), we include analysis on the sources of funding available to the Scottish Government. We focus on the discretionary elements the government has control over. This informs our statutory assessment of the reasonableness of the Scottish Government’s borrowing plans.
- 2.3 Since our last Statement of Data Needs (SDN) in 2022, we published our first Fiscal Sustainability Report (FSR) in March 2023.¹ The report contained 50 years’ worth of projected Scottish Government funding, spending and the resulting annual budget gap, FSRs will be updated every two years, focusing on one or more topics affecting fiscal sustainability. In intervening years, we publish Fiscal Sustainability Perspectives (FSP) reports, analysing the implications of a given topic but without full spending and funding projections. An example of this is our recent FSP on climate change.²
- 2.4 The data we need for our regular projections of the annual budget gap is different from the more specialised information we need to produce our topic-focused fiscal sustainability analysis. In the long term, we aim to improve the annual budget gap projection by incorporating analysis from our FSP reports.
- 2.5 We have also expanded our analysis on devolved public spending. In January 2024 we published our first paper on spending trends, looking at the years 2022-23 to 2024-25.³
- 2.6 In this chapter we set out several data requests relating to devolved funding and spending. We present the requests by the organisations that produce and hold this data. Most requests are for the Scottish Government. However, some regarding the Block Grant are for HM Treasury (HMT). Where appropriate, we refer to recommendations made in our 2022 SDN and further expand on them.⁴

¹ Scottish Fiscal Commission (2023) [Fiscal Sustainability Report – March 2023](#)

² Scottish Fiscal Commission (2024) [Fiscal Sustainability Perspectives: Climate Change](#)

³ Scottish Fiscal Commission (2024) [Spending trends in the 2024-25 Scottish Budget](#)

⁴ Scottish Fiscal Commission (2022) [Statement of Data Needs – August 2022](#)

Scottish Government

Public spending

2.7 One set of recommendations for the Scottish Government relates to new and improved spending data. Meeting these would help improve our analysis and commentary on the Scottish Budget.

New data

2.8 In our 2022 SDN we recommended that the Scottish Government publish spending plans at each budget using the United Nations' Classification of Functions of Government (COFOG).⁵ This is an internationally standardised framework that enables consistent reporting over time. We also recommended that spending by COFOG should be updated during the financial year as spending plans change, and once actual spending amounts (outturn) are known.

2.9 Following our recommendation, the Scottish Government published a 3-year breakdown of spending by COFOG alongside its 2023-24 Budget in December 2022. It compared the position for each budget as initially set.⁶

2.10 The Scottish Government published similar data alongside the 2024-25 Budget in December 2023. In response to a request from the Finance and Public Administration Committee (FPAC), it released further detail on its spending plans.⁷ This spreadsheet included planned allocations down to specific policies (Level 3 in the hierarchy of spending) at different stages as these changed throughout the budgets' lifecycle. It was published in a machine-readable format, which is important to facilitate analysis.

2.11 These are all welcome steps. However, each dataset missed a valuable aspect. The spending data by COFOG enables stakeholders to track spending over time by cutting through the distortion of changing portfolios. However, it only showed plans for each budget as initially set, even though material changes are sometimes made during the year. The spending data at different stages of the budgets' lifecycle did not include the COFOG classification. Therefore, trends over time were distorted by portfolio restructurings and redefinition of spending lines. Had these datasets been joined up, they would have been much more useful for public scrutiny.

2.12 We obtained unpublished data from the Scottish Government linking up the information from both spreadsheets to enable our analysis. We prefer to use publicly available data to inform our assessments and commentary as this allows for greater transparency and scrutiny. We believe there is scope for the Scottish Government to go further, for the benefit of stakeholders and the wider public.

⁵ Scottish Fiscal Commission (2022) [Statement of Data Needs – August 2022](#)

⁶ Scottish Government (2022) [Scottish Budget: 2023 to 2024](#). See 'Analysis by COFOG including 2021-22 and 2022-23 Comparative Data' within 'Supporting Documents'.

⁷ Scottish Government (2023) [Scottish Budget: 2024 to 2025](#). See 'Analysis by Classification of Functions of Government' and 'Additional Disclosure of Prior Year Comparative Information' within 'Supporting Documents'.

Box 2.1: Recommendation 1

Scottish Government to publish a dataset, in machine-readable and open-source format, with spending plans down to Level 3 and COFOG classification, for as many past financial years as is reasonably feasible. Amounts should be unrounded.

For previous financial years, the dataset should contain spending plans at each stage of budgets' lifecycle – Budget Bill, Budget Act, and Budget Revisions. Spending detail should be for each level of the hierarchy and COFOG category once outturn data is available.

For current and future financial years, the dataset should be updated at each opportunity, alongside the Budget, Budget Revisions and outturn following the end of the year.

The format should be consistent to allow an easy comparison between, and within, financial years. Any presentational adjustments needed for comparability over time should be transparently shown and clearly explained.

- 2.13 In its 2024-25 Budget Scrutiny Report, the FPAC asked the Scottish Government to consider what steps it can take to enable the SFC's spending analysis earlier in the budget process.⁸
- 2.14 We acknowledge that detailed spending allocations may not be settled until later in the process. However, sharing it with sufficient time ahead of presenting the Budget may enable us to include some spending analysis in our forecast reports or in supplementary notes shortly after. This way, there are greater opportunities for parliamentary scrutiny.

Box 2.2: Recommendation 2

Scottish Government to share with Scottish Fiscal Commission detailed spending data reconciled with total discretionary funding with sufficient time ahead of the Budget publication for Scottish Fiscal Commission to include an analysis in our report or in a supplementary report published shortly after.

Improvements to existing data

- 2.15 While portfolios change regularly, Level 3 spending lines tend to be more stable. However, small changes in the description of Level 3 spending lines make data linkage over time problematic. This is a problem for analysis not only in the context of climate change, but for spending trends more widely.

Box 2.3: Recommendation 3

Scottish Government to add unique codes to each Level 3 line when publishing the machine-readable, open-source dataset suggested in Recommendation 1.

⁸ Scottish Parliament (2024) [Budget Scrutiny 2024-25 – 31 January 2024](#)

- 2.16 There can be changes to Level 3 spending lines over time. When allocations for specific lines change, sometimes the Scottish Government merges them or splits them into several new ones. They are also sometimes redefined if their scope changes.
- 2.17 We understand that spending lines might need to change. Greater allocations justify more detail for transparency and accountability. Smaller allocations may lead to loss of materiality, justifying a merge. However, as holder of this information, the Scottish Government should make it publicly available. This way, stakeholders can reliably adjust their analysis without the need for judgements and assumptions.

Box 2.4: Recommendation 4

Scottish Government to publish mapping of Level 3 lines every time they get merged, split, or redefined. Any associated spending amounts should be unrounded.

Public funding

- 2.18 In our 2022 SDN we recommended that the Scottish Government set out the assumptions it makes to estimate funding for each Budget and MTFs more clearly. Since then, it has progressively improved the detail around its funding assumptions.
- 2.19 We welcome the Scottish Government's greater disclosure and transparency. However, we believe there is scope to present the data in a more accessible and reproducible way. For example, if the Scottish Government published datasets for the tables in funding annexes, stakeholders have access to unrounded numbers, improving analysis.
- 2.20 The Scottish Government normally publishes two Budget Revisions per year. Spending changes are published on the Scottish Government's website, but the funding changes underpinning these are not routinely published. Similarly, the provisional outturn statement is not always accompanied by a spreadsheet. At all points in the budgets' lifecycle funding tables should be published to facilitate analysis and scrutiny.

