

Office for  
**Budget  
Responsibility**

## **Devolved tax and spending forecasts**

---

November 2020



# 1 Introduction

## Background

- 1.1 The Office for Budget Responsibility (OBR) was established in 2010 to provide independent and authoritative analysis of the UK's public finances. Alongside the UK Government's Budgets and other fiscal statements, we produce forecasts for the economy and the public finances, which are published in our *Economic and fiscal outlook (EFO)*.
- 1.2 In this document we present our forecasts for the fully devolved taxes and for devolved elements of income tax. We also present illustrative projections for some taxes that are yet to be devolved. And we provide forecasts that the UK, Scottish and Welsh Governments use as part of their agreed block grant funding mechanisms.
- 1.3 It is not possible to replicate in full the methodologies we use to produce our UK-wide forecasts when producing these devolved tax forecasts. This is largely because we lack sufficiently detailed or timely data required to produce forecasts for Scotland or Wales on the same basis. Given these challenges, we generally use approaches based on estimating and projecting Scottish and Welsh shares of relevant UK-wide tax streams. We usually assume that the shares will remain close to recent levels, though we typically adjust for differences in population growth or other factors where evidence suggests we should. The exception to this approach is where taxes have been fully devolved and we are able to take account of outturns and build models specific to the tax in question.
- 1.4 The methodology and the forecasts represent the collective view of the three independent members of the OBR's Budget Responsibility Committee (BRC). The BRC takes full responsibility for the judgements that underpin them. We have also drawn heavily on the work and expertise of numerous officials in preparing these forecasts, including in the Welsh Government, Scottish Fiscal Commission, Scottish Government, HM Revenue and Customs, HM Treasury and the Department for Work and Pensions. We are grateful for their expertise, hard work, and patience.
- 1.5 These forecasts are consistent with the central forecast for the UK economy and public finances presented in our November 2020 *EFO*. As it explains, the nature of the uncertainties around the path of the coronavirus pandemic, the health restrictions in place across the UK to control it, the timing and effectiveness of vaccines under development, and continuing Brexit negotiations, mean that the central forecast is best interpreted as representing an intermediate scenario rather than a median (or mean) forecast as would normally be the case.

1.6 Our November 2020 *EFO* describes the timetable that was followed in producing our UK-wide forecasts. We would normally close our pre-measures forecast at the third round of our forecast to provide a stable base against which the Chancellor can assess his policy measures. However, on this occasion, given the rapidly changing environment, we continued to update the forecast to reflect the emergence of a second wave of infections, the subsequent tightening of public health restrictions, and news concerning vaccines. The final round of the forecast also incorporated all policy announcements between the Chancellor's Summer Economic Update in July and the Spending Review announced alongside the *EFO*. It also included news from further data releases. It was closed on 20 November.

1.7 The process for producing these devolved forecasts has been as follows:

- officials in HMRC, the Scottish Fiscal Commission and the Welsh Government produced **draft Scottish and Welsh tax forecasts** using our preliminary UK economy and fiscal forecasts;
- these were **scrutinised by the BRC** in a challenge meeting attended by those officials on 20 October; and
- a **final set of forecasts** were produced on 20 November, using our final economy forecast and including the impact of UK Government policies.

1.8 The rest of this document is structured as follows:

- Chapter 2 covers non-savings non-dividend **income tax** in Scotland and Wales;
- Chapter 3 covers **land and buildings transaction tax and land disposals tax**;
- Chapter 4 covers **landfill taxes** in Scotland and Wales;
- Annex A provides illustrative forecasts for **taxes not yet devolved** – aggregates levy, air passenger duty and VAT assignment; and
- Annex B presents forecasts that the respective Governments use as part of their **block grant calculations**.

## 2 Income tax

### Introduction

- 2.1 Scottish income tax and the Welsh rates of income taxes are levied on non-savings, non-dividend (NSND) income, assessed on a liabilities basis. This includes earnings from employment, self-employment, pensions and property. Income tax paid on savings and dividends is reserved to the UK Government and accounts for around 10 per cent of total income tax revenue at the UK level, and somewhat less than that in Scotland and Wales.
- 2.2 Income tax has been partially devolved to Scotland since April 2016. Since April 2017 the Scottish Government has received full NSND income tax liabilities from taxpayers in Scotland. The Scottish Parliament has the power to vary all rates and thresholds separately (other than the personal allowance), and has to create new bands paying different rates.
- 2.3 The Welsh rates of income tax have been devolved since April 2019. The existing basic, higher and additional rates of income tax levied by the UK Government are reduced by 10p in the pound for those individuals defined as Welsh taxpayers. The Welsh rates were kept at 10p for each band of income tax for 2020-21, thereby keeping income tax at the same rates as are paid by taxpayers in England and Northern Ireland.
- 2.4 This chapter presents our approach to forecasting Scottish income tax and the Welsh rates and presents our latest forecasts for each of them.<sup>1</sup>

