



Social Security Scotland
Tèarainteachd Shòisealta Alba

Social Security Scotland 2023 - 24 Budget

Dignity,
fairness,
respect.

1. Background

On the 15th of December 2022, the draft 2023-24 Scottish budget was presented to the Scottish Parliament and the Budget bill was passed on 10th February 2023.

For 2023-24, Social Security Scotland has an administration budget of **£302.5 million** and benefit expenditure budget of **£5.2 billion**. A breakdown is shown in Table 1 below and more detail on benefit expenditure is shown in **Annex A**.

Table 1 – Social Security Scotland 2023-24 budget

Social Security Scotland	2023-2024	Revised Budget (after spring budget revision 2022-2023)	Increase/ (decrease)
	£m	£m	£m
Operating Expenditure	292.5	262.3	30.2
Capital Expenditure	4.5	7.3	-2.8
Depreciation (Non-cash)	5.5	5.4	0.1
Total Social Security Scotland Administration	302.5	275.0	27.5
Benefit Expenditure	5,102.2	4,036.9	1,065.3

[REDACTED]

[REDACTED]

[REDACTED]

Table 2: Resource Spending Review Projections – Operating Expenditure

Indicative Resource Budget Allocation	2023-24	2024-25	2025-26	2026-27
Social Security Scotland	292.5	255.8	243.3	246.3

[REDACTED]

[REDACTED]

[REDACTED]

2. 2023-24 Budget Allocations

[REDACTED]

Chart 1: Total operating expenditure split by cost

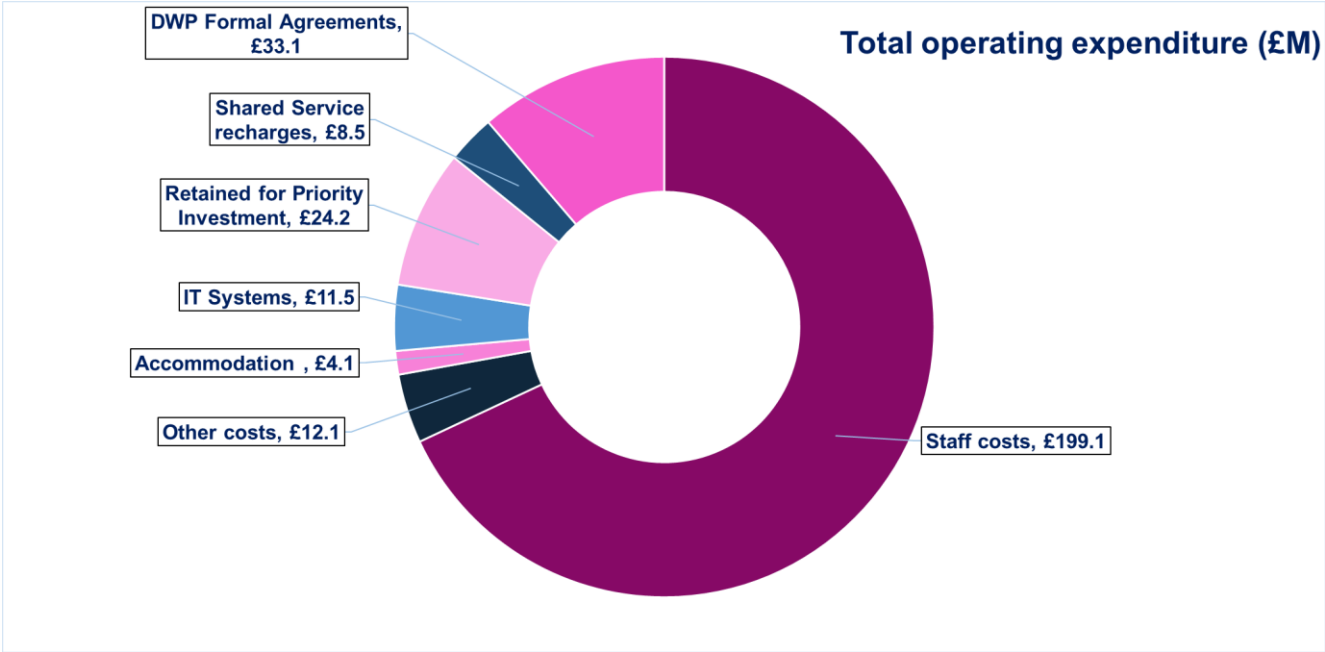


Table 3 sets out the operating expenditure budget allocation compared with 2022-23. A detailed breakdown of the divisional level budget allocations is at **Annex A**.