Box 2.5: Recommendation 5

Scottish Government to publish funding tables with unrounded numbers at Scottish Budgets, Medium-Term Financial Strategies, Budget Revisions, and provisional and final outturn, in a consistent machine-readable and open-source format.

Fiscal sustainability

- 2.21 Another set of recommendations relates to new and improved spending information on climate change policies. Meeting these will support our assessment of the long-term fiscal implications of climate change.

New data

- 2.22 Our Fiscal Sustainability Perspectives: Climate Change report identified several gaps in the information available to assess how climate change would affect public finances in

the long term.⁹ These needs relate to Budget data and to clarity and detail in government policies.

- 2.23 Knowing whether emission reductions and adaptation objectives are likely to be met helps in the assessment of fiscal sustainability. Failure to meet emission targets means further spending will be needed in the future to meet subsequent targets. Insufficient adaptation will imply greater costs from climate change related damages and more hurried retrofitting in the future.
- 2.24 The Climate Change Committee (CCC) produce regular reports regarding Scotland's progress on mitigation and adaptation.¹⁰ Improved information from the Scottish Government on quantified mitigation and adaptation plans would allow the CCC and other experts to assess whether its plans are likely to achieve targets and to measure progress against those targets. These assessments by expert organisations, together with more detail on policies and associated costs from the Scottish Government, could allow us to bring climate change spending into our projections of the annual budget gap in the future.
- 2.25 As has been recommended by other organisations, if the Scottish Government used a net zero assessment on spending decisions and published the results in a clear and consistent format, transparency and scrutiny of spending decisions would improve.^{11,12} In turn, it would support our work of assessing the fiscal sustainability of mitigation activity. Similarly, assessing how spending decisions contribute to or go against adaptation objectives would help us assess the Scottish Government's fiscal sustainability and would provide greater transparency on the implications of spending decisions.

Box 2.6: Recommendation 6

Scottish Government to introduce and publish the results of their planned net zero assessment.¹³ It should also introduce a similar methodology relating to adaptation to assess the implications of spending decisions on climate change adaptation.

- 2.26 In our Fiscal Sustainability Perspectives: Climate Change report we recommended that the Scottish Government include detail on costs in its next Climate Change Plan. Each policy or programme should have its cost explained for the public and private sectors, ideally splitting between households, businesses and the third sector. We recommended that, if future targets are missed or trajectories go off course, any response to correct

⁹ Scottish Fiscal Commission (2024) [Fiscal Sustainability Perspectives: Climate Change](#)

¹⁰ Climate Change Committee [Scotland Reports](#)

¹¹ Climate Emergency Response Group (August 2023) [Committing to delivery: certainty and leadership for a just transition to a net zero, climate resilient future for Scotland. Briefing paper: Net Zero Test](#)

¹² Fraser of Allander Institute (2022) [Improving emissions assessment of Scottish Government spending decisions and the Scottish Budget](#)

¹³ Scottish Parliament (2024) [Letter from the Cabinet Secretary for Wellbeing Economy, Net Zero and Energy to the Net Zero, Energy and Transport Committee, 18 April 2024](#)

this includes an associated re-estimation of likely costs as missed targets can require greater spending to get back on track.

- 2.27 Currently the Climate Change Plan is required to cover years up to 2040. We note that any spending plans for beyond the current parliamentary term will be indicative and may change in the future. However, to support wider public scrutiny, costs should still be set out broken down by policy and by affected sector. This would allow us to assess the consequences for fiscal sustainability as well as monitor the fiscal effects of changes to policy and of meeting any new targets or trajectories.

Box 2.7: Recommendation 7

Scottish Government to set out in its Climate Change Plan the effect of each policy on reducing emissions and its associated cost, split between public and private sector where appropriate.

This should be presented in a way which allows spending on those policies and programmes to be identified in the Scottish Budget and tracked consistently over time.

- 2.28 Since we published our report in March 2024, the Scottish Government has announced that the 2030 target is not achievable, and that it intends to remove the target from legislation. Instead, it will move to five-yearly carbon budgets. The legal commitment to reach net zero by 2045 will still apply and the Scottish Government plans to continue with annual reporting on progress against the revised climate targets.¹⁴
- 2.29 The Scottish Government has not yet published its Climate Change Plan, which the law currently requires in draft form by the end of November 2024. The planned legislation will change the deadline of the next Climate Change Plan. The Scottish Government now expects to publish the next Climate Change Plan once new targets have been set in spring 2025.¹⁵
- 2.30 On adaptation, our assessment of fiscal sustainability would be strengthened if the Scottish Government included detail on costs in its upcoming Scottish National Adaptation Plan. Each policy or programme in the plan should include an estimated cost for the public and private sectors, ideally split between households, businesses, and the third sector.
- 2.31 We also recommend that the Scottish Government present estimates of the cost of damages from climate change assuming no further action on adaptation, as inaction would likely increase overall costs.^{16,17}

¹⁴ Scottish Government (2024) [Climate Change Committee Scotland report - next steps: Net Zero Secretary statement – 18 April 2024](#)

¹⁵ Scottish Government (2024) [Climate Change \(Emissions Reduction Targets\) \(Scotland\) Bill: position paper](#)

¹⁶ Scottish Government (2019) [Climate Ready Scotland: Second Scottish climate change adaptation programme 2019-2024](#)

¹⁷ Scottish Government (2024) [Draft Scottish National Adaptation Plan \(2024-2029\)](#)

Box 2.8: Recommendation 8

Scottish Government to set out in its Scottish National Adaptation Plan how each policy meets adaptation outcomes, and their associated cost, split between the public and private sector where appropriate.

This should be presented in a way which allows spending on those policies and programmes to be identified in the Scottish Budget and tracked consistently over time.

The Scottish Government should also estimate in the Scottish National Adaptation Plan the economic damage in a scenario of no further adaptation.

Improvements to existing data

- 2.32 In our Fiscal Sustainability Perspectives: Climate Change report we recommended that the Scottish Government continue to improve its classification of spend that supports climate change objectives.
- 2.33 When publishing public sector costs in the Climate Change Plan and the Scottish National Adaptation Plan, they should align with the classification of spending used for the Climate Change Assessment. The Scottish Government publishes this document alongside the Scottish Budget. In it, it classes each spending line as having either a positive, negative, or neutral effect in reducing greenhouse gas emissions.¹⁸
- 2.34 The classification of spending as supporting mitigation, adaptation or both needs to be done in a coherent manner. This should also be consistent with how spending on policies is tracked internally. Work to improve the Scottish Budget Climate Change Assessment should be coordinated with climate change policies on mitigation and adaptation. This will ensure consistency across costs published in the policies and how this is tracked in budget spending.

Box 2.9: Recommendation 9

Scottish Government to continue to improve the Climate Change Assessment of the Scottish Budget, and show whether spend supports mitigation, adaptation, or both.

The Climate Change Assessment looks at the budget as introduced. The analysis should be updated with outturn spending amounts.