### Methodology

- 2.5 The three main stages in generating our forecasts for Scottish and Welsh income tax are:
- first, we generate a **UK forecast for NSND income tax liabilities** from the full UK income tax forecast published in our *Economic and fiscal outlook (EFO)*;
  - second, we calculate the **Welsh and Scottish shares** of the UK NSND liabilities and apply these to the UK forecast; and
  - third, we add the effects of **policy measures** announced since our previous forecast.

---

<sup>1</sup> For more detailed explanation of the structure of both Scottish income tax and the Welsh rates and of how we produce our forecasts for each see our March 2019 *Devolved tax and spending forecasts*. Further discussion of the Welsh rates can also be found in our *Welsh Taxes Outlook* and Mathews, P. *Working paper no. 14: Devolved income tax: forecasting by tax bands*, September 2018.

- 2.6 Unlike fully devolved taxes, comprehensive and timely information on income tax is only available for UK receipts. For Scotland, outturn data on liabilities are published, but only with a long lag. For the Welsh rates, the first year of outturn data is expected in summer 2021. This means that estimates for past years can change as a result of new data becoming available, as well as the forecasts themselves changing.
- 2.7 The Welsh Government's fiscal framework agreement requires us to forecast income tax liabilities associated with each band of income tax for Wales.<sup>2</sup>

## UK forecast

- 2.8 UK NSND liabilities rise only modestly in cash terms this year as a result of the pandemic, before growing more strongly thereafter as the economy recovers. They are £9.3 billion lower in 2020-21 compared to March, and £20 billion (10 per cent) lower on average in subsequent years (Table 2.1). In the near term this is driven by virus-related downward revisions to employment and earnings growth. Thereafter, receipts are depressed by weaker real earnings growth and the associated loss of fiscal drag, reflecting the assumption of 3 per cent scarring to the level of real GDP by the end of the forecast period. Our estimate of UK NSND liabilities in 2019-20 has also been revised down, which provides a lower starting point for the forecast and feeds through to lower liabilities in subsequent years.
- 2.9 In 2020-21 the Coronavirus Job Retention Scheme (CJRS) has supported employee incomes in the face of the pandemic. Some of the CJRS grants return directly to the Exchequer since they cover income tax liabilities. Cash receipts paid through self-assessment are supported in 2021-22 by the UK Government's deferral scheme, which allows taxpayers to defer 2020-21 payments into 2021-22, and the Self-Employed Income Support Scheme (SEISS), the tax on which will also be due in 2021-22. The deferral scheme relates to 2019-20 liabilities and its only effect on a liabilities basis comes via the assumption that some deferred tax will not actually be paid when it comes due. The SEISS boosts 2020-21 liabilities. Liabilities are also raised by the indirect effects of the latest UK Government policies, which relate to the significant further fiscal easing that has taken place since the Chancellor's Summer Economic Update (SEU), most notably the additional public services spending, and which boost receipts via their effects on employment and earnings.

---

<sup>2</sup> See Mathews (2018) Working paper No.14 *Devolved income tax: forecasting by tax bands*.

Table 2.1: UK NSND income tax forecast

	£ billion							
	Outturn		Forecast					
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
March forecast	174.0	176.6	187.7	197.1	206.7	214.9	223.8	
November forecast	172.3	174.7	178.4	178.1	185.9	194.3	204.0	213.8
<b>Change</b>	<b>-1.7</b>	<b>-1.8</b>	<b>-9.3</b>	<b>-19.0</b>	<b>-20.8</b>	<b>-20.6</b>	<b>-19.8</b>	
<i>of which:</i>								
UK NSND outturn alignment		-0.7	-0.7	-0.6	-0.7	-0.7	-0.8	
Pre-measures forecast <sup>1</sup>		-0.7	-15.1	-20.4	-22.0	-20.9	-19.8	
Direct effects of UK Government policies		-0.4	5.3	-0.1	0.0	0.0	0.1	
Indirect effects of UK Government policies		0.0	1.2	2.1	1.9	1.0	0.7	

<sup>1</sup> Includes gift aid estimates.