Table 3 Operating Expenditure Budget Allocations

Social Security Scotland	Revised Budget (after Spring Budget Revision)	
	2023-24	2022-23
	£m	£m
OPERATING EXPENDITURE		
Staff costs (Permanent, Temporary and Contract Staff)	199.1	172.1
Other staff related costs	0.4	1.8
Administration costs		
Accommodation	4.1	3.5
Travel & subsistence	0.6	0.4
Office Costs	7.2	5.5
Supplies & services	2.1	1.8
Training	1.0	0.6
IT Systems	11.5	6.4
Retained for Priority Investment	24.2	-
	26.5	18.2
Auditor's remuneration	0.7	0.7
Scottish Government Shared Service recharges	8.5	7.8
DWP Formal Agreements	33.1	61.7
TOTAL OPERATING EXPENDITURE	292.5	262.3

4.1 Staff costs

Staff costs of **£199.5 million** (2022-23 - **£173.9 million**) are being allocated.

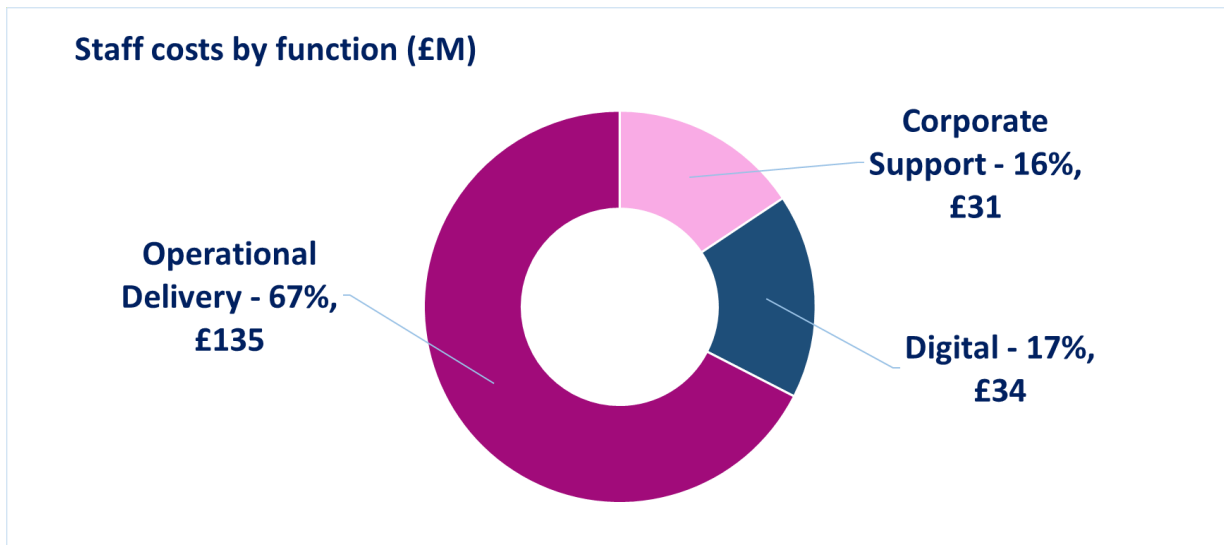
[REDACTED]

The increase in staff costs for this budget compared to 2022-23, reflects the full year effect of additional staff recruited in 2022-23. Allowance has been made for a pay award in 2023-24 based on Scottish Government Guidance.

[REDACTED]

The following chart is provided showing the split of staff across function, [REDACTED.]

