

Elena Whitham MSP Convener Social Justice and Social Security Committee

The Scottish Parliament Edinburgh EH99 1SP

20 September 2022

Dear Convener,

Today the Scottish Fiscal Commission has published a <u>supplementary costing</u> to accompany Best Start Foods, Best Start Grants and Scottish Child Payment (Miscellaneous Amendments) Regulations 2022 that have been laid by the Scottish Government.

This gives our updated view of the costs of extending Scottish Child Payment eligibility to cover children aged six to fifteen, and of increasing the weekly value of the payment to £25 per child.

Both these measures were included in our May 2022 forecasts, but the Scottish Government is implementing them slightly earlier than we had assumed, and inflation is currently higher than we expected in our previous forecast, so we have produced updated estimates to support parliamentary scrutiny of the regulations.

The earlier start date adds £15 million to our forecast of spending in 2022-23, and higher inflation adds around £25 million a year from 2024-25 onwards.

These estimates were produced using an inflation forecast consistent with the August Monetary Policy Report from the Bank of England. We will update our inflation forecasts, and all of our assumptions on eligibility and take-up, ahead of our next full forecast update, which we anticipate will accompany the 2023-24 Scottish Budget.

I would be happy to provide any further information that would help the Committee's scrutiny of these regulations.

Yours sincerely,

**Professor Graeme Roy**