

Kenneth Gibson MSP
Convener
Finance and Public Administration Committee
The Scottish Parliament
Edinburgh
EH99 1SP

By email to: fpa.committee@parliament.scot

03 July 2025

Dear Kenneth,

2024-25 SPRING BUDGET REVISION

At the session on the Spring Budget Revision in March I agreed to provide some additional information by letter, specifically;

- Additional details on Social Security forecasting and expenditure.
- Additional details on prison costs for the extra capacity at HMP Addiewell.
- Breakdown of Scottish Qualifications Authority (SQA) in year funding as a % of total SQA budget.
- Costs of ongoing Public Inquiries.
- An update on profiling of City Deals expenditure.
- A breakdown of the increase in Health Capital funding.
- Additional details on Concessionary Travel forecasting and the change in funding for Bus Support Services.
- Additional information on the change in costs for Contingent and Senior Civil Service numbers.

Social Security Forecasting and Fluctuation

The Scottish Government's budget for social security benefit expenditure is set according to the Scottish Fiscal Commission's (SFC) December forecasts. In December 2023 the SFC forecast expenditure of £505.1 million for Child Disability Payment (CDP) for 2025-26. In December 2024, the SFC updated its forecast to £617.7 million for CDP for the same year. Much of that increase, according to the SFC, is in line with UK-wide trends for disability payments and is fully funded through the Social Security Block Grant Adjustment.

In its forecasting the SFC routinely comments on differences in the delivery of devolved disability benefits, noting that in certain respects trends are yet to be fully established. In December 2024 the SFC also commented on increased promotion of CDP and people being supported through the application process, which is of course to be expected given the Government's statutory obligations and commitment to ensure that disabled children and young people who meet the eligibility criteria get the help they are entitled to.

In response to the specific point raised regarding neurodiversity diagnoses, the proportion of Child Disability Payment awards which relate to Mental and Behavioural disorders has remained relatively stable in the last year (74% for 2024 versus 75% in 2023, please see links to Child Disability statistics in Annex A). remained relatively unchanged. While trends in the data continue to be monitored, these statistics suggest that any increase in the caseload from these categories is in line with the overall CDP caseload.

With regards Adult Disability Payment (ADP), we are not aware of any causal link between benefit promotion and award rates. The Committee may be interested in the commentary by the Institute for Fiscal Studies, [*What has happened to disability benefits in Scotland? An update | Institute for Fiscal Studies*](#), which found that following a spike in Scottish approval rates for ADP applications immediately following national launch (August 2022), recent data indicates that new ADP recipients show a similar rate of increase to that seen for PIP in England and Wales, as well as a comparable success rate at application.

Prison Place Cost

With regards to the £6.9 million additional funding towards Scottish Prison Service's Public Private Partnership / Private Finance Initiative, this additional funding was provided for the prisoner escort contract with GEOAmey as well as the HMP Addiewell contract.

Of this funding, £6.4 million was provided to fund inflationary pressures for contract as well as greater costs from activity based contract elements such as hospital bed watchers and a reduction in service credits from the GEOAmey contract. The remaining £520k was provided for the purchase of up to an additional 48 prisoner places at HMP Addiewell to help manage the high prison population. The first 24 additional places at HMP Addiewell cost the SPS £63.87 per place per day, with the cost per place per day totalling £76.34 thereafter. The increased cost is a contractual mechanism to account for the fact that the cost increase for capacity over the original contract is not linear.

Scottish Qualification Authority in Year Budget Uplift

The following table provides a breakdown of Scottish Qualifications Authority (SQA) in year funding as a percentage of its total budget.

2019-2020 (£'m)			2020-2021 (£'m)			2021-2022 (£'m)		
Opening Budget	Final Budget	% in Year	Opening Budget	Final Budget	% in Year	Opening Budget	Final Budget	% in Year
12.217	39.295	68.91	16.687	27.644	39.64	16.687	28.312	41.06
2022-2023 (£m)			2023-2024 (£m)			2024-2025 (£m)		
Opening Budget	Final Budget	% in Year	Opening Budget	Final Budget	% in Year	Opening Budget	Final Budget	% in Year
24.131	46.788	48.42	24.131	55.465	56.49	25.501	55.827	54.32

Public Inquiry Costs

The cost of on-going Public Inquiries from the inception of the inquiry until 31st March 2025 is set out in the table below.

Inquiry	To Date Cost (£'m)
Scottish Child Abuse Inquiry	95.3
Sheku Bayoh Inquiry	24.8
Eljamel Inquiry	1.1
Scottish Hospitals Inquiry	25.4
Scottish Covid Inquiry	38.9

Further detail on a breakdown of these costs would require a direct approach from Committee to the Inquiry Chairs individually.

