



Social Security Scotland
Tèarainteachd Shòisealta Alba

Social Security Scotland 2022 - 23 Budget

Dignity,
fairness,
respect.

1. Background

On the 9th of December 2021, the draft 2022-23 Scottish budget was presented to the Scottish Parliament and the Budget bill was passed on 10th February 2022. For 2022-23, Social Security Scotland have an administration budget of **£310.9 million** and benefit expenditure budget of just over **£3.9 billion**. A breakdown of our 2022-23 budget allocation is shown in Table 1 below:

Table 1 – Social Security Scotland 2022-23 budget

Budget	Budget	Revised Budget	Increase/(decrease)
	2022-23	(after Spring Budget Revision)	
	2021-22		
	£million	£million	£million
Operating Expenditure	301.6	198.6	103.0
Capital Expenditure	-	17.2	(17.2)
Depreciation (Non-Cash)	9.3	1.1	8.2
Total Social Security Scotland administration	310.9	216.9	94.0
Benefit expenditure	3,913.7	3,506.4	(407.3)

[REDACTED]

2. 2022-23 Budget Summary

2.1 Administration Budget

In 2022-23 we have approximately **£228.8 million** (from the £301.6 million Operating Expenditure budget) to fund our **direct staffing, accommodation and other costs**. A budget of **£72.8 million** has been allocated for **the Department for Work and Pensions Formal Agreement recharges**.

We have **£9.3 million** to cover the **depreciation** charges for our assets.

2.2 Capital Pressure

We are currently forecasting a requirement of **£6.0 million in capital** of which £5 million is for the investment in our Information Technology infrastructure, alongside the remaining fit out of our buildings. It should be noted that the current economic challenges are likely to result in increases to these costs. [REDACTED]

2.3 Benefit Payments

Funding for **benefit payments** matches the independent forecasts prepared in December 2021 by the Scottish Fiscal Commission¹. These forecasts will be updated in

¹ The budget has been set based on the latest Scottish Fiscal Commission forecasts: [Scotland - s-Economic-and-Fiscal-Forecasts-December-2021-Full-report.pdf \(fiscalcommission.scot\)](#)

May 2022 where, in addition to any other changes since December 2021, account will be taken of the additional increases that have been made to some of the benefits for the inflationary uplifts from 1st April 2022.² The current budget allocation for 2022-23 is **£3.9 billion**. A detailed breakdown is included at Annex B. Benefit expenditure is demand led and cannot be easily controlled so the budget for any benefits should not be viewed as a spending limit in the traditional way.

3. 2022-23 Budget Allocations

Table 2 sets out the operating expenditure budget allocation. [REDACTED]

Table 2 Operating Expenditure Budget Allocations

	Budget	Revised Budget (after Spring Budget Revision)
Social Security Scotland	2022-23	2021-22
	£million	£million
Operating Expenditure		
Staff costs (Permanent, Temporary and Contract Staff)	186.5	93.5
Other staff related costs	1.2	2.2
Administration costs		
Accommodation	9.6	8.6
Travel & Subsistence	1.7	0.1
Office Costs	5.2	4.3
Supplies & Services	1.3	2.1
Training	1.6	0.3
IT Systems	8.9	4.4
Unallocated	1.8	0.0
	217.8	115.5
Auditor's remuneration	0.7	0.7
Scottish Government Shared Service recharges	10.3	5.1
Department for Work & Pensions Formal Agreements	72.8	77.3
Total Operating Expenditure	301.6	198.6

² <https://www.gov.scot/news/increase-in-social-security-benefits/>

A detailed breakdown of the divisional budget allocations is at Annex A.

4.1 Staff costs

Our staff costs of £186.5 million (2021/22 - £95.8 million) represent the most significant element of the £228.8 million that we are planning to spend. We have allowed for a 2% pay award and the employer's national insurance increase of 1.25%.

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]

[REDACTED]

Accommodation (£9.6 million)

The accommodation budget includes office rent and charges at Dundee House, Agnes Husband House, High Street (Glasgow), Enterprise House and for [REDACTED]. These requirements continue to be developed by our Places and Central Buildings Projects which plans for overall organisational need and recognises potential changes in future and hybrid working arrangements.

4.2 Travel and subsistence (£1.7 million)

Although less travel is anticipated with hybrid working, there will still be a requirement for teams to travel throughout the year in order to achieve organisation goals.
[REDACTED]

4.3 Other office costs (£5.2 million)

This includes the increased demand on the mailroom services and advertising associated with new benefits going live.

4.4 Information Technology (£8.9 million)

The majority of this budget (£8.2 million) is within Chief Digital Office – [REDACTED] alongside corresponding support, licences and software needs.

4.5 Shared Service Recharges (£10.3 million)

This is the estimated cost of Scottish Government providing HR/Payroll, Procurement, IT, Legal and Property Services. Most of the increase from 2022-23 is because of staffing increases. [REDACTED]

4.6 Formal Agreements (£72.8 million)

These have been estimated by the Social Security Directorate's Programme Finance team and they will be leading negotiations on these. [REDACTED]

5. Risks

5.1 Key Risks

- [REDACTED]

- [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

6. Expected In-year transfers

[REDACTED]

7. Capital pressures

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

ANNEX B – Benefit Expenditure

Table 4 shows the budget for all the benefits which will be delivered by Social Security Scotland and those being delivered by Department for Work and Pensions under Agency Agreements. Most of these figures match those of Scottish Fiscal Commission³.

Table 4: Benefit Payments Budget

Divisional Budget Allocation	2022-23 Budget
£m	
<u>Delivered by Social Security Scotland</u>	
Adult Disability Payment	1,948.5
Best Start Foods	13.1
Best Start Grant	17.8
Carer's Allowance Supplement	41.8
Child Disability Payment	178.5
Child Winter Heating Assistance	4.0
Funeral Support Payment	11.9
Scottish Child Payment	197.4
Young Carer's Grant	1.0
Job Start Payment	1.1
Low Income Winter Heating Assistance	21.1
Total delivered by Social Security Scotland	2,436.2
<u>Delivered by the Department for Work and Pensions</u>	
Attendance Allowance	544.6
Personal Independence Payment	-
Carer's Allowance	314.9
Disability Living Allowance (Adult)	531.3
Industrial Injuries Disablement Scheme	80.5
Severe Disablement Allowance	6.2
	1,477.6
Total	3,913.7

We will continue to rely on the work of the Benefit Forecasting Review Group which reviews the monthly benefit spend and forecasts. This group includes representatives from Social Security Scotland, Social Security Programme, Community Analysis Division and Scottish Government Central Finance. [REDACTED]

³ The Scottish Fiscal Commission have not produced forecasts for Young Carers Grant as this is below the materiality threshold or Job Start Payment as this is not within their legislative scope.