

Neil Gray MSP  
Convener  
Social Justice & Social Security Committee  
Scottish Parliament  
Edinburgh  
EH99 1SP

15 July 2021  
*Sent via email*

Dear Convener,

Today we have published the first of two Forecast Evaluation Reports, assessing our February 2020 forecasts of 2020-21 for Social Security, Land & Buildings Transaction Tax and Scottish Landfill Tax as well as our forecast of the Scottish Economy in 2020.

Social security spending was £100 million above our forecast. Over half of this can be attributed to the Scottish Government's COVID-19 response, through extra funding for the Scottish Welfare Fund, Discretionary Housing Payments and Fair Start Scotland, and the introduction of the Coronavirus Carer's Allowance Supplement and Self-Isolation Support Grant.

While COVID-19 dominates our forecast errors, and we will never be able to predict such an event in our forecasts, we have drawn some lessons from looking in detail at our forecasts. Increased unemployment over the past year has had less of an effect on devolved social security spending than we expected in September and the number of births in Scotland continues to fall which reduces spending on payments supporting families with young children.

We will publish our next forecasts on 26 August and the publication will include our first estimate of spending on the Scottish Government's new Adult Disability Payment. We are happy to answer any queries the Committee may have on our Forecast Evaluation Report and our next forecasts.

Yours sincerely,

A handwritten signature in black ink, reading "Susan Rice".

Dame Susan Rice DBE