## Scottish and Welsh shares

2.10 We forecast the shares to apply to the UK NSND forecast by starting from HMRC's latest Survey of Personal Incomes (SPI). This is an annual sample of around 730,000 individuals in contact with HMRC during a year through the PAYE, SA or repayment claim systems. Table 2.2 shows how the SPI-based Scottish and Welsh shares of all UK income tax liabilities have fallen in recent years. The pace of decline has quickened since 2014-15.

Table 2.2: Scottish and Welsh historic share of all income tax liabilities

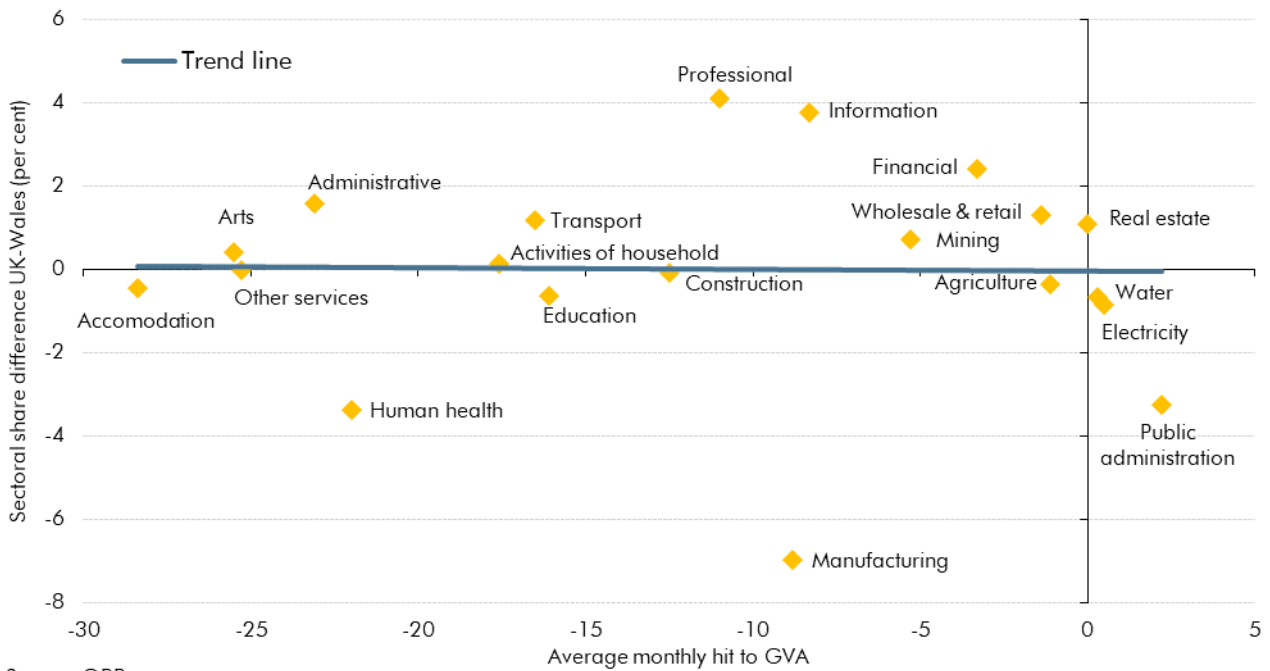
	Per cent					
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Scotland	7.2	7.1	7.1	6.9	6.8	6.5
Wales	2.9	2.8	2.8	2.7	2.7	2.6

2.11 The most recently available SPI data are for 2017-18. We use this to calculate an initial share of UK NSND income tax liabilities for both Scotland and Wales. We then project these SPI-based shares over the forecast period, making adjustments for:

- **Population:** we use an index based on the latest ONS population projections to reflect the slower growth of the working-age population expected in Scotland and Wales.
- **Earnings:** we adjust the shares in line with the share of total employee earnings as reported in HMRC's real-time information (RTI) from the PAYE system, enabling us to draw on more up-to-date information for the majority of income tax payers.
- **Previously announced policies:** any effects of these that are expected to alter the Scottish or Welsh share are incorporated – for example, personal allowance changes.
- **Outturn:** we align our forecast for the Scottish share to the 2018-19 outturn, which reduces the share by 0.2 percentage points in each year of the forecast. We cannot do this for Wales yet as initial outturn data will only be published next year.