Chart 2 – Staffing profile by function



[REDACTED]

4.2 Administration costs

4.2.1 Accommodation (£4.1 million) (2022-23 - £3.5 million)

The accommodation budget includes office rent and charges at Agnes Husband House, High Street (Glasgow), Enterprise House and for local delivery external locations. [REDACTED] The overall increase is mainly due to the full year effect of additional hub locations agreed last year along with inflationary pressures.

4.2.2 Travel and subsistence (£0.6 million) (2022-23 - £0.4 million)

This allocation will fund the requests that will enable the organisation to continue with its existing travel commitments, some of the increase being due to the higher level of staffing in 2023-24.

4.2.3 Office Operating Costs (£7.2 million) (2022-23 - £5.5 million)

This includes the increased demand (and inflationary pressures) on mailroom services, resulting in a £1 million increase from the prior year. Advertising is also expected to rise by £0.1 million as a result of new benefits going live.

4.2.4 Training (£1.0 million) (2022-23 - £0.6 million)

This allocation will enable divisions to continue to develop our people, the increase from last year is due to an increase in staff numbers.

4.2.5 Information Technology (£11.5 million) (2022-23 - £6.4 million)

This majority of this budget is within Chief Digital Office and includes the running costs of our hosting platform, [REDACTED] alongside support, licences and software needs for the organisation. Some of this increase is due to costs being re-classified from staff costs to IT systems following a review of the treatment of the contract.

4.2.6 Shared Service Recharges (£8.5 million) (2022-23 - £7.8 million)

This is the estimated cost of Scottish Government providing HR/Payroll, Procurement, IT, Legal and Property Services. The increase on 2022-23 is the i-Tecs recharge, 2023-24 estimates are based on a cost per member of staff, so could vary based on staffing levels or changes to the charges applied by the Scottish Government.

4.2.7 Formal Agreements (£33.1 million) (2022-23 - £61.7 million)

These costs have been estimated by the Social Security Directorate's Programme Finance team as they continue to lead negotiations on these. [REDACTED]

4.2.8 Retained for priority investment (£24.2 million)

This amount is for costs which are not currently contractually committed or part of our ongoing commitments as detailed above. This will be allocated once the business priorities are agreed. [REDACTED]

4.3 Expected In-year transfers (not in our budget yet)

[REDACTED]

[REDACTED]

[REDACTED]

5. Future year allocations

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6. Capital budget

We have a capital budget of £4.5 million. We have applied a risk based approach to the capital forecasts based on underspends in previous years. [REDACTED]

7. Risks

- [REDACTED]

- [REDACTED]

- [REDACTED]

8. Finance Governance Improvements and Next Steps

[REDACTED]

ANNEX A – Benefit Expenditure

Table 5 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 Commission¹.

Table 5: Benefit Payments Budget

Divisional Budget Allocation	2023-24 Budget	2022-23 Budget
	£m	£m
Delivered by Social Security Scotland		
Adult Disability Payment	2,689.6	86.9
Best Start Foods	17.0	13.0
Best Start Grant	19.8	20.5
Carer's Allowance Supplement	50.0	44.3
Child Disability Payment	327.6	191.7
Child Winter Heating Assistance	4.7	5.6
Funeral Support Payment	12.1	11.8
Job Start Payment	1.1	0.3
Young Carers Grant	1.0	0.9
Scottish Child Payment	442.1	226.3
Winter Heating Payment	23.6	21.4
Total delivered by Social Security Scotland	3,588.6	622.7
Delivered by the Department for Work and Pensions		
Personal Independence Payment	-	1,960.3
Attendance Allowance	614.1	540.0
Carer's Allowance	371.8	311.7
Disability Living Allowance (Adult)	437.6	516.9
Industrial Injuries Disablement Scheme	84.4	79.3
Severe Disablement Allowance	5.8	6.0
	1,513.6	3,414.2
Total	5,102.2	4,036.9

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]

¹ 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.

ANNEX B – Operating Expenditure

[REDACTED]

