



Social Security Scotland
Tèarainteachd Shòisealta Alba

Finance Report August 2021

Report review and authorisation: Approved By	Date
[REDACTED] Corporate Finance Lead	N/A
[REDACTED] Head of Finance	20.9.21
James Wallace, Deputy Director; Finance & Corporate Services	N/A
David Wallace, Chief Executive	22.09.21
Executive Advisory Body	16.11.21
Audit and Assurance Committee	09.11.21

Dignity,
fairness,
respect.

1. Overview

This report shows our results to the end of August 2021. The forecasts included in this report reflect the result of our mid-year review, [REDACTED] plus any further updates to the forecast which have been identified since the review was completed.

1.1 Operating expenditure

Operating expenditure year to date, at 31 August 2021, is **£79.1 million** [REDACTED]

[REDACTED] The forecast expenditure has [REDACTED] since the report on July results. This is due [REDACTED] As well as this, the charge for Formal Agreements is expected to be [REDACTED] lower than budget for this year. These savings will support the Scottish Government corporate position as we will be able to [REDACTED].

Work is ongoing to identify any additional amount [REDACTED] this will be reflected in next month's report.

1.2 Capital expenditure

Capital expenditure year to date, at 31 August 2021, is **£4.7 million** [REDACTED] The majority of this relates to the reprogramming of payments for work at Agnes Husband House, and the reprogramming of Information Technology spend. By 31 March 2022 we currently expect to be on plan, which is in line with our forecast for the previous month.

1.3 Benefit Expenditure

Benefit expenditure year to date, at 31 August 2021, is **£1,415.7 million** [REDACTED] we will continue to monitor the position ahead of Spring Budget Revision.

Table 1 – [REDACTED]

Summary of Benefit Expenditure									
Form of Assistance	Year To Date August 21				Full Year Forecast 21-22				
	Actual	Budget	(Under) / Over plan	Forecast	Movement in Forecast	Budget Bill	Budget Adjustments	Revised Budget	(Under) / Over plan
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Benefits delivered by Social Security Scotland	62.5					153.4			
Benefits delivered by the Department for Work and Pensions	1,353.2					3,300.5			
Total	1,415.7					3,453.9			

[REDACTED] the increase in Child Winter Heating Assistance is due to the change in legislation [REDACTED]

Table 2 – [REDACTED]

[REDACTED] All benefits are demand led and it is not possible to reasonably project the outturn for the year beyond matching to the annual forecasts produced, and regularly updated, by the Scottish Fiscal Commission [REDACTED]

The Scottish Fiscal Commission's revised forecasts [REDACTED]

2. Budget reconciliation

[REDACTED]

This information is published here: [Scottish Budget 2021 to 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/budget/2021-2022)

Table 3 – [REDACTED]

[REDACTED]

3. Financial results – Operating Expenditure

[REDACTED]

Graph 1 – [REDACTED]

[REDACTED]

3.1 Staff and other related costs

Expenditure year to date is **£32.1 million** [REDACTED] By 31st March 2022 we expect to be [REDACTED]
The forecast expenditure has [REDACTED] since last month which is due to [REDACTED]

Table 4 – [REDACTED]
[REDACTED]

[REDACTED]

Graph 2 – [REDACTED]
[REDACTED]

3.2 Other Operating Costs (non-staff)

Expenditure year to date is **£47 million** [REDACTED] by the end of the financial year, due to [REDACTED]
Formal Agreements being [REDACTED]

4. Financial results – Capital Expenditure

4.1 Capital Expenditure

[REDACTED]

Table 5 – [REDACTED]

	August 2021			2021-2022		
	Actual	Budget	Over/	Forecast	Budget	Over/
			(Under)			plan
	£'000	£'000	£'000	£'000	£'000	£'000
Estates Implementation						
Agnes Husband House, Dundee	3.1				8.7	
220 High St, Glasgow	0.7				1.8	
Enterprise House	(0.5)				2.2	
	3.3				14.9	
IT Capital Expenditure	1.4				7.1	
TOTAL CAPITAL EXPENDITURE	4.7				22.0	

Expenditure on Enterprise House is negative because it shows a contribution from the landlord towards the cost of refurbishment.