- 2.12 We considered whether to apply a further adjustment to reflect the sectoral concentration of the coronavirus hit to UK-wide output, given differences in the sectoral composition of the Scottish and Welsh economies relative to the UK as a whole. But as Charts 2.1 and 2.2 show, there is almost no correlation between these that would point to income tax liabilities being hit by more or less than average in Scotland or Wales. In particular, the worst hit sectors, such as accommodation and food services, and arts and entertainment, are of similar importance to the economies of Scotland, Wales and the UK as a whole. As such, we have not assumed any asymmetric effects in the Scottish and Welsh shares of income tax.
- 2.13 Oil prices fell sharply at the start of the pandemic and have recovered somewhat but remain lower than our March forecast. When oil prices fell in 2014 and into 2015, income tax per taxpayer in Scotland grew at a significantly slower rate than the rest of the UK in 2015-16 and into 2016-17.<sup>3</sup> It is therefore possible that a similar effect could be seen in 2020-21. But at this stage, given the broader virus-related uncertainties and the evidence in Chart 2.2, we have not adjusted the Scottish share for the lower oil price in this forecast either.

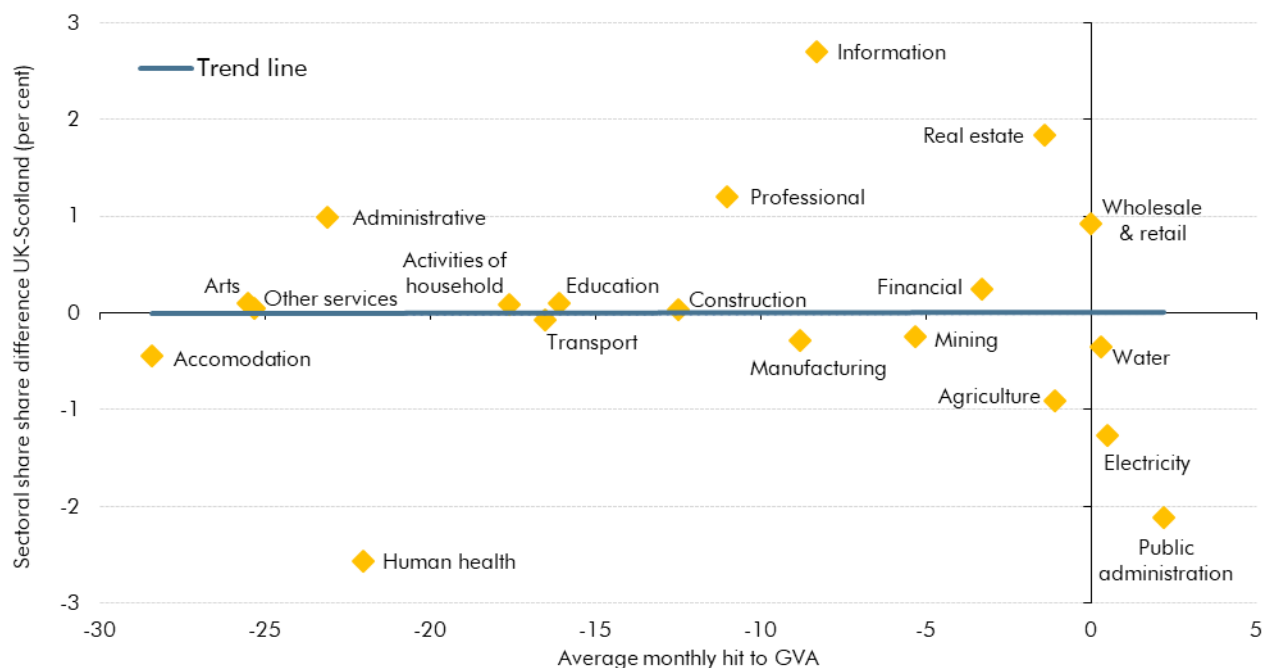
Chart 2.1: UK-Wales GVA sectoral shares against growth in GVA



<sup>3</sup> Scottish Fiscal Commission, *The distribution of income growth in income tax revenue*, October 2020, and Fraser of Allander Institute, *Scottish budget risks and uncertainties – implications of Covid-19*, April 2020.



