



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

01 November 2024

Dear Convener,

I am writing to inform you of our publication of an updated forecast for Scottish Adult Disability Living Allowance and to highlight our previous publication of forecasts which illustrate the effect of the proposed Stage 3 uprating amendments to the Social Security (Amendment) Bill.

Disability Assistance (Scottish Adult Disability Living Allowance) (Scotland) Regulations 2024

Today the Scottish Fiscal Commission has published a [supplementary costing](#) to accompany the Disability Assistance (Scottish Adult Disability Living Allowance) (Scotland) Regulations 2024 laid by the Scottish Government.

Our publication provides an updated forecast for Scottish Adult Disability Living Allowance (DLA). Only adults already receiving the devolved DLA from the Department for Work and Pensions (DWP) will have their award transferred to this new payment. We forecast that approximately 65,000 people will be receiving DLA in Scotland when Scottish Adult DLA is introduced in spring 2025.

When a client reaches the end of their award or report a relevant change of circumstances, they will all be processed within Scottish Adult DLA now, rather than some being transferred to Adult Disability Payment (ADP) as we had assumed for our previous forecast. We estimate this will result in a £42 million increase in spending on Scottish Adult DLA by 2029-30 and a £44 million decrease in spending on ADP by 2029-30, with the net effect on overall social security spending being an average decrease of £1 million a year from 2024-25.

Amendments to the Social Security (Amendment) Bill

We also note the Scottish Government has stated it will introduce a Stage 3 amendment to the Social Security (Amendment) Bill to extend the existing statutory uprating duty to all payments that are provided for by the Social Security (Scotland) Act 2018. We thought that it would be helpful to highlight that the Scottish Government proposal aligns uprating policy with our baseline assumption for uprating as presented in our [How we set policy baselines](#) paper, and that we have published estimates of the effect of uprating the relevant payments in recent publications,

In our [Fiscal Update – August 2024](#), we showed that uprating Best Start Foods, Best Start Grant, Child Winter Heating Payment, and Winter Heating Payment would increase social security spending by £2 million in 2025-26, and with the compounding effect of uprating, the additional spending rises to £6 million in 2028-29. The effect of uprating Pension Age Winter Heating Payment was presented in the [Supplementary Costing – Pension Age Winter Heating](#)

[Payment – September 2024](#). The uprating of this payment will increase spending by £1 million in 2025-26, rising to £2 million in 2028-29.

I have also copied this letter to the Convener of the Finance and Public Administration Committee.

I am happy to provide any further information that would assist the Committee.

Yours sincerely,

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

Professor Graeme Roy