The work should be presented so that cost estimates associated with climate change policies on mitigation and adaptation, including in the Climate Change Plan and Scottish National Adaptation Plan, can be compared and tracked in budget spending.

¹⁸ Scottish Government (2023) [Scottish Budget: 2024 to 2025](#). See 'Annex J – Climate Change Assessment of the Budget' and 'Carbon Assessment of the 2024-25 Budget – Detailed Breakdown' within Supporting Documents.

Block Grant Transparency

- 2.35 The Block Grant is the main source of funding for the Scottish Government. Each time the UK Government changes its spending plans in a devolved area, HMT updates the Block Grant based on the latest Statement of Funding Policy and in consultation with devolved administrations. The data is then made publicly available through the Block Grant Transparency (BGT) dataset.¹⁹
- 2.36 Spending plans for departments are set in Spending Reviews. However, the UK Government often announces changes to tax and spending plans at its fiscal events, such as changes to business rates or extra spending for the NHS in England. When measures are paid from new or previously unallocated funding, there are increases in the devolved administrations' Block Grants. When this happens, UK fiscal event documents include a headline figure for changes in devolved administrations' budgets.
- 2.37 Detail on how the change in the Block Grant has come about is found in the BGT dataset. However, it is not published regularly, and there is no update schedule for the dataset. While there have been twelve UK fiscal events since the first edition of the BGT in December 2017, the dataset has only been updated six times. The latest release is more than a year old at the time of writing.
- 2.38 In the absence of timely BGT releases, Barnett consequentials are hard to reproduce. A Policy Decisions spreadsheet is published alongside each UK fiscal event. However, it does not set out detail on spending measures if these are funded from unallocated reserves set aside at the time of the Spending Review.
- 2.39 We note that between BGT releases HMT does update the data as part of the Supply Estimates process. However, getting the data relies on another body, the UK Parliament's Scottish Affairs Committee, to upload documents on its website. While this is normally done promptly, depending on the parliamentary cycle there may be a significant lag between Supply Estimates being published and the Scottish Affairs Committee making available the additional information.
- 2.40 As a result, consequentials sometimes must be roughly estimated by comparing tables of departmental expenditure limits between fiscal events. Having the BGT dataset publicly updated regularly in the public domain would enable us to more easily assess the Scottish Government's confirmed and assumed Barnett funding. Alternatively, if HMT does not update the BGT alongside each fiscal event, the Scottish Government could publish details of Barnett consequentials agreed with the UK Government following each fiscal event.

¹⁹ HM Treasury (2023) [Block Grant Transparency – July 2023](#)

Box 2.10: Recommendation 10

HMT to update the Block Grant Transparency dataset alongside each UK fiscal event.

If HMT does not publish the Block Grant Transparency dataset alongside each fiscal event, the Scottish Government should publish timely details of Barnett consequentials received. This information should be published in a consistent format each time.

Statutory right to information

- 2.41 In our 2020 Statement of Data Needs we recommended that we should be given a statutory right of access to information held by UK Government departments and public bodies.²⁰ This followed a recommendation from the Organisation for Economic Cooperation and Development (OECD) review of the SFC in 2019.²¹ In 2022 we highlighted how the upcoming fiscal framework review could provide an opportunity for the statutory right of access to be given.²²
- 2.42 The fiscal framework review was completed in August 2023. It did not result in a the SFC getting a statutory right of access to information from the UK Government. Although we have memorandums of understanding signed with UK Government departments, we still believe it would be helpful for our forecasting work to have that right in legislation.

Box 2.11: Recommendation 11

UK Government to provide the Scottish Fiscal Commission with statutory access to relevant information held by its departments and public bodies.

²⁰ Scottish Fiscal Commission (2020) [Statement of Data Needs – September 2020](#)

²¹ Scottish Fiscal Commission (2019) [OECD Review of the Scottish Fiscal Commission](#)

²² Scottish Fiscal Commission (2022) [Statement of Data Needs – August 2022](#)

Chapter 3

Economy and tax

Introduction

- 3.1 In this report we discuss the new challenges with economic data since our last Statement of Data Needs in 2022, which are mainly issues with the Labour Force Survey. We also discuss data challenges relating to new devolved taxes that are expected in the near future, mainly Scottish Aggregates Tax.
- 3.2 On the economy side, many of our past recommendations have been addressed, particularly around the Scottish Government's Quarterly National Accounts for Scotland (QNAS) and HM Revenue and Customs (HMRC) Pay As You Earn (PAYE) Real Time Information (RTI) employee and pay data.
- 3.3 We are grateful for the progress made in these areas. Other requests such as the production of regional price data and further improvements to earnings data, which are likely to have longer timescales for development, are summarised in [Annex A](#).

Economy

Labour market data

- 3.4 We need high-quality labour market estimates for Scotland, including comparisons with the UK, to understand the current state of the Scottish economy and produce our economy forecasts. Our employment and earnings forecasts are critical to our forecast of income tax, which in itself is a significant component of the Scottish Budget.
- 3.5 Given the fiscal framework, we need Scottish data which is comparable to the UK-wide data used in the forecasts from the Office for Budget Responsibility (OBR).
- 3.6 Over the last few years, the Labour Force Survey (LFS) that the Office for National Statistics (ONS) conducts has faced several challenges, caused or exacerbated by the Coronavirus (COVID-19) pandemic. As a result, we and other organisations have growing concerns about the quality and reliability of labour market estimates for the UK as a whole and its constituent nations.²³ Issues with the LFS were also discussed in evidence sessions during the 2024-25 Scottish Budget scrutiny process, with the Scottish Parliament's Finance and Public Administration Committee expressing concerns and calling for progress.²⁴

²³ Resolution Foundation (2023) [Flying blind?](#) and [Chart of the Week – 20 October 2023](#), Box 3.1 in Scottish Fiscal Commission (2023) [Scotland's Economic and Fiscal Forecasts – May 2023](#), Box 1.1 in Scottish Fiscal Commission (2023) [Scotland's Economic and Fiscal Forecasts – December 2023](#), Box D in Bank of England (2024) [Monetary Policy Report – May 2024](#), Resolution Foundation (2024) [Measuring up? Exploring data discrepancies in the Labour Force Survey](#).

²⁴ Scottish Parliament (2024) [Budget Scrutiny 2024-25 – 31 January 2024](#)

- 3.7 These concerns also involve statistics based on the Annual Population Survey (APS), which depends on the LFS. The Office for Statistics Regulation (OSR) is engaging with the ONS and keeping the status of LFS and APS statistics under review.²⁵
- 3.8 In this section we briefly outline UK-wide issues with the LFS/APS but focus on recommendations specifically relating to Scotland.

UK-wide challenges

- 3.9 One UK-wide challenge with the LFS is the decline in response rates to the survey. This has led to increased sampling volatility, meaning that estimates have become less reliable, especially at sub-UK geographical level.
- 3.10 To address this issue, the ONS is developing the Transformed Labour Force Survey (TLFS), which will be the long-term solution for providing high-quality labour market data for the UK and its nations. Introduction of the TLFS was postponed from March 2024 to September 2024, and has been delayed again to 2025 but without a clear timetable.²⁶
- 3.11 Another issue is the divergence between the LFS and other employment measures, such as the PAYE Real Time Information (RTI) which is based on administrative data. The LFS is likely to be underestimating employment, partly because the population weights used do not yet fully reflect the recent high levels of international migration.²⁷
- 3.12 Our current understanding is that a full and consistent reweighting across all UK nations will take place after the publication of the next set of subnational population projections for the UK and its constituent nations, currently planned for spring 2025. In the interim, LFS estimates will be partially reweighted later this year to incorporate updated international migration data.