Chart 2.2: UK-Scotland GVA sectoral shares against growth in GVA



Source: OBR

2.14 Table 2.3 reports our latest forecast for the Scottish share and the extent to which it has been revised down relative to our March forecast. This largely reflects bringing the share into line with the outturn for 2018-19, which was slightly lower than we had expected. There is a small offset from updated population estimates.

Table 2.3: Pre-measures Scottish share of NSND income tax

	Per cent of UK total for non-savings, non-dividend liabilities							
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
March forecast (pre-measures)	6.74	6.81	6.82	6.81	6.79	6.77	6.76	
November forecast	6.71	6.74	6.69	6.71	6.69	6.68	6.67	6.68
<b>Change</b>	<b>-0.04</b>	<b>-0.07</b>	<b>-0.13</b>	<b>-0.10</b>	<b>-0.09</b>	<b>-0.09</b>	<b>-0.09</b>	
<i>Index of relative population growth (2018-19=100)</i>	<i>100.0</i>	<i>99.5</i>	<i>99.2</i>	<i>98.9</i>	<i>98.7</i>	<i>98.4</i>	<i>98.2</i>	

2.15 Table 2.4 shows the latest Welsh share, which we have revised down slightly in 2020-21, but up slightly in subsequent years relative to our March forecast. This is largely due to the ONS's June update to their population projections for Wales.<sup>4</sup>

Table 2.4: Pre-measures Welsh share of NSND income tax

	Per cent of UK total for non-savings, non-dividend liabilities							
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
March forecast (pre-measures)	1.16	1.16	1.16	1.15	1.15	1.15	1.14	
November forecast	1.17	1.16	1.14	1.16	1.16	1.16	1.15	1.15
<b>Change</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.02</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	
<i>Index of relative population growth (2018-19=100)</i>	<i>100.0</i>	<i>99.7</i>	<i>99.6</i>	<i>99.5</i>	<i>99.3</i>	<i>99.1</i>	<i>98.9</i>	

<sup>4</sup> Corrected summary tables were published on the ONS's website on 23 June.

## Scottish forecast

2.16 Table 2.5 presents our latest Scottish income tax forecast and the changes since March. On average receipts are expected to be £1.2 billion (9 per cent) lower in each year of the forecast. The downward revision is driven by the UK NSND forecast and the lower Scottish share, which is only partially offset by the effect of UK Government policy measures (with the SEISS lifting liabilities in 2020-21 and indirect effects lifting them over several years).

Table 2.5: Changes in Scottish NSND income tax since March

	£ million							
	Outturn				Forecast			
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
March forecast	11,735	12,020	12,792	13,416	14,045	14,588	15,165	
November forecast	11,556	11,780	12,013	11,949	12,443	12,980	13,607	14,283
<b>Change</b>	<b>-179</b>	<b>-240</b>	<b>-779</b>	<b>-1,467</b>	<b>-1,602</b>	<b>-1,609</b>	<b>-1,557</b>	
<i>of which:</i>								
Scottish share modelling		-116	-172	-170	-186	-206	-215	
UK NSND outturn alignment		-47	-45	-44	-45	-48	-51	
UK NSND forecast and other changes <sup>1</sup>		-57	-1,082	-1,393	-1,497	-1,419	-1,345	
Direct effects of UK Government policies		-20	436	-4	-2	0	4	
Indirect effects of UK Government policies		0	84	143	129	65	49	

<sup>1</sup> Includes gift aid estimates.

## Welsh forecast

2.17 Table 2.6 sets out our latest forecast for the Welsh rates and a breakdown of the changes since March. Receipts are £158 million (7 per cent) a year lower on average, driven largely by the weaker pre-measures UK NSND forecast. This outweighs the combined impact of a slightly higher Welsh share and UK Government policy measures.

Table 2.6: Changes in the Welsh rates forecast since March

	£ million							
	Estimated outturn	Forecast						
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
March forecast	2,021	2,041	2,170	2,273	2,377	2,466	2,558	
Welsh IT forecast	2,010	2,026	2,091	2,064	2,152	2,247	2,356	2,463
<b>Change</b>	<b>-11</b>	<b>-15</b>	<b>-78</b>	<b>-209</b>	<b>-225</b>	<b>-220</b>	<b>-203</b>	
of which:								
Welsh share		6	7	10	14	17	24	
UK NSND outturn alignment		-8	-8	-8	-8	-8	-9	
UK NSND forecast and other changes <sup>1</sup>		-15	-217	-236	-253	-240	-227	
Direct effects of UK Government policies		2	125	-1	0	0	1	
Indirect effects of UK Government policies		0	14	25	22	11	9	

<sup>1</sup> Includes gift aid estimates.

