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Bob Doris MSP  
Convener  
Social Security Committee  
The Scottish Parliament  
Edinburgh  
EH99 1SP

2 September 2020  
*Sent via email*

Dear Convener,

The Scottish Fiscal Commission has today published three reports. The first is our [Fiscal Update - September 2020](#), our latest update on the Scottish Budget position. The Scottish Budget has increased by £3.0 billion since the Scottish Government presented its Summer Budget Revision to Parliament in May 2020. In total the UK Government has guaranteed £6.5 billion of additional funding related to COVID-19, providing the Scottish Government with greater certainty to plan its budget for the remainder of the year. The Scottish Government will decide how this funding is allocated.

Our report also includes commentary on the possible effects of COVID-19 on social security spending. The Scottish Government still faces some uncertainty with devolved tax revenues expected to fall this financial year and social security payments to increase. These changes should largely be offset by changes in the corresponding Block Grant Adjustments but the position will be clearer at the Scottish Budget, expected in December.

We have also published our annual [Forecast Evaluation Report](#) and [Statement of Data Needs](#). The Forecast Evaluation Report covers 2019-20, before any significant effects of COVID-19 had arisen. While we still have large relative errors on some forecasts, particularly the newer social security payments launched during the year, total social security spending was within 2 per cent of our forecasts. We take some comfort from the fact that in most areas the errors are on a similar scale to last year but typically in the opposite direction, so our forecasts are not consistently over or under estimating spending. The Statement of Data Needs details the data sources for our forecasts, the organisations that we depend upon and includes suggestions for improvement.

We look forward to discussing the reports with you at our committee appearance on 1 October.

Yours sincerely

A handwritten signature in black ink that reads "Susan".

*Susan*

Dame Susan Rice