Scotland-specific challenges

- 3.13 One of our concerns with the LFS is that Scottish estimates are currently based on population data which is inconsistent with that used for the rest of the UK. This is due to the timing of Scotland's census, which took place a year later (2022) than in the other UK nations.
- 3.14 Because of that, census-based population estimates for Scotland have not been available at the same time as for the rest of the UK. This has complicated the ONS process for updating the LFS population weights. At present, we think it is difficult to draw clear conclusions about the relative state of the Scottish labour market.
- 3.15 Our current understanding based on conversations with the ONS is that it plans to incorporate census-based population estimates for Scotland in the partial LFS

²⁵ OSR (2024) [Office for National Statistics' reintroduced Labour Force Survey \(LFS\)-derived labour market statistics: OSR progress report, July 2024](#), OSR (2024) [Mark Pont to Mike Keoghan: Annual Population Survey](#).

²⁶ ONS (2024) [Labour market transformation – update on progress and plans: July 2024](#)

²⁷ Given that the LFS is a sample, survey responses must be weighted to the latest population data to produce representative estimates. Typically, the ONS would reweight the LFS every two years to reflect the updated population estimates and projections, which would incorporate any changes to the level and composition of the UK and sub-UK population.
ONS (2024) [Impact of reweighting on Labour Force Survey key indicators: 2024](#)

reweighting later this year. However, issues with the quality of Scottish LFS estimates and with comparability between Scotland and the UK are likely to remain until the full reweighting which is due to take place next year.

- 3.16 Another issue is that the APS – on which we rely for key breakdowns of Scottish labour market data – has not yet been reweighted in line with LFS data. Therefore, we have concerns about inconsistency between these two sources and the quality and reliability of APS statistics.
- 3.17 Overall, we think that communication on LFS and APS reweighting, especially for sub-UK data, should be more proactive and transparent so that all users are kept well informed about planned changes. This is important so all users know when they can expect further revisions as well as what data and assumptions on population are used for all sub-UK estimates. Any caveats and limitations should be explicitly flagged and explained to users. We strongly recommend this for the current reweighting exercise as well as future ones, and for wider LFS/TLFS and APS developments.

Box 3.1: Recommendation 12

ONS to publish a timetable for LFS/TLFS and APS reweighting exercises and wider developments, with full and clear information about planned changes for all the UK nations.

- 3.18 Looking ahead, we ask that the ONS, National Records of Scotland (NRS), and the Scottish Government work closer together to ensure the provision of high-quality and consistent labour market estimates across all UK nations.

Box 3.2: Recommendation 13

ONS, NRS, and the Scottish Government to work jointly to ensure the availability of Scottish labour market estimates which are both of high quality and produced on a consistent basis to UK estimates.

Public sector earnings and employment

- 3.19 Since January 2021, we have produced forecasts of earnings and employment for the private and public sectors, as well as for the whole economy, to feed into our income tax model.
- 3.20 As discussed in our 2022 SDN, two areas for which we need improved data are:
- earnings and employment by private and public sectors
 - factors feeding into our forecasts of Scottish public sector earnings and employment

Historical data

- 3.21 Currently, for employment, we use the Scottish Government's Public Sector Employment Statistics. We subtract these amounts from the total Scottish employment data in our model to estimate private sector employment. For earnings, we use the

Annual Survey of Hours and Earnings (ASHE) to derive a split of the Scottish average earnings data in our model between private and public sectors.

- 3.22 We are keen to use RTI by private and public sectors, especially for earnings as ASHE is annual and only available with a lag. Over recent years, we have discussed with HMRC the possibility of publishing a regional breakdown of RTI data by private and public sectors (employees, mean pay, aggregate pay).
- 3.23 We are grateful to HMRC for all the work done to produce this new breakdown and for keeping us updated on progress. We continue to engage with HMRC as it completes the final stages of publication for the new breakdown.

Box 3.3: Recommendation 14

HMRC to finalise publication of the regional breakdown of RTI data by private and public sectors (employees, mean pay, aggregate pay).

Scottish public sector earnings and employment forecasts

- 3.24 The Scottish devolved public sector paybill in 2023-24 accounted for around £25 billion, or over half, of the Scottish Government's discretionary resource funding.²⁸
- 3.25 Both pay and workforce are important parts of the budget but, while the Scottish Government can set a formal guideline for pay, it does not directly control workforce across the devolved public sector. The Scottish Government usually sets a pay policy, which can cover multiple years, applying to public bodies and acting as a framework for pay negotiations for all major devolved public sector workforce groups.²⁹ In contrast, currently there is no centralised policy on workforce, but it is for individual public sector organisations to balance their staffing decisions within their overall allocated budgets.
- 3.26 To produce our forecast of public sector earnings, we usually rely on information from the Scottish Government on basic pay awards, based on its pay policy, and we make assumptions about pay progression and employment churn to obtain a forecast for the average pay bill. As set out in our recent baselines paper, for years in which we do not have policies or information on basic pay awards from the Scottish Government, we assume that basic pay grows in line with inflation.³⁰
- 3.27 Our forecast of public sector employment is currently based on our projection of the average pay bill, ensuring that employment adjusts to maintain the total paybill as a fixed proportion of discretionary resource funding.³¹

²⁸ Scottish Government (2024) [Public sector: economic overview](#)

²⁹ These include NHS Scotland, Scottish firefighters and police officers, teachers, and further education workers. For Scottish local government employees, pay and other employment matters are delegated to local authorities. Scottish Government (2024) [Public sector pay policy 2024 to 2025](#)

³⁰ Scottish Fiscal Commission (2024) [How we set policy baselines](#)

³¹ This is an improvement on our past approach, described in the 2022 SDN, where our public sector employment forecast was based on historical (before COVID-19) average growth and so produced independently from pay and funding.

- 3.28 The greatest uncertainty is around our assumption for the size of the total paybill. We assume that it grows in line with our public sector current expenditure forecast, whereas in practice it may vary depending on government spending allocations.
- 3.29 Longer term, to improve our forecasts of Scottish public sector earnings and employment, the ideal position would be one where the Scottish Government provides us with a coherent set of projections for basic pay awards, average pay bills, total paybill, and workforce for the devolved public sector, based on its policies at the time of setting the budget. This would allow us to base our forecasts of devolved public sector earnings and employment on information produced consistently with the overall government spending position. It would also inform our commentary on the Scottish Government's funding and spending position.
- 3.30 We continue to engage with the Scottish Government to assess what can be delivered over time. We note that Audit Scotland has recommended that the Scottish Government improve its understanding of pay and workforce sizes and plans, since this is needed to inform its Medium-Term Financial Strategy (MTFS).³²

Box 3.4: Recommendation 15

Scottish Government to supply the Scottish Fiscal Commission, where possible, with consistent projections of basic pay awards, average pay bills, total paybill, and workforce for the devolved public sector in sufficient time for the Scottish Fiscal Commission to include these in its forecasts accompanying the Scottish Budget and MTFS.

