

Your ref: Fol/2020/003

28 September 2020

Dear

Thank you for your email of 3 September seeking information under the Freedom of Information (Scotland) Act 2002 for work you are doing on tax policy or social security policy using policy costing estimates in the various Scotland's Economic and Fiscal Forecasts (SEFF) published by Scottish Fiscal Commission.

You requested data for 2024/25 (and where noted for 2023/24) for the policy costings listed below.

- December 2018 recosting of the 2017/18 higher rate threshold freeze.
- December 2018 recosting of the various 2018/19 Non Domestic Rates policy measures.
- May 2018 costing of the 2018 non domestic rates removal of new start relief.
- December 2018 costing of the 2019/20 non domestic rates changes.
- December 2018 recosting of the 2018/19 LBTT relief for first time buyers.
- December 2017 costing of the 2018/19 Social Security carer's allowance supplement (2023/24 and 2024/25).
- May 2018 costing of the 2018 MTFS carer allowance policy.
- December 2018 costing of the 2019/20 social security measures.

We generally publish policy costings with a five year horizon, starting in the next financial year, meaning for some policy costings we would not have provided an estimate of the cost of the policy as far out as 2024-25 at the time of publication.

We also re-estimate the cost of policies as we get new information. Typically, we will stop re-costing a policy after we have data for one full financial year following the policy change. For most policy changes, this will be the year after the policy change is made. We often provide income tax re-costings for longer than one year as there is a longer lag in the outturn data becoming available. Further information can be found in our September 2019 approach to policy costings paper.¹

The answers to your specific queries are given below.

Income Tax

- The December 2018 re-costing of the 2017/18 higher rate threshold freeze

¹ Scottish Fiscal Commission (2019) Approach to Policy Costings ([link](#))

Our latest re-costing of the 2017/18 policy can be found in Annex B of our May 2019 SEFF.² For reference we have copied the relevant costing below.

Table B.1: Latest policy recostings

£ million	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Income Tax [1]								
2017-18 policy	52	56	84	78	85	96	106	116

As the 2017/18 income tax outturn data were published in July 2019, the May 2019 forecast represented the last time we explicitly costed this policy change. Our forecasts after July 2019 already accounted for the policy as it was part of the administrative outturn data.

Non-Domestic Rates (NDR)

- The December 2018 re-costing of the various 2018/19 Non Domestic Rates policy measures
- The May 2018 costing of the 2018 non domestic rates removal of new start relief
- The December 2018 costing of the 2019/20 non domestic rates changes

The latest version of the full set of forecasts for NDR relief spending can be found in the supplementary table S4.12 in our February 2020 SEFF.³ Forecasts in this table are until 2024-25. We will be publishing an update to this supplementary table as part of our next SEFF.

The uprating of the poundage for the Budget year was not re-costed as by the time of the next forecast they would be in our forecast baseline data.

You may also be interested in our various supplementary documents published this year, which contain the costings for the policy changes in response to COVID-19.⁴ These will be updated as part of the next Budget forecast.

Land & Buildings Transaction Tax (LBTT)

- The December 2018 re-costing of the 2018/19 LBTT relief for first time buyers.

² Scottish Fiscal Commission (2019) Scotland's Economic and Fiscal Forecasts – May 2019 ([link](#))

³ Scottish Fiscal Commission (2020) Scotland's Economic and Fiscal Forecasts – February 2020 – Supplementary Tables ([link](#))

⁴ Scottish Fiscal Commission (2020) Supplementary Costings – Non-Domestic Rates Measures March 2020 ([link](#)), Scottish Fiscal Commission (2020) Supplementary Costings – Coronavirus (Scotland)(No. 2) Bill – May 2020 ([link](#)), Scottish Fiscal Commission (2020) Supplementary Costing – Increased starting threshold for residential LBTT – July 2020 ([link](#))

The re-costing that includes 2024-25 was published in Annex B of the May 2019 SEFF that accompanied the Medium Term Financial Strategy.⁵ This is the final time we re-costed the policy, in accordance with the approach set out in our Approach to Policy Costings paper. We now use Revenue Scotland data on the amount of relief claimed in our forecast modelling.⁶

Social security

- The December 2017 costing of the 2018/19 Social Security carer's allowance supplement: (data is missing in this case for 2023/24 and 2024/25).
- The May 2018 costing of the 2018 MTFS carer allowance policy.
- The December 2018 costing of the 2019/20 social security measures

Carer's Allowance Supplement, Best Start Grant, Best Start Foods and Funeral Support Payment are all separate social security payments. We publish updated forecasts for these payments in the social security chapter in each SEFF, the latest version we published in February 2020 which includes forecasts to 2024-25.⁷

If you are unhappy with this response to your request under the Freedom of Information (Scotland) Act 2002, you may ask us to carry out an internal review of the response, by writing to: Mr John Ireland, Chief Executive, Scottish Fiscal Commission, Governor's House, Regent Road, Edinburgh, EH1 3DE, email FOIrequests@fiscalcommission.scot.

Your review request should explain why you are dissatisfied with this response, and should be made within 40 working days from the date when you received this letter. We will complete the review and tell you the result, within 20 working days from the date when we receive your review request

If you are not satisfied with the result of the review, you then have the right to appeal to the Scottish Information Commissioner. More detailed information on your appeal rights is available on the Commissioner's website at: www.itspublicknowledge.info/YourRights/Unhappywiththeresponse/AppealingtoCommissioner.aspx.

⁵ Scottish Fiscal Commission (2019) Scotland's Economic and Fiscal Forecasts – May 2019 ([link](#))

⁶ Revenue Scotland LBTT Statistics ([link](#))

⁷ Scottish Fiscal Commission (2020) Scotland's Economic and Fiscal Forecasts February 2020 Chapter 5 ([link](#))