Table 2.7: Forecast of Welsh rates by tax band

	£ million							
	Estimated outturn	Forecast						
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
November forecast	2,010	2,026	2,091	2,064	2,152	2,247	2,356	2,463
of which:								
Basic rate	1,718	1,748	1,810	1,779	1,854	1,933	2,021	2,104
Higher rate	248	231	238	241	248	259	274	293
Additional rate	44	47	44	44	49	55	61	67
	Per cent							
Basic rate	85.5	86.3	86.3	86.2	86.2	86.0	85.8	85.4
Higher rate	12.3	11.4	11.5	11.7	11.5	11.5	11.6	11.9
Additional rate	2.2	2.3	2.1	2.1	2.3	2.4	2.6	2.7

Shaded cells represent notional estimates for years when tax devolution has not occurred.



# 3 Taxes on property transactions

## Introduction

3.1 There are three different property transaction tax systems operating in the UK: stamp duty land tax (SDLT) in England and Northern Ireland; land and buildings transaction tax (LBTT) in Scotland, and land transaction tax (LTT) in Wales. This chapter summarises our approach to forecasting LBTT and LTT and presents our latest forecasts for each of them.<sup>1</sup>

## Methodology

3.2 All our forecasts for property transaction taxes start with our UK-wide property market forecasts, as we assume that Scottish and Welsh prices and transactions will generally move in line with those for the UK as a whole unless there are clearly reasons to depart from that. We have made two departures from UK-wide determinants in this forecast. First, we expect slightly faster house price inflation in Wales in the remainder of 2020-21 based on the year-to-date outturns, so have added a 0.8 percentage point uplift to house price inflation underpinning our LTT forecast in 2020-21, relative to SDLT and LBTT. Second, the residential transactions forecast underpinning our LBTT and LTT forecasts excludes the impact of forestalling (the bringing forward of a transaction in order to pay less tax) that is specific to receipts in England and Northern Ireland at the end of the SDLT holiday.<sup>2</sup>

3.3 Both forecasts involve three steps:

- first, we produce an **in-year estimate**, using the latest outturn and our forecasts for property market determinants in 2020-21;
- next, we produce our **pre-measures forecast**, drawing on several models to project the property market over five years and then calculate the expected revenue; and
- finally, we add estimates of the effects of any **new policy measures** to produce our post-measures forecast.

## Latest property market forecasts

3.4 Our LBTT and LTT forecasts are based on the property market forecasts shown in Table 3.1. These are the same as the UK-wide forecasts published in our *EFO*, aside from the

---

<sup>1</sup> For more detailed explanations of the structure of these taxes and how we produce our forecasts for LBTT and LTT see our March 2019 *Devolved tax and spending forecasts* or our December 2019 *Welsh taxes outlook*. Also see the 'forecast in-depth' section of our website.

<sup>2</sup> The UK Government has raised the tax-free SDLT threshold for residential main rates transactions to £500,000, effective from 8 July until 31 March 2021. Our forecasts for LBTT and LTT include the effects of forestalling due to the raising of the tax-free LBTT and LTT thresholds respectively.

exceptions set out in paragraph 3.2. Both transactions and prices in 2020-21 have been revised down significantly compared to our March *EFO* forecast as a result of the pandemic. We still expect house prices to rise slightly this year, but they fall next as unemployment rises. There is continued growth thereafter, though prices remain 14 per cent lower than in our March forecast in 2024-25. We expect the significant fall in residential transactions this year to be followed by a sharp rebound in 2021-22, and then modest growth thereafter.

3.5 Commercial transactions and prices have fallen sharply this year, with the latter remaining subdued next year. Over the longer term we assume the commercial property market will be relatively more adversely affected by structural changes due to the pandemic.