Tax

- 3.31 This section discusses data sources, potential difficulties around the development of new data, and how these difficulties may affect our forecasts.

Scottish Aggregates Tax

- 3.32 Aggregates Levy (AGL) is a tax on the commercial exploitation of aggregates, which applies throughout the UK and is collected by HMRC.³³
- 3.33 The Scottish Government is planning to replace AGL with a devolved Scottish Aggregates Tax (SAT). Legislation for major elements of SAT is currently progressing through the Scottish Parliament, following the devolution of additional powers in the Scotland Act 2016.^{34,35}

³² Audit Scotland (2023) [The Scottish Government's workforce challenges](#)

³³ UK Government – [Environmental taxes, reliefs, and schemes for business](#)

³⁴ Scottish Parliament – [Aggregates Tax and Devolved Taxes Administration \(Scotland\) Bill](#)

³⁵ [Scotland Act 1998](#), section 80M (inserted by the [Scotland Act 2016](#))

- 3.34 Subject to agreement with the UK Government, the Scottish Government intends to introduce SAT from April 2026.³⁶ Revenue Scotland will then be responsible for collecting the new tax.
- 3.35 For AGL, a tax credit is available for exported aggregate, while the tax applies to imported aggregate. Introduction of SAT will mean that, in addition to providing for the tax treatment of such imports and exports, both SAT and AGL will have to consider additional cross-border issues within the UK. Based on the proposed bill, whether SAT or AGL will be payable depends on several factors. However, in the simple case of selling unmixed aggregate, it will be based on the location of the customer, not the location of the quarry.
- 3.36 We currently produce an illustrative forecast of the Scottish share of AGL. We derive this from outturn data, using a survey-based estimate of the proportion of UK-sourced aggregate that is quarried in Scotland. Assuming the Scottish Government introduces SAT in April 2026, we would provide a full forecast of SAT revenue to accompany the 2026-27 Scottish Budget.

Initial data needs

- 3.37 Until data is available from Revenue Scotland, we will need to base our forecast on AGL data from HMRC.
- 3.38 As far as is specified in the bill, SAT will be broadly aligned with AGL. There are aspects that will be set by Scottish Ministers in regulations after the bill becomes law. Our baseline assumption is that these regulations leave the taxes largely aligned, at least initially.
- 3.39 This means that we would ideally base our forecast on the amount of AGL that is raised by commercial exploitation in Scotland. However, HMRC does not hold this data because some companies operate quarries and serve customers in both Scotland and the rest of the UK but will submit a single tax return for all their activity.³⁷ This means it is necessary to estimate the appropriate share from other information, which increases the risk of forecast error.
- 3.40 The Scottish, UK and Welsh Governments have jointly commissioned the British Geological Survey to produce the Aggregate Minerals Survey 2023 for Great Britain. This will cover quarrying of aggregate in Scotland, England and Wales, and the movement of this aggregate into and out of Scotland (including to and from Northern Ireland, and internationally). Findings from the survey are expected to be available in the first half of 2025,³⁷ and should allow us to refine our estimate of the share of aggregate exploited in Scotland.
- 3.41 One risk to this approach is that this survey may not be fully representative, especially if return rates are low. Without Scotland-specific outturn data from HMRC, we will not be

³⁶ Scottish Parliament – [Aggregates Tax and Devolved Taxes Administration \(Scotland\) Bill](#). See ‘Aggregates Tax and Devolved Taxes Administration (Scotland) Bill policy memorandum’ under ‘Policy Memorandum’.

³⁷ Scottish Parliament (2024) [Scottish Government response to Stage 1 report on the Aggregates Tax and Devolved Taxes Administration \(Scotland\) Bill – letter of 15 May 2024](#)

able to determine whether the survey is representative until after Revenue Scotland provides us with outturn data for SAT.

Data needs after introduction

- 3.42 Once the tax is in operation, we will be able to use SAT outturn data as the basis for our forecast. Revenue Scotland has engaged constructively with us in relation to the data it intends to collect on its tax return, and we believe this will be sufficient for us to forecast SAT should it remain broadly aligned with AGL.
- 3.43 Revenue Scotland is considering the kinds of information it will request from taxpayers about the aggregate being produced. Depending on the details available, the information could help us determine how much aggregate is affected by potential policy changes.
- 3.44 However, it would not be practical for Revenue Scotland to collect data that would cover every conceivable policy change without placing an undue administrative burden on taxpayers. This therefore represents a risk to our forecast.
- 3.45 Some policy changes may also lead to behavioural change. For example, if the rates were to diverge between SAT and AGL, producers that quarry aggregate and then mix it with other materials before selling it on could change where the mixing takes place, because the site of mixing would determine which tax applied. It is particularly difficult to forecast such behavioural effects because of the lack of precedent.

Box 3.5: Recommendation 16

Revenue Scotland to consider Scottish Fiscal Commission's data needs in relation to potential future policy changes to Scottish Aggregates Tax, and to continue to develop the SAT return with insight from the Scottish Government to anticipate likely future policy changes.

Scottish Building Safety Levy

- 3.46 The Scottish Government is proposing to introduce a Scottish Building Safety Levy, subject to the devolution of powers to the Scottish Parliament.³⁸ It would be a new tax, applied as part of the building standards process on new residential buildings. The tax is in the early stages of development and is not expected to be introduced before April 2026.
- 3.47 We will consider the data we require to forecast revenue from Scottish Building Safety Levy as the Scottish Government develops its plans.

³⁸ Scottish Government (2024) [Powers secured to introduce building safety levy](#)

Chapter 4

Social security

Introduction

- 4.1 In our 2022 Statement of Data Needs (SDN) we discussed the immediate data needs for the social security payments that had recently launched. At that point, we highlighted data collection and dissemination issues for both Child Disability Payment (CDP) and Adult Disability Payment (ADP). Under data collection issues, we discussed the collection of the gender of the disabled child or adult outside of the main application form, and how this limited our capacity to evaluate the prevalence of certain health conditions by gender.
- 4.2 The main dissemination issues we discussed related to disability payments. In August 2022, data on CDP was informative but limited, so we discussed what data we needed to improve our forecast and evaluate the payment. We also discussed our data needs for the payments still administered by the Department for Work and Pensions (DWP) which will eventually be replaced by new ones and administered by Social Security Scotland.
- 4.3 Since our last SDN, we have continued to regularly engage with Social Security Scotland to ensure it considers our forecasting needs when publishing data. We have seen improvement on the data published by Social Security Scotland on disability payments. In addition, Social Security Scotland has shared detailed management information with us on the number of people entering the CDP and ADP caseload by single year of age. This is important for our forecasts of the number of people receiving disability payments.
- 4.4 Disability payments are complex, as eligibility is related to the effects of a client's disability or health condition on their everyday life. They can receive support at different rates depending on the level of support needed.
- 4.5 Social Security Scotland publishes comprehensive data on caseload, initial application outcomes, award level for case transfer and new applications as well as data on redeterminations and appeals. We have used this data in our forecasts of the number of people receiving disability payments in Scotland. This has helped us begin to evaluate the effect the new payments have had on the number of successful applications and average payment levels, as part of our Forecast Evaluation Report 2024.³⁹

Short-term requirements

- 4.6 These recommendations cover areas that either pose an immediate risk to our ability to produce accurate forecasts or that we consider important to maintain consistency across Social Security Scotland's statistical publications. We are looking for our recommendations to be actioned within the next 12 months.