4.2 Depreciation Costs

[REDACTED]

4.3 Chief Digital Office Implementation Costs

The Operating and Capital costs above include Implementation costs totalling [REDACTED]

These are costs which are driven by Programme activity.

[REDACTED]

have been incurred as at 31st August 2021, which includes [REDACTED] reflecting an estimate of the time spent on delivering the digital support required as a result of the Programme requirements [REDACTED] of spend in Operating Costs is mainly on the Integration Gateway, which will enable integration between the Scottish Government and external sources.

[REDACTED] have been incurred in relation to Amazon Web Services Partner Costs for our hosting platform. The assumptions used in arriving at this cost estimate will be subject to further refinement in the coming months.

5. Financial results – Benefit Expenditure

5.1 Budget Reconciliation

[REDACTED]

This information is published here: [Scottish Budget 2021 to 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/Scottish-Budget-2021-to-2022)

Table 6 – [REDACTED]

Benefit	£m		
	Scottish Budget 2021-22 Allocation	Autumn Budget Revision	Revised Budget
Delivered by Social Security Scotland:			
Carer's Allowance Supplement	41.7		
Best Start Grant - Pregnancy & Baby	7.7		
Best Start Grant - Early Learning	5.3		
Best Start Grant - School Age	5.9		
Best Start Foods	-		
Young Carer's Grant	1.0		
Job Start Payment	2.0		
Scottish Child Payment	68.0		
Child Disability Payment - U16 ¹	7.6		
Child Disability Payment - 16 & 17	-		
Child Winter Heating Assistance	3.1		
Funeral Support Payment	11.1		
Sub Total	153.4		
Delivered under Agency Agreements:			
Carer's Allowance	306.0		
Attendance Allowance	549.8		
Disability Living Allowance - Children and Young People	223.3		
Disability Living Allowance - Adults	465.0		
Personal Independence Payment	1,669.4		
Severe Disablement Allowance	6.8		
Industrial Injuries Disablement Scheme	80.2		
Sub Total	3,300.5		
TOTAL	3,453.9		

5.2 Benefits Delivered by Social Security Scotland

[REDACTED]

Table 7 – [REDACTED]

Benefit Expenditure - Delivered by Social Security Scotland									
Form of Assistance	Year To Date August 21			Full Year Forecast 21-22					
	Actual	Budget	(Under) / Over plan	Forecast	Movement in Forecast	Budget Bill	ABR/SBR Adjustments	Revised Budget	(Under) / Over plan
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Best Start Grant - Pregnancy & Baby	3.2					7.7			
Best Start Grant - Early Learning	2.2					5.3			
Best Start Grant - School	3.7					5.9			
Best Start Grant - Subtotal	9.1					18.9			
Best Start Foods	5.3					-			
Carer's Allowance Supplement	19.7					41.7			
Funeral Support Payment	4.5					11.1			
Job Start Payment	0.4					2.0			
Young Carer's Grant	0.3					1.0			
Scottish Child Payment	23.2					68.0			
Child Disability Payment - U16	0.0					7.6			
Child Disability Payment - 16 & 17	-					-			
Child Winter Heating Assistance	-					3.1			
Total	62.5					153.4			

Best Start Grant – Expenditure is **£9.1 million** [REDACTED] The year-end forecast is anticipated to be on plan. Application numbers for School Age Payment was previously [REDACTED] over the next few months as applications are processed.

Graph 3 – [REDACTED]

[REDACTED]

Best Start Foods – Expenditure is **£5.3 million** [REDACTED]

Graph 4 – [REDACTED]
[REDACTED]

Carer's Allowance Supplement – Expenditure is **£19.7 million** [REDACTED]

Funeral Support Payment – Expenditure to the end of August 2021 is **£4.5 million** and on plan. The year-end forecast [REDACTED] to align with the Scottish Fiscal Commission's revised forecast.

Graph 5 – [REDACTED]

[REDACTED]

Job Start Payment – Year to date expenditure is **£0.4 million** [REDACTED]

Graph 6 – [REDACTED]
[REDACTED]

Young Carers Grant – Expenditure is **£0.3 million** to the end August 2021 and is on plan.