Table 3.1: Forecasts for property prices and transactions

	Percentage change on a year earlier						
	Outturn 2019-20	Forecast					
		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>House prices</b>							
March forecast	1.1	2.2	4.2	5.1	5.1	8.7	
November forecast <sup>1</sup>	1.2	2.4	-5.6	0.3	6.5	6.8	5.5
<b>Change</b>	<b>0.1</b>	<b>0.1</b>	<b>-9.8</b>	<b>-4.8</b>	<b>1.4</b>	<b>-1.9</b>	
<b>Housing transactions</b>							
March forecast	-0.1	5.7	1.5	3.0	2.1	2.2	
November forecast	-1.8	-12.1	32.1	-1.1	0.5	0.8	0.8
<b>Change</b>	<b>-1.7</b>	<b>-17.7</b>	<b>30.5</b>	<b>-4.1</b>	<b>-1.6</b>	<b>-1.3</b>	
<b>Commercial property prices</b>							
March forecast	-1.9	-1.4	0.0	0.7	2.1	2.1	
November forecast	3.3	-9.2	-0.8	1.7	2.0	2.0	2.0
<b>Change</b>	<b>5.2</b>	<b>-7.8</b>	<b>-0.8</b>	<b>1.0</b>	<b>-0.1</b>	<b>-0.1</b>	
<b>Commercial transactions</b>							
March forecast	-5.1	-1.7	1.7	1.4	1.3	1.5	
November forecast	-6.6	-21.0	9.0	5.8	4.9	4.7	4.4
<b>Change</b>	<b>-1.6</b>	<b>-19.3</b>	<b>7.3</b>	<b>4.4</b>	<b>3.7</b>	<b>3.3</b>	

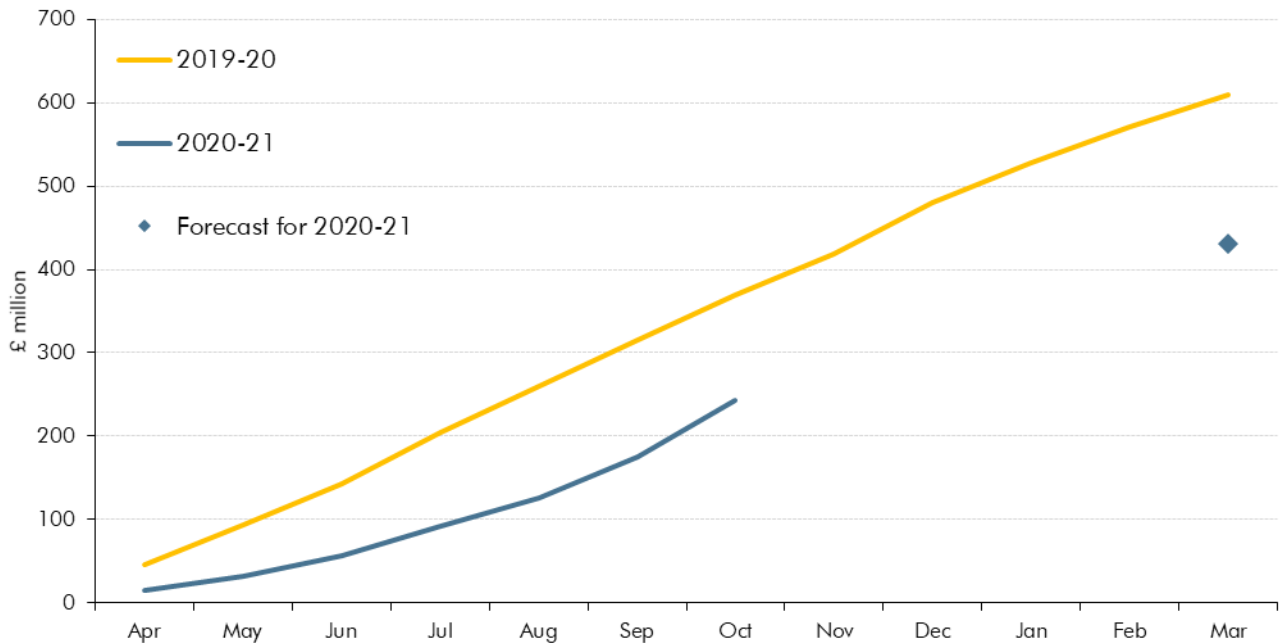
<sup>1</sup>We have added a 0.8 percentage point uplift to the house price forecast underpinning our forecasts for residential LTT in 2020-21. We also added a 3.2 percentage point uplift to our March forecast for house prices which underpinned our March LTT forecast. The outturn for 2019-20 displayed above is for UK wide house price inflation.

## Land and buildings transaction tax

### Latest LBTT outturn data

3.6 Total LBTT receipts for the first half of 2020-21 are down £127 million (34 per cent) compared to the same period last year (Chart 3.1). Residential receipts (net of refunds) are £83 million (33 per cent) lower, while commercial receipts are down £44 million (38 per cent). This reflects the restrictions placed on the property market by the Scottish Government between late March and the end of June, which significantly reduced transactions in the first quarter. We expect some recovery in receipts in the remainder of 2020-21, but for them to remain down 29 per cent on 2019-20 across the whole year.