³⁹ Scottish Fiscal Commission (2024) [Forecast Evaluation Report – August 2024](#)

Disability payments

Award review outcomes

- 4.7 When devolved disability payments were introduced, we based our forecasts on judgements informed by the introduction of other payments across the UK. As data on the Scottish replacement payments has become available, we have been replacing and refining these judgements.
- 4.8 After a new payment is launched, our analysis is primarily focused on the number of applications received, processed and the award level of the authorised applications. As the payment becomes more established, some clients will require award reviews, and as award reviews take place, we need data on those to be available for use to refine this part of our forecast.
- 4.9 We have received management information from Social Security Scotland on the number of clients who stop receiving a payment because they are no longer eligible. This suggests that the number of clients leaving the caseload is lower in CDP and ADP than it was for Child Disability Living Allowance (DLA) and Personal Independence Payment (PIP) respectively. This is broadly aligned to our assumption that the light-touch reviews would result in people receiving higher payment award levels and payments for longer and therefore resulting in higher levels of spending on the disability payments.
- 4.10 We have been informed by Social Security Scotland that it is currently working on the development of these statistics, and these will be included in its upcoming publications for ADP and CDP. We welcome this development. We need regular statistics on the outcome of the award reviews to assess whether the decrease in the number of applications denied at award review is a temporary or permanent effect so we can review our assumptions accordingly. These statistics should provide details on the award level before and after the review, client type and month of the review.

Box 4.1: Recommendation 17

Social Security Scotland to publish detailed statistics on the outcome of award reviews of the disability payments as part of their quarterly statistical publications.

Flows across payments

- 4.11 The current disability payment system in Scotland is complex. There are multiple disability payments which a person could receive. For example, at present in Scotland, a 50-year-old person can receive one of the following:
- DLA and, in the future, be transferred to ADP or to Scottish Adult DLA;
 - PIP and be transferred to ADP by the end of 2024-25;
 - ADP, if they have transferred from DLA or PIP, or have applied directly.
- 4.12 Clients receiving different payments could have different characteristics, as payments can have quite different eligibility criteria. On average, clients have been receiving

disability payments for different durations, so they may receive different average award levels. Not understanding the characteristics of these clients transferring across payments will affect our ability to forecast spending on disability payments.

- 4.13 Social Security Scotland has already published statistics on ADP which distinguish between people who made new applications for it and those who instead were transferred from DLA and PIP. It has also started to publish statistics on the number of cases selected for transfer, broken down by those who were in receipt of PIP or DLA for adults.
- 4.14 To better understand the characteristics of the clients exiting from DLA for adults to ADP, we require disaggregated statistics on the numbers of transfers and their characteristics on a regular basis.

Box 4.2: Recommendation 18

Social Security Scotland to publish data on the number of people transferred from DLA for Adults and their payment award levels in their quarterly publication.

- 4.15 Social Security Scotland has started to publish statistics on the number of children transferring from CDP to ADP after their sixteenth birthday. This has provided an insight into the number of young people whose applications are approved and their new payment award level in ADP. We welcome this development.

Carer payments

- 4.16 Carer Support Payment (CSP) is replacing Carer's Allowance which is administered in Scotland by the DWP. The CSP pilot began in November 2023 and the payment will be available nationally from autumn 2024. Initially, it will be broadly aligned with Carer's Allowance, apart from the eligibility change to carers in full-time education and changes to the rules on presence in the UK to become eligible. Further policy changes will be implemented when the full transfer of clients from the DWP to Social Security Scotland is completed.
- 4.17 Social Security Scotland has published some statistics on the number of applications received and processed during the first stages of the pilot.⁴⁰ However, as eligibility for CSP depends on the person cared for receiving certain disability payment rates, to forecast CSP we need detailed statistics on the disability payment received by the person cared for.
- 4.18 We have provided Social Security Scotland with our data requirements. We are aware that it is working on introducing these in future publications. These requirements include:
- a breakdown of the CSP caseload by the client age group as well as the cared for person's qualifying payment and their age group;

⁴⁰ Social Security Scotland (2024) [Carer Support Payment: statistics to 31 March 2024](#)

- a caseload for Carer’s Additional Person Payment (CAPP) – a total number of payments to those caring for more than one eligible person. We expect this information to be available after CAPP is launched.

- 4.19 To assess the effect of expanding the CSP eligibility to full-time students on our caseload forecast, we will need information on student status of the carer from the new applicants.
- 4.20 If further policy changes on the carers’ earning limit are implemented, we would require data on the clients’ earnings. We will need this data to adjust our caseload forecast and assess the impact of the CSP implementation.

Box 4.3: Recommendation 19

Social Security Scotland to publish detailed statistics on the characteristics of the people in receipt of different carer payments, as well as the cared for person’s qualifying payment.

Statistical publications for all payments

- 4.21 Social Security Scotland has introduced changes to its internal data management and reporting systems and has expanded its capacity to extract and publish statistics.
- 4.22 Its statistics are updated to allow for full revision. This is partly to reflect the lag between an application being submitted and the provided information to be entered in the data management systems. In addition, methodological changes or improvements can also lead to revisions.
- 4.23 For example, the methodology to calculate the outcome of an initial application in a month has changed, and this has resulted in changes in the number of approved applications in a month. While we recognise that these changes have resulted in an improvement in the published data, we would like to highlight the importance of regularly reporting on the changes introduced and the effect on the published data.
- 4.24 Social Security Scotland has started to provide details on the effect of the methodological changes on its website. We welcome this development and recommend that it continue doing so.

Box 4.4: Recommendation 20

Social Security Scotland to continue providing information on methodology changes and the effect of those on the published statistics.

Medium-term requirements

- 4.25 Here, we focus on the data requirements for the payments yet to be launched. For most of these, we expect data to be published in 2025 and before our next Statement of Data Needs in 2026. We also discuss data developments for the Five Family Payments, and potential changes to the ADP eligibility criteria.

Payments to be launched

- 4.26 There are several payments that will be launched nationally in the near future. These are Pension Age Winter Heating Payment (PAWHP), Pension Age Disability Payment (PADP), Scottish Adult Disability Living Allowance (Scottish Adult DLA), and Employment Injury Assistance (EIA).

Pension Age Winter Heating Payment

- 4.27 PAWHP was to be introduced in winter 2024-25 to replace the UK Government's Winter Fuel Payment (WFP) in Scotland and provide financial support to most people of State Pension age towards meeting heating costs in the winter.
- 4.28 The UK Government announced on 29 July 2024 that WFP would be restricted to those pensioners receiving certain means-tested benefits.⁴¹ The Scottish Government later confirmed that the payment will also be means tested in Scotland and postponed the launch of PAWHP to winter 2025-26.⁴²
- 4.29 Consequently, we do not expect the statistics on the number of people in receipt of PAWHP to be available until summer 2026. At that point, we will require data on the number of people who have received a payment, their age group, their qualifying payment, and the payment amount they received. Until the national launch of PAWHP, we will also need the data on the number and the characteristics of people receiving a payment and spending in Scotland in winter 2024-25.

