

Kenny Gibson MSP  
Convener  
Finance and Public Administration Committee  
Scottish Parliament  
Edinburgh

15 December 2022

Dear Convener,

During our last evidence session with the Committee in September we discussed our August [Statement of Data Needs](#) that highlighted the challenges we face in making our forecasts due to significant gaps in data from Social Security Scotland on Adult and Child Disability Payments. I have written today with an update to the Convener of the Social Justice and Social Security Committee that I have copied as an Annex here.

As you will be aware next year's Non-Domestic Rates (NDR) will be levied on a revalued roll. The fact that the assessors were uploading new valuations during the run-up to the Budget simultaneously with our preparing forecasts and costings of new NDR policies has led to some challenges.

We had been working with the Government on approaches to mitigate these challenges over the last year, but significant uncertainties remained throughout the forecasting process. Our final forecasts have therefore been based on an imputed valuation roll with incomplete information on the new valuations. In addition, waiting for a reasonable cut off point for the imputation delayed progress so we have been unable to spend as much time on analysis and quality assurance as we would have ideally preferred.

As the Scottish Government moves to a three yearly revaluation cycle we would encourage them to take account of the timing of the Budget setting process and our forecasting work in planning how they achieve future revaluations of the NDR roll.


Yours sincerely

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

Professor Graeme Roy

## **Annex: Letter to Convener, Social Justice and Social Security Committee**

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Natalie Don MSP  
Convener  
Social Justice and Social Security Committee  
Scottish Parliament  
Edinburgh

15 December 2022

Dear Convener,

In September I met with you and other members of the Committee to discuss our social security forecasts.

Part of that discussion covered our August [Statement of Data Needs](#) that highlighted challenges we face in making our forecasts due to the significant gaps in data from Social Security Scotland data on Adult and Child Disability Payments. We flagged a number of issues around the dissemination of information that has been generated as part of the application and payment processes and also about the actual collection of data.

I am writing to update you on progress since we spoke.

In the development of our latest forecasts, officials from across Social Security Scotland and the Social Security Directorate in the Scottish Government have helped us by providing information on their future plans and in particular sharing informal intelligence about delivery. I am very grateful for this productive engagement which has helped support our understanding of the delivery of disability payments in Scotland.

#### Child and Adult Disability Payment Data

We have not received the data needed to fully update our Child Disability Payment forecasts for our latest forecasts published on 15 December. While the limited data available, and intelligence from officials in Social Security Scotland and the Scottish Government, indicates that payments are being paid at a level that is broadly in line with our forecast, the lack of detailed data means that we have not been able to refine our forecast in the way we would like. Inevitably this adds to their uncertainty and the possibility of forecast error.

Since September, we have spoken both with David Wallace, the Chief Executive of Social Security Scotland, and the statisticians within Social Security Scotland responsible for publishing payment statistics.

Our understanding is that further development work is needed on Social Security Scotland's systems to allow the data we need to be published. I am pleased to say that officials have confirmed to us that work is in progress and that data on both Adult and Child Disability Payments should be available by next March in order to allow us to incorporate in our forecasts

ahead of our May publication. This means that forecasts based on the enhanced data would be available for inclusion in the Scottish Government's next Medium Term Financial Strategy also due next May.

### Sex / Gender Data for Child Disability Payments

In August we also pointed to a separate Child Disability Payment data collection issue on the gender or sex of the children receiving the payment. Since October 2022 this information has been collected as part of the equalities monitoring form rather than through the application form. As this is a new way to collect the information, and completion of the monitoring form is not mandatory, it is unclear when we will have access to consistent and reliable data on the sex of the child to use in our forecasts.

Social Security Scotland have indicated that they would be able to provide the application form they collected on the sex, covering up to October 2022, in February 2023. This data may be in the form of management information depending on how they progress with quality assurance.

Social Security Scotland have not provided us with timelines on the publication of the new data from the equalities forms. They are planning to prepare a paper on the quality of the new data once there is a sufficient time series but do not yet have a date for this work.

We will continue to monitor progress on the data issues at Social Security Scotland and update you when there is further progress.

### Update to Forecast Evaluation Report

Today we have also published an update to our August 2022 Forecast Evaluation Report. When we originally published the report we used provisional Social Security outturn spending for 2021-22. The update to the report uses the final audited spending that was published in November. The final spend was £72 million lower than provisional outturn and reduces our overall forecast error accordingly.

I have included a copy of this letter in an Annex of a broader letter on data to the Convener of the Finance and Public Administration Committee.

Yours sincerely

A handwritten signature in cursive script that reads "Graeme Roy".

Professor Graeme Roy