Chart 3.1: Monthly LBTT receipts in 2019-20 and 2020-21



Source: Revenue Scotland, OBR

## LBTT forecast

3.7 Table 3.2 sets out our latest LBTT forecast compared to March. LBTT receipts are significantly down on March, by an average of £210 million (26 per cent) a year. Much of this weakness is due to the residential main rates forecast, accounting for £139 million (66 per cent) of the average yearly reduction.

Table 3.2: Land and buildings transaction tax forecast

	£ million						
	Outturn 2019-20	2020-21	2021-22	Forecast			
				2022-23	2023-24	2024-25	2025-26
<b>Total LBTT</b>							
March forecast	614	666	746	820	889	961	
November forecast	598	431	578	597	671	753	830
<b>Change</b>	<b>-16</b>	<b>-235</b>	<b>-167</b>	<b>-223</b>	<b>-218</b>	<b>-208</b>	
<b>Residential LBTT (excluding ADS)</b>							
March forecast	289	333	399	460	514	570	
November forecast	287	204	297	307	357	417	473
<b>Change</b>	<b>-2</b>	<b>-128</b>	<b>-103</b>	<b>-154</b>	<b>-158</b>	<b>-153</b>	
<b>Additional dwellings supplement (ADS)</b>							
March forecast	133	139	150	159	167	175	
November forecast	120	87	133	130	142	152	159
<b>Change</b>	<b>-13</b>	<b>-51</b>	<b>-17</b>	<b>-29</b>	<b>-25</b>	<b>-24</b>	
<b>Commercial LBTT</b>							
March forecast	191	194	197	200	208	216	
November forecast	191	139	149	160	172	185	198
<b>Change</b>	<b>-1</b>	<b>-55</b>	<b>-48</b>	<b>-40</b>	<b>-36</b>	<b>-31</b>	

## Residential LBTT forecast

- 3.8 Table 3.3 shows the sources of changes to our residential forecast since March. Receipts are on average £168 million (27 per cent) lower in each year. In 2020-21, fewer transactions explain most of the downward revision, but they rebound sharply in 2021-22 and the weaker outlook for house prices drives most of the changes thereafter. This combines with the progressive nature of the residential LBTT system to depress growth in the tax base and the effective tax rate (the average amount of tax paid per transaction).
- 3.9 The Scottish Government has implemented two policy changes since March, both of which reduce receipts:
- First, from 15 July 2020 to 31 March 2021 the **LBTT nil-rate band for residential main rates transactions has been increased from £145,000 to £250,000**. Transactions under £250,000 will pay no tax, while those above will save £2,100. We expect around 2,500 transactions to be brought forward from 2021-22 to benefit from the higher threshold. Around 44,000 transactions in 2020-21 are forecast to benefit, in total at a cost of £46 million, split between £30 million in 2020-21 and £16 million in 2021-22.
  - Second, **the window for reclaiming additional dwelling supplement (ADS) repayments has been extended** from 18 to 36 months. This applies to eligible transactions between 24 September 2018 and 24 March 2020, and costs £15 million over three years.

Table 3.3: Changes to the residential LBTT forecast since March

	£ million						
	Outturn		Forecast				
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
March forecast	422	471	549	620	681	745	
November forecast	407	292	430	437	499	568	632
<b>Change</b>		<b>-180</b>	<b>-119</b>	<b>-183</b>	<b>-182</b>	<b>-177</b>	
<i>of which:</i>							
Price changes		-19	-128	-186	-183	-171	
Transaction changes		-82	35	16	11	4	
Outturn data		-8	-8	-9	-9	-8	
Modelling and other		-37	6	-1	-1	-1	
Raising the residential main rates threshold		-30	-16	-1	0	0	
ADS repayments extension		-4	-7	-3	0	0	

## Commercial LBTT forecast

- 3.10 Table 3.4 sets out our latest commercial LBTT forecast and compares it to March. Receipts are down in each year, but by decreasing amounts. Over 90 per cent of this downward revision is due to the weaker outlook for commercial property determinants, with a small adjustment made for receipts in 2019-20, which were slightly weaker than forecast.



Table 3.4: Changes to the commercial LBTT forecast since March

