

Cabinet Secretary for Finance and Local Government
Rùnaire a' Chaibineit airson Ionmhas agus Riaghaltas
Ionadail

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Kenneth Gibson MSP
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Finance and Public Administration Committee
The Scottish Parliament
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By email: fpa.committee@parliament.scot

14 June 2024

Dear Kenneth,

I wrote to you on 14 March to share the Block Grant Adjustment (BGA) estimates, which were agreed with HMT at the Spring Budget 2024. Subsequently, there have been minor revisions to the social security BGAs. These changes were required to amend for (i) errors in DWP's published outturn for England and Wales in their country and regions table for the UKG benefit Cold Weather Payments, and; (ii) an incorrect baseline applied to the BGA calculations shared by HM Treasury for Industrial Injuries Disablement Allowance, which resulted from changes to DWP's outturn for the benefit.

The impact of these changes on the BGAs are outlined in the two tables below. Please note that these updates do not have any direct impact on the Scottish Budget, as Spring Budget BGAs are only indicative of the direction of travel and are not applied to our budget. The corrections amount to a net change of around negative £300 thousand per year from 2023-24. Updated OBR forecasts will be received alongside the next UKG fiscal event, at which point we can calculate (i) final reconciliations for 2023-24, (ii) in-year reconciliations for 2024-25, and (iii) the BGAs that will be applied to the Scottish Budget 2025-26.

The Fiscal Framework Data Annex has been published, which outlines all forecasts, BGAs and reconciliations from each fiscal event. The Data Annex contains the updated BGAs below. The Scottish Government's Fiscal Framework Factsheet has also been updated. Both are available on the gov.scot website:

[Fiscal framework data annex](#)
[Fiscal framework: factsheet](#)

My officials will be happy to provide further information if required.

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Industrial Injuries Disablement Allowance:

| (£m) | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Spring Budget BGAs | 77.88 | 83.83 | 85.543 | 82.90 | 80.42 | 78.24 | 75.77 |
| Post- Spring Budget revisions | 77.53 | 83.45 | 85.16 | 82.53 | 80.06 | 77.89 | 75.44 |
| Change | -0.35 | -0.37 | -0.38 | -0.37 | -0.36 | 0.35 | 0.37 |

Cold Weather Payments:

| (£m) | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Spring Budget BGAs | 21.70 | 6.30 | 5.57 | 5.55 | 5.52 | 5.50 | 5.48 |
| Post- Spring Budget revisions | 23.32 | 6.35 | 5.60 | 5.58 | 5.56 | 5.53 | 5.51 |
| Change | 1.62 | 0.040 | 0.035 | 0.035 | 0.035 | 0.034 | 0.034 |

indicates outturn data

All BGAs are calculated using the IPC method

Figures may not sum due to rounding

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