Graph 7 – [REDACTED]
[REDACTED]

Scottish Child Payment – expenditure is **£23.2 million** to the end August 2021 [REDACTED] The year-end forecast is [REDACTED]

Graph 8 – [REDACTED]
[REDACTED]

Child Winter Heating Allowance – There is no expenditure to date but this is forecast to be [REDACTED] as a result of legislative changes that will be implemented to comply with Article 14 of the European Convention on Human Rights prior to delivery in 2021.

Child Disability Payment – expenditure is **£0.004 million** [REDACTED] The pilot launched on 26 July 2021 with full roll out planned for November 2021.

5.3 Benefits delivered by the Department for Work and Pensions on behalf of Social Security Scotland

Table 8 shows the latest spend for benefits administered by the Department of Work and Pensions under Agency Agreements in 2021-22. [REDACTED] and the Scottish Fiscal Commission’s revised forecasts published in August 2021.

Table 8 – [REDACTED]

Benefit Expenditure - Delivered by DWP under agency agreements							
Form of Assistance	Year To Date August 21			Full Year Forecast 21-22			
	Actual	Budget	(Under) / Over plan	Forecast	Movement in Forecast	Budget Bill	(Under) / Over plan
	£m	£m	£m	£m	£m	£m	£m
Carer's Allowance	120.5					308.0	
Disability Living Allowance	290.2					688.3	
Attendance Allowance	211.0					549.8	
Personal Independence Payment	695.0					1,669.4	
Severe Disablement Allowance	2.9					6.8	
Industrial Injuries Disablement Scheme	33.6					80.2	
Total	1,353.2					3,300.5	

[REDACTED] Experience of monitoring in 2020-21 has shown that there is limited benefit in [REDACTED] We have been working on a new process to incorporate this with the aim of mitigating [REDACTED]

Carer’s Allowance – expenditure is **£120.5 million** [REDACTED] The forecast has been reduced in line with the Scottish Fiscal Commission’s revised forecast and analysis of the data available.

Graph 9 – [REDACTED]

[REDACTED]

Disability Living Allowance expenditure is **£290.2 million** [REDACTED] below plan to the end of August 2021. The year-end forecast [Redacted] to reflect the Scottish Fiscal Commission revised forecast.

Graph 10 – [REDACTED]

[REDACTED]

Attendance Allowance – expenditure is **£211.0 million** to the end August 2021 [REDACTED]

Graph 11 – [REDACTED]

[REDACTED]

Personal Independence Payment - spend is **£695.0 million** to the end August 2021 [REDACTED] budget by year end due to the Scottish Fiscal Commission's revised forecast which reflects data updates that suggest higher levels of new applicants and takes into account the experience of the 2020-21 outturn. Personal Independence Payment is a [REDACTED]

Graph 12 – [REDACTED]

[REDACTED]

Severe Disablement Allowance expenditure is **£2.9 million** [REDACTED]

Annex A Operating Expenditure at 31 August 2021 [REDACTED]

	Year to Date - August 2021			Financial Year 2021/22		
	Actual	Budget	Over/ (Under) plan	Forecast	Budget	Over/ (Under) plan
	£m	£m	£m	£m	£m	£m
OPERATING EXPENDITURE						
Staff costs (Permanent, Temporary and Contract Staff)	31.7				123.6	
Other staff related costs	0.4				1.4	
Administration costs						
Accommodation	4.0				15.4	
Travel & subsistence	0.0				0.0	
Office Costs	2.7				5.9	
Supplies & services	0.9				1.4	
Training	0.0				0.9	
IT Systems	2.4				8.4	
	10.0				32.0	
Auditor's remuneration	0.3				0.7	
Scottish Government Shared Service recharges	1.8				6.0	
DWP Formal Agreements	34.9				84.3	
TOTAL OPERATING EXPENDITURE	79.1				248.0	
NON-CASH ITEMS - Depreciation Costs	0.5				1.4	
CAPITAL EXPENDITURE	4.7				22.0	
TOTAL EXPENDITURE	84.3				271.4	
BENEFITS EXPENDITURE						
Benefits delivered by Social Security Scotland	62.5				163.9	
Benefits delivered by the Department for Work and Pensions	1,353.2				3,300.5	
TOTAL BENEFITS EXPENDITURE	1,415.7				3,464.4	