Pension Age Disability Payment

- 4.30 PADP will be piloted by Social Security Scotland from October 2024. Social Security Scotland will then accept new applications from individuals across all of Scotland in April 2025.⁴³
- 4.31 The processes to apply for PADP, challenge an initial decision, the payment rate system, and the award review approach are broadly aligned with those of CDP and ADP. We have been in discussion with analysts at Social Security Scotland and we understand that PADP statistics publications will mirror those of CDP and ADP.
- 4.32 We ask that any development in the CDP and ADP publications be reflected in the PADP publication. Doing so will meet our data needs to forecast PADP, provided our other recommendations are met.

Scottish Adult Disability Living Allowance

- 4.33 Scottish Adult DLA will replace Disability Living Allowance for adults in spring 2025. It will be a closed payment only available to people already receiving DLA.
- 4.34 As there will not be any new applications to the payment, our data needs are limited to the number of people transferred from DLA and those exiting the payment either

⁴¹ UK Government (2024) [Fixing the foundations: public spending audit 2024-25](#). See '3.2 Immediate savings'.

⁴² Scottish Government (2024) [UK Government decision ends universal fuel payments](#)

⁴³ Social Security Scotland (2024) [New disability for pensioners](#)

because they stop being eligible at an award review, naturally leave the caseload, or request a transfer to another payment.

- 4.35 In line with Recommendation 18, Social Security Scotland should publish data on the number of people leaving Scottish Adult DLA and their payment award levels in their quarterly publication. In time, we would recommend that Social Security Scotland publishes data on award reviews conducted within Scottish Adult DLA.

Employment Injury Assistance

- 4.36 We expect that EIA will replace the Industrial Injuries Scheme (IIS) currently administered in Scotland by the DWP in the near future. At this point, the Scottish Government has not published its response to the public consultation. We expect that the new payment will be aligned with IIS at launch.
- 4.37 For our forecast we will need similar data to what is already available for IIS in Stat-Xplore, including caseload and average award by different payments within the EIA by gender and age groups. However, if there are any changes to the payment as part of policy development based on the current consultation, we will require further information to evaluate any change in the eligibility criteria, award amount or other policy introduced.
- 4.38 All these payments will replace those currently administered in Scotland by the DWP. We will require Social Security Scotland to produce similar statistics as those currently available in Stat-Xplore or the unpublished statistics produced by the DWP used to inform our forecasts.⁴⁴

Box 4.5: Recommendation 21

Social Security Scotland to produce quarterly statistics similar to those currently available from the Department for Work and Pensions for payments yet to be launched.

Eligibility for the Five Family Payments

- 4.39 In the previous Statement of Data Needs we supported Social Security Scotland work to incorporate operational data from the DWP and HMRC to quantify the number of children eligible for Best Start Grant, Best Start Foods, and Scottish Child Payment.
- 4.40 We understand that there has not been much progress on this request due to barriers to Social Security Scotland accessing the data held by the UK Government. A better understanding of the number of children eligible for the payment would assist our forecast, so we encourage developments on accessing this data.
- 4.41 We welcome the development of the statistical publications over the last two years, particularly the data on the ages of children receiving Scottish Child Payment.

⁴⁴ Department for Work and Pensions – [Stat-Xplore](#)

ADP independent review

- 4.42 An independent review of Adult Disability Payment (ADP) is currently being conducted to consider the eligibility criteria and the experience of people applying for and receiving the payment.
- 4.43 If any of the recommendations raised in the independent review were to be implemented, we may require additional data to assess and evaluate the effect of any policy changes on spending.

Chapter 5

Summary

5.1 This statement covers a broad range of data needs, which are summarised in this chapter. We will evaluate progress on each of these in our next Statement of Data Needs, which we expect to publish in 2026.

Figure 5.1: Summary of recommendations

| Chapter | Recommendations |
|----------------------|--|
| Funding and spending | 1 Scottish Government to publish and regularly update a machine-readable, open-source dataset with unrounded spending plans, down to Level 3 and COFOG, for as many financial years as is reasonably feasible. It should include plans at each stage of the budget’s lifecycle for each level of the spending hierarchy and COFOG category as well as actual spent amounts (outturn) when available. |
| | 2 Scottish Government to share spending data reconciled with total discretionary funding with sufficient time ahead of setting the Budget. |
| | 3 Scottish Government to add unique codes to each Level 3 line when publishing the machine-readable, open-source dataset suggested in Recommendation 1. |
| | 4 Scottish Government to publish mapping of Level 3 lines when they get merged, split, or redefined. Associated amounts should be unrounded. |
| | 5 Scottish Government to publish funding tables with unrounded amounts at Scottish Budgets, Medium-Term Financial Strategies, Budget Revisions, provisional and final outturn, in a consistent machine-readable and open-source format. |
| | 6 Scottish Government to introduce and publish results of its planned net zero assessment and introduce a similar methodology relating to adaptation to assess the implications of spending decisions on climate change mitigation and adaptation. |
| | 7 Scottish Government to include in the Climate Change Plan the effect of each policy on reducing emissions and their cost, split between public and private sectors where appropriate, in a way that is consistent and trackable over time. |
| | 8 Scottish Government to set out in the Scottish National Adaptation Plan how each policy meets adaptation outcomes and their associated cost, split between public and private sectors where appropriate, in a way that is consistent and trackable over time. |

| Chapter | Recommendations |
|----------------------|--|
| Funding and spending | <p>9 Scottish Government to keep improving the Climate Change Assessment of the Scottish Budget and update it as the budget changes. Show if spend supports mitigation, adaptation, or both.</p> <p>10 HM Treasury and Scottish Government to ensure timely publication of Barnett funding data, either by updating the Block Grant Transparency at each UK fiscal event or directly releasing detail on Barnett consequentials.</p> <p>11 UK Government to provide the SFC with statutory access to the relevant information its departments and public bodies hold.</p> |
| Economy and tax | <p>12 Office for National Statistics to publish a timetable for LFS/TLFS and APS reweighting exercises and wider developments, with full and clear information about planned changes for all UK nations.</p> <p>13 Office for National Statistics, National Records of Scotland, and Scottish Government to work jointly to ensure availability of Scottish labour market estimates of high quality and consistent with UK estimates.</p> <p>14 HMRC to finalise publication of the regional breakdown of RTI data by private and public sectors (employees, mean pay, aggregate pay).</p> <p>15 Scottish Government to supply, where possible, consistent projections of basic pay awards, average pay bills, total paybill, and workforce for the devolved public sector in sufficient time for the SFC to consider for its forecasts alongside the Scottish Budget and MTFS.</p> <p>16 Revenue Scotland to consider our data needs in relation to potential future policy changes to Scottish Aggregates Tax, and to continue to develop the SAT return with insight from the Scottish Government to anticipate likely future policy changes.</p> |
| Social security | <p>17 Social Security Scotland to publish detailed statistics on the outcome of award reviews of disability payments as part of their publications.</p> <p>18 Social Security Scotland to publish quarterly data on the number of people transferred from DLA for Adults and their payment award levels.</p> <p>19 Social Security Scotland to publish detailed statistics on the characteristics of the people in receipt of different carer payments, as well as the cared for person's qualifying payment.</p> <p>20 Social Security Scotland to keep providing information on methodology changes, and their effect on published statistics.</p> <p>21 Social Security Scotland to produce quarterly statistics like those from the Department for Work and Pensions for payments yet to be launched.</p> |

Annex A

Previous requests

- A.1 This annex looks at progress on the issues we raised in previous Statements of Data Needs.
- A.2 We only report on recommendations which in previous years we considered to be in progress, or which had not yet seen any progress. If we now consider them closed, we will not be reporting on them again.

