

Rùnaire a' Chaibneit airson Ionmhas agus na h-
Eaconamaidh
Cabinet Secretary for Finance and Economy
Ceit Fhoirbheis BPA
Kate Forbes MSP



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Kenneth Gibson MSP
Convener
Finance and Public
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The Scottish Parliament
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28 March 2022

Dear Kenneth,

The Office for Budget Responsibility (OBR) published updated UK Government tax revenue and social security expenditure forecasts on 23 March. These forecasts can be used to calculate updated forecasts of the Block Grant Adjustments (BGAs) for the Scottish Budget 2022-23 and later years. Table A in the annex to this letter sets out the BGAs for Income Tax, Land and Buildings Transaction Tax (LBTT), Scottish Landfill Tax (SLFT), and the devolved Social Security benefits.

These BGAs only provide half of the story as the full impact on Scotland's Budget will not be known until the SFC publish updated forecasts in May.

I would also note that HM Treasury have notified an additional £44.6 million in consequential funding for the 2022-23 Scottish Budget relating to the Spring Statement, £44.3 million of which is resource and £0.4 million capital (the summing difference is due to rounding).

I hope you have found this update helpful, and my officials would be happy to provide any further information on the BGAs to Committee Members, as required.

KATE FORBES

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ANNEX A

Table A: Block Grant Adjustments - OBR forecasts March 2022 (£m)

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Income Tax	-12,293	-13,684	-14,813	-15,502	-15,883	-16,737	-17,534
LBTT	-397	-651	-716	-741	-772	-807	-854
SLfT	-87	-86	-81	-81	-75	-69	-76
Total Tax	-12,776	-14,421	-15,610	-16,324	-16,730	-17,612	-18,464

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
AA	521	515	539	594	626	649	672
PIP	1,585	1,726	1,953	2,298	2,566	2,799	3,014
DLA	721	701	698	732	713	677	682
CA	291	293	318	362	393	423	459
IIDS	81	79	79	83	82	80	79
SDA	8	7	6	6	5	5	4
CWP	N/A	N/A	7	7	7	7	7
TOTAL SS	3,207	3,320	3,601	4,081	4,392	4,641	4,919

 indicates outturn data

All BGAs are calculated using the IPC method

Figures may not sum due to rounding

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