City Deals

Officials are still in the process of agreeing a re-profiling of the future years' capital requirement with HM Treasury following the UK Spending Review. The new profiles can be provided once this process has been finalised with HM Treasury.

In the interim, Annex B sets out the original planned profiled spend and Annex C shows the current forecasts of spend to date and the aggregates that remain to be committed for each programme.

Health Capital Funding Increase

The additional £67 million capital funding for health and social care provides:

- £6 million of additional funding for projects in construction, with £5 million of this supporting the Baird Centre to consider design assurance learning from recent projects, £1 million for manifold remedial works at Queen Elizabeth University Hospital.
- £42 million to support development of University Hospital Monklands replacement programme (NHS Lanarkshire) and a new Radionuclide Dispensary (NHS Greater Glasgow and Clyde), which have been identified as strategic priorities.

- £19 million for equipment requiring upgrade or replacement as part of ongoing monitoring of replacement cycles which was supported by additional funding provided in 2024-25.

Concessionary Travel

The forecasting process for concessionary bus scheme costs is as follows:

- Numbers of journeys were forecast as a percentage of pre-covid patronage as demand is yet to recover from the effects of Covid-19.
- As concessionary travel is demand-led, low, central and high scenarios were devised to provide a possible range for forecast journey numbers across the year.
- Fare rises are built-in to the forecasting based on advice from industry and following consultation with member operators.
- Operators receive a percentage of the single-adult fare (2024-25 rates - 55% for Older and Disabled Persons (ODP) Scheme; 43.6% for Young Persons' (YP) Scheme 5-15 year olds; 81.2% for 16-21 year olds) for every journey made under each scheme.
- Total costs for the ODP and YP schemes are estimated by applying the forecasted number of journeys against the estimated average cost of reimbursing operators for each journey made. These forecasts are reviewed on a regular basis to take into account the latest observed data for journey patterns and fare levels.

Data shows that for 2024-25 a higher proportion of more expensive, longer distance coach-type journeys have been taken by 16-21 YPS users over the past year than originally forecast. It is not fully understood why there are a larger share of these journeys for this group of users, however reasons may include more leisure trips and individuals more regularly travelling back home from Colleges and Universities. This change in the pattern of journeys has been incorporated into modelling for 2025-26.

Turning to 2025-26, negotiations have concluded on the percentage operators receive for fares. Transport Scotland and Confederation of Passenger Transport (CPT), who act on behalf of almost all bus operators in Scotland, have agreed to:

- Amend the ODP scheme rate from 55.0% to 52.9%
- Increase the YPS 5-15 rate from 43.6% to 47.9%
- Lower the YPS 16-21 rate from 81.2% to 72.4%.

These rates, which were approved by the NZET Committee via SSI on 25 February, are effective from 1 April 2025 and will remain in place during financial year 2025-26.

Support for Bus Services

The £5.2 million change in the Support for Bus Services line relates to the Community Bus Fund capital allocation (£5m) and a small underspend on other resource budget, both of which were returned to support the overall Scottish Government financial position. The 5 million capital savings did not directly relate to

bus service provision. It was assigned to other bus related infrastructure such as bus shelter upgrades. So there has been no impact on planned bus services from this saving.

Contingent Workers and C Band Civil Service

Below are the contingent worker costs for 2021-22 through to 2024-25 with the corresponding costs for C band civil servants over the same period.

The contingent worker cost has been sourced from the previous Scottish Government finance system for years 2021-22 through to 2023-24 and from the new oracle system in 2024-25. It should be noted that over this time period, the definition of contingent workers has varied due to their costs being processed at a local level. A data cleansing exercise is underway to further improve contingent worker information outputs and consistency for 2025-26 utilising the new oracle cloud system.

Contingent worker costs

Year	2021-22	2022-23	2023-24	2024-25
Temporary workers	1,910	1,945	1,552	1,209
Cost (£'m)	69.0	75.8	70.1	67.5

C Band Costs

Year	2021-22(£'m)	2022-23(£'m)	2023-24(£'m)	2024-25(£'m)
C1	116.0	131.8	140.1	161.4
C2	67.5	78.3	82.9	91.6
C3	13.5	14.6	13.6	13.7
Total	197.0	224.7	236.6	266.7

Annex A

Links to details on Child disability payments.

Social Security Scotland - Child Disability Payment: high level statistics to 31 December 2023

Social Security Scotland - Child Disability Payment: high level statistics to 31 December 2024

Annex B – Original Profiles

Original Tripartite Profiles	Type	2015/16(£)	2016/17(£)	2017/18(£)	2018/19(£)	2019/20(£)	2020/21(£)	2021/22(£)	2022/23(£)	2023/24(£)	2024/25(£)
GlasgowCRD	Capital	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	70,000,000	60,000,000	60,000,000
AberdeenCRD	Capital	-	4,500,000	23,250,000	35,950,000	42,750,000	37,950,000	34,900,000	24,300,000	20,300,000	15,400,000
InvernessHighlandCRD	Capital	3,000,000	200,000	3,460,000	9,850,000	10,780,000	16,150,000	12,910,000	4,250,000	1,810,000	1,040,000
ESESCRD	Capital	-	-	-	38,588,654	47,474,960	45,495,141	57,390,966	46,346,632	32,602,565	33,836,040
StirlingClacksCRD	Capital	-	-	-	-	-	-	9,820,000	12,982,931	13,852,069	13,320,000
TayCRD	Capital	-	-	-	-	-	18,185,000	31,832,000	29,320,000	29,570,000	29,564,000
AyrshireGD	Capital	-	-	-	-	3,194,000	3,806,000	4,109,000	22,719,000	23,586,000	22,766,000
BorderlandsGD	Capital	-	-	-	-	-	-	736,191	12,316,072	16,431,448	16,431,448
MorayGD	Capital	-	-	-	-	-	-	573,000	6,538,000	9,532,000	6,175,000
IslandsGD	Capital	-	-	-	-	-	-	-	50,000	6,193,161	10,168,281
ArgyllButeGD	Capital	-	-	-	-	-	-	-	-	-	1,038,036
FalkirkGD	Capital	-	-	-	-	-	-	-	-	-	1,543,000
Total	Capital	33,000,000	34,700,000	56,710,000	114,388,654	134,198,960	151,586,141	182,271,157	228,822,635	213,877,243	211,281,805

Original Tripartite Profiles	Type	2025/26(£)	2026/27(£)	2027/28(£)	2028/29(£)	2029/30(£)	2030/31(£)	2031/32(£)	2032/33(£)	2033/34(£)	2034/35(£)	Total(£)
GlasgowCRD	Capital	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	1,000,000,000
AberdeenCRD	Capital	10,700,000	-	-	-	-	-	-	-	-	-	250,000,000
InvernessHighlandCRD	Capital	600,000	-	-	-	-	-	-	-	-	-	64,050,000
ESESCRD	Capital	28,484,924	29,553,282	27,976,836	500,000	500,000	500,000	750,000	-	-	-	390,000,000
StirlingClacksCRD	Capital	8,320,000	10,600,000	10,600,000	4,680,000	4,025,000	-	-	-	-	-	88,200,000
TayCRD	Capital	29,283,000	29,658,000	29,258,000	29,337,000	22,794,000	-	-	-	-	-	278,801,000
AyrshireGD	Capital	24,042,000	22,182,000	25,198,000	22,539,000	20,359,000	-	-	-	-	-	194,500,000
BorderlandsGD	Capital	18,980,000	19,760,000	17,717,737	17,127,104	14,750,000	13,250,000	-	-	-	-	147,500,000
MorayGD	Capital	6,175,000	6,775,000	6,775,000	6,775,000	5,600,000	5,370,000	1,462,000	-	-	-	61,750,000
IslandsGD	Capital	9,942,104	10,203,340	9,932,190	10,255,632	10,929,102	10,381,283	9,561,574	7,383,333	-	-	95,000,000
ArgyllButeGD	Capital	6,000,000	5,941,964	5,946,873	6,537,143	4,582,857	4,411,699	3,947,143	4,547,143	4,547,142	-	47,500,000
FalkirkGD	Capital	8,428,000	8,411,000	8,126,000	7,704,000	8,300,000	8,770,000	8,748,000	9,148,000	7,298,000	-	76,476,000
Total	Capital	210,955,028	203,084,586	201,530,636	165,454,879	151,839,959	102,682,982	84,468,717	81,078,476	71,845,142	60,000,000	2,693,777,000

Inverness Highland CRD - Excludes Transport Projects (A9/A96 Inshes to Smithton Improvements and Longman Junction Improvements) as not included in Deal Partner managed spend. This means there is an additional £109m to total Deal value not represented in the table above. To note Longman Junction has now been removed from the Deal and replaced with Corran Ferry Vessel which is managed by Deal Partners and included in Current forecasts.

ESESCRD - Excludes Sheriffhall Roundabout Upgrade, New Housing Partnership and Housing Infrastructure as not Deal Partner managed spend. Additional £185m to total Deal value.

Original Tripartite Profiles	Type	2015/16(£)	2016/17(£)	2017/18(£)	2018/19(£)	2019/20(£)	2020/21(£)	2021/22(£)	2022/23(£)	2023/24(£)	2024/25(£)
GlasgowCRD	Revenue	-	-	-	-	-	-	-	-	-	-
AberdeenCRD	Revenue	-	-	-	-	-	-	-	-	-	-
InvernessHighlandCRD	Revenue	-	70,000	2,080,000	3,180,000	3,820,000	-	1,450,000	1,450,000	1,000,000	1,000,000
ESESCRD	Revenue	-	-	-	250,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
StirlingClacksCRD	Revenue	-	-	-	-	-	-	516,252	459,761	451,742	372,701
TayCRD	Revenue	-	-	-	-	-	300,000	1,650,000	2,415,000	2,430,000	2,537,000
AyrshireGD	Revenue	-	-	-	-	-	-	1,742,000	2,283,000	2,675,000	1,839,000
BorderlandsGD	Revenue	-	-	-	-	-	-	-	301,175	305,165	352,870
MorayGD	Revenue	-	-	-	-	-	-	-	127,000	187,000	500,000
IslandsGD	Revenue	-	-	-	-	-	-	-	-	245,233	507,878
ArgyllButeGD	Revenue	-	-	-	-	-	-	-	-	-	-
FalkirkGD	Revenue	-	-	-	-	-	-	-	-	-	554,000
Total	Revenue	-	70,000	2,080,000	3,430,000	6,820,000	3,300,000	8,358,252	10,035,936	10,294,140	10,663,449

Original Tripartite Profiles	Type	2025/26(£)	2026/27(£)	2027/28(£)	2028/29(£)	2029/30(£)	2030/31(£)	2031/32(£)	2032/33(£)	2033/34(£)	2034/35(£)	Total(£)
GlasgowCRD	Revenue	-	-	-	-	-	-	-	-	-	-	-
AberdeenCRD	Revenue	-	-	-	-	-	-	-	-	-	-	-
InvernessHighlandCRD	Revenue	1,000,000	-	-	-	-	-	-	-	-	-	15,050,000
ESESCRD	Revenue	3,000,000	3,750,000	-	-	-	-	-	-	-	-	25,000,000
StirlingClacksCRD	Revenue	199,544	-	-	-	-	-	-	-	-	-	2,000,000
TayCRD	Revenue	2,512,000	2,339,000	2,339,000	2,339,000	2,338,000	-	-	-	-	-	21,199,000
AyrshireGD	Revenue	1,962,000	999,000	-	-	-	-	-	-	-	-	11,500,000
BorderlandsGD	Revenue	356,990	313,250	207,875	209,875	197,000	255,800	-	-	-	-	2,500,000
MorayGD	Revenue	471,000	403,000	416,000	329,000	332,000	285,000	200,000	-	-	-	3,250,000
IslandsGD	Revenue	543,711	586,210	600,378	572,046	601,794	393,500	348,500	600,750	-	-	5,000,000
ArgyllButeGD	Revenue	25,000	283,500	367,262	370,262	379,263	297,929	258,929	258,929	258,926	-	2,500,000
FalkirkGD	Revenue	572,000	589,000	374,000	296,000	200,000	230,000	252,000	219,000	238,000	-	3,524,000
Total	Revenue	10,642,245	9,262,960	4,304,515	4,116,183	4,048,057	1,462,229	1,059,429	1,078,679	496,926	-	91,523,000