Figure A.1: Log of past recommendations

| Forecast affected | Improvement requested | Addressed to | Progress |
|----------------------|---|--------------------------------|------------------------------|
| SDN 2022 | | | |
| Social security | Publish data comparable to the DWP on a consistent basis and backdate it to the launch of payments, avoiding any breaks in the data series. | Social Security Scotland (SSS) | Closed – delivered |
| Social security | Collect robust and reliable data consistently using the core application form, with information on the characteristics of clients receiving payments, including sex or gender, age, award and payment received, their condition, duration of claim and the outcomes of reviews and appeals. | SSS | Closed – partially delivered |
| Social security | Receive sufficient resources to enable them to produce the necessary data. | SSS | Closed – delivered |
| Social security | Set up a user group to ensure a wide range of views can identify the data requirements of users. | SSS | Closed – partially delivered |
| Social security | Develop an online tool similar to Stat-Xplore to allow stakeholders to access the specific data they require. | SSS | In progress |
| Funding and spending | Clearly include assumptions made to estimate funding for each Scottish Budget, so that we can assess how these affect the reasonableness of borrowing plans. | Scottish Government (SG) | Closed – partially delivered |

| Forecast affected | Improvement requested | Addressed to | Progress |
|----------------------|---|----------------------|------------------------------|
| Funding and spending | Publish Scottish Budget annual spending allocations on a COFOG basis at the time of each Budget or fiscal event, and with outturn when available. | SG | Closed – partially delivered |
| Funding and spending | Consider whether the SFC should be given a statutory right to access information held by UK Government departments and public bodies as part of the fiscal framework review. | SG and UK Government | No progress |
| Economy | Continue to consider how to improve regional wages and earnings data using RTI and other sources. | ONS / HMRC / SG | In progress |
| Economy | Publish a regional (NUTS1) breakdown of RTI data by private and public sectors (employees, mean pay, aggregate pay). | HMRC | In progress |
| Economy | Provide the SFC with additional information, where feasible, to improve our forecast of public sector employment and its internal consistency with our public sector earnings forecast and the overall government spending position. | SG | In progress |
| Economy | Develop regional inflation data and price deflators. | SG / ONS | In progress |
| SDN 2020 | | | |
| Funding and spending | Make information on fiscal framework publicly available in a timely manner. | SG | Closed – Delivered |
| Funding and spending | A defined process with HM Treasury and other UK government departments to share on a timely basis relevant policy information and analysis when there is a policy change that directly affects the SFC's tax and social security forecasts. | HM Treasury (HMT) | Closed – Delivered |

| Forecast affected | Improvement requested | Addressed to | Progress |
|---|---|---|--------------------|
| SDN 2019 | | | |
| Economy | Provide QNAS breakdown of public sector expenditure by different levels of government. | SG | In progress |
| Economy | Address Scottish data gaps. For example, long-term economic time series, trade, business investment, capital stock. | SG and ONS | In progress |
| Income tax | Supply evidence on how RTI liabilities data is compiled and divergences from outturn data. | HMRC | In progress |
| Value Added Tax (VAT) | Align publication of VAT assignment data to Scottish and UK fiscal events. | HMRC, SG, and HMT | Closed - delivered |
| VAT | Produce outturn data revision policy. | HMRC | In progress |
| Land and Buildings Transaction Tax (LBTT) | Supply pre-2003 property price and transactions data. | Registers of Scotland | No progress |
| LBTT | Provide public sector shared access to records of properties. | SG | No progress |
| SDN 2018 | | | |
| VAT | Create a detailed Assignment Outturn Model for VAT in Scotland, with clear timeline for updates. | HMRC, SG, and HMT | In progress |
| VAT | Publish headline figures for the Standard Rated Share model. | HMRC and Office for Budget Responsibility (OBR) | No progress |
| VAT | Publish policy re-costings which are significant in value. | OBR | In progress |
| Social security | Supplement Discretionary Housing Payment statistics with further data on mitigation of the 'Bedroom Tax'. | SG | No progress |

Additional information

Abbreviations

| | |
|-------|--|
| ADP | Adult Disability Payment |
| AGL | Aggregates Levy |
| APS | Annual Population Survey |
| ASHE | Annual Survey of Hours and Earnings |
| BGT | Block Grant Transparency |
| CAPP | Carer's Additional Person Payment |
| CCC | Climate Change Committee |
| CDP | Child Disability Payment |
| COFOG | Classification of Functions of Government |
| CSP | Carer Support Payment |
| DLA | Disability Living Allowance |
| DWP | Department for Work and Pensions |
| EIA | Employment Injury Assistance |
| FPAC | Finance and Public Administration Committee |
| FSP | Fiscal Sustainability Perspectives report |
| FSR | Fiscal Sustainability Report |
| GDP | Gross Domestic Product |
| HMRC | His Majesty's Revenue and Customs |
| HMT | His Majesty's Treasury |
| IIS | Industrial Injuries Scheme |
| LFS | Labour Force Survey |
| MTFS | Medium Term Financial Strategy |
| NRS | National Records of Scotland |
| OBR | Office for Budget Responsibility |
| OECD | Organisation for Economic Co-operation and Development |

| | |
|-------|--|
| ONS | Office for National Statistics |
| OSR | Office for Statistics Regulation |
| PADP | Pension Age Adult Disability Payment |
| PAWHP | Pension Age Winter Heating Payment |
| PAYE | Pay As You Earn |
| PIP | Personal Independence Payment |
| QNAS | Quarterly National Accounts for Scotland |
| RTI | Real Time Information |
| SAT | Scottish Aggregates Tax |
| SDN | Statement of Data Needs |
| SEFF | Scotland's Economic and Fiscal Forecasts |
| SFC | Scottish Fiscal Commission |
| SG | The Scottish Government |
| SSS | Social Security Scotland |
| TLFS | Transformed Labour Force Survey |
| WFP | Winter Fuel Payments |

A full glossary of terms is available on our website: [Glossary | Scottish Fiscal Commission](#).

Professional standards

The SFC is committed to fulfilling our role as an Independent Fiscal Institution, in line with the principles set out by the Organisation for Economic Cooperation and Development (OECD).⁴⁵

The SFC also seeks to adhere to the highest possible standards for analysis. While we do not produce official statistics, we voluntarily comply as far as possible with the UK Statistics Authority's Code of Practice for Statistics.

Further details and our statement of voluntary compliance can be found on our website.⁴⁶

⁴⁵ OECD (2014) [Recommendation on Principles for Independent Fiscal Institutions - OECD](#)

⁴⁶ Scottish Fiscal Commission (2022) [Statement of Voluntary Compliance with the Code of Practice for Statistics and Error Policy](#)

Correspondence and enquiries

We welcome comments from users about the content and format of our publications. If you have any feedback or general enquiries about this publication or the SFC, please contact info@FiscalCommission.scot.

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