Annex C – Current Forecast

Current	Type	2015/16(£)	2016/17(£)	2017/18(£)	2018/19(£)	2019/20(£)	2020/21(£)	2021/22(£)	2022/23(£)	2023/24(£)	2024/25(£)	Remaining Drawdown(£)	Total(£)	Deal End
GlasgowCRD	Capital	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	95,000,000	62,000,000	48,000,000	15,000,000	30,000,000	600,000,000	1,000,000,000	2034/35
AberdeenCRD	Capital	-	4,100,000	12,423,000	18,268,000	26,824,000	33,194,000	36,834,000	27,466,000	20,782,846	23,848,000	46,260,154	250,000,000	2026/27
InvernessHighlandCRD	Capital	-	1,465,241	1,032,638	2,846,603	2,462,368	1,626,717	5,227,565	11,328,631	5,485,154	1,393,210	59,155,358	92,023,484	2026/27
ESESCRD	Capital	-	-	-	41,344,333	46,862,507	56,717,281	53,338,137	53,651,582	33,649,065	37,900,000	66,537,094	390,000,000	2033/34
StirlingClacksCRD	Capital	-	-	-	-	-	-	1,812,948	4,891,841	9,508,893	17,912,406	54,073,912	88,200,000	2029/30
TayCRD	Capital	-	-	-	-	-	22,059,000	38,480,000	36,497,000	42,473,000	11,825,000	126,481,000	277,815,000	2029/30
AyrshireGD	Capital	-	-	-	-	3,193,724	3,806,276	-	1,131,366	3,923,998	2,761,376	179,683,260	194,500,000	2029/30
BorderlandsGD	Capital	-	-	-	-	-	-	-	-	1,281,155	7,585,731	138,633,114	147,500,000	2030/31
MorayGD	Capital	-	-	-	-	-	-	947,106	1,920,024	2,217,981	6,699,373	49,965,516	61,750,000	2031/32
IslandsGD	Capital	-	-	-	-	-	-	-	28,897	1,877,845	2,764,877	90,328,381	95,000,000	2032/33
ArgyllButeGD	Capital	-	-	-	-	-	-	-	-	-	1,038,036	46,461,964	47,500,000	2033/34
FalkirkGD	Capital	-	-	-	-	-	-	-	-	-	325,000	76,151,000	76,476,000	2033/34
Total	Capital	30,000,000	35,565,241	43,455,638	92,458,936	109,342,599	212,403,274	198,639,756	184,915,342	136,199,938	144,053,009	1,533,730,752	2,720,764,485	-

AberdeenCRD - One project has an extension to 2027-28 but overall Deal ends March 2027.

InvernessHighlandCRD - Includes additional £28 million (compared to Tripartite profile) for Corran Ferry Vessel project which was recently approved and switched into the Deal instead of Longman Junction. Longman Junction was not managed by Deal partners, however, Corran Ferry is and so is included in Partner forecasts. Does not represent any change to overall Deal value, however. Excludes A9/A96 Inshes to Smithton Improvements as not included in Deal Partner forecasts. Additional £81 million to total Deal value not represented on the above table.

ESESCRD - Excludes Sheriffhall Roundabout Upgrade, New Housing Partnership and Housing Infrastructure as not included in Deal Partner forecasts. Additional £185 million to total Deal value.

TayCRD - Switch between capital and revenue for Dundee Airport project creating variance to Total Tripartite for each pot but no change to overall Deal value.

Current	Type	2015/16(£)	2016/17(£)	2017/18(£)	2018/19(£)	2019/20(£)	2020/21(£)	2021/22(£)	2022/23(£)	2023/24(£)	2024/25(£)	Remaining Drawdown(£)	Total(£)	Deal End
GlasgowCRD	Revenue	-	-	-	-	-	-	-	-	-	-	-	-	2034/35
AberdeenCRD	Revenue	-	-	-	-	-	-	-	-	-	-	-	-	2026/27
InvernessHighlandCRD	Revenue	-	39,584	187,550	1,061,266	1,909,292	1,632,364	1,931,047	2,142,679	2,353,433	2,356,715	1,239,513	14,853,443	2026/27
ESESCRD	Revenue	-	-	-	-	1,057,205	2,354,084	4,074,732	4,064,000	4,208,971	3,930,360	5,310,649	25,000,000	2033/34
StirlingClacksCRD	Revenue	-	-	-	-	-	-	53,730	179,853	182,054	168,000	1,416,363	2,000,000	2029/30
TayCRD	Revenue	-	-	-	-	-	300,000	361,000	136,000	1,056,000	2,267,000	18,065,000	22,185,000	2029/30
AyrshireGD	Revenue	-	-	-	-	-	-	922,347	1,530,545	1,830,904	2,272,472	4,943,732	11,500,000	2029/30
BorderlandsGD	Revenue	-	-	-	-	-	-	-	-	-	4,000	2,496,000	2,500,000	2030/31
MorayGD	Revenue	-	-	-	-	-	-	-	-	-	35,395	3,214,605	3,250,000	2031/32
IslandsGD	Revenue	-	-	-	-	-	-	-	-	-	13,499	4,986,501	5,000,000	2032/33
ArgyllButeGD	Revenue	-	-	-	-	-	-	-	-	-	-	2,500,000	2,500,000	2033/34
FalkirkGD	Revenue	-	-	-	-	-	-	-	-	-	75,000	3,449,000	3,524,000	2033/34
Total		-	39,584	187,550	1,061,266	2,966,497	4,286,448	7,342,855	8,053,077	9,631,361	11,122,441	47,621,363	92,312,442	-

TayCRD - Switch between capital and revenue for Dundee Airport project creating variance to Total Tripartite for each pot but no change to overall Deal value.

Yours sincerely,

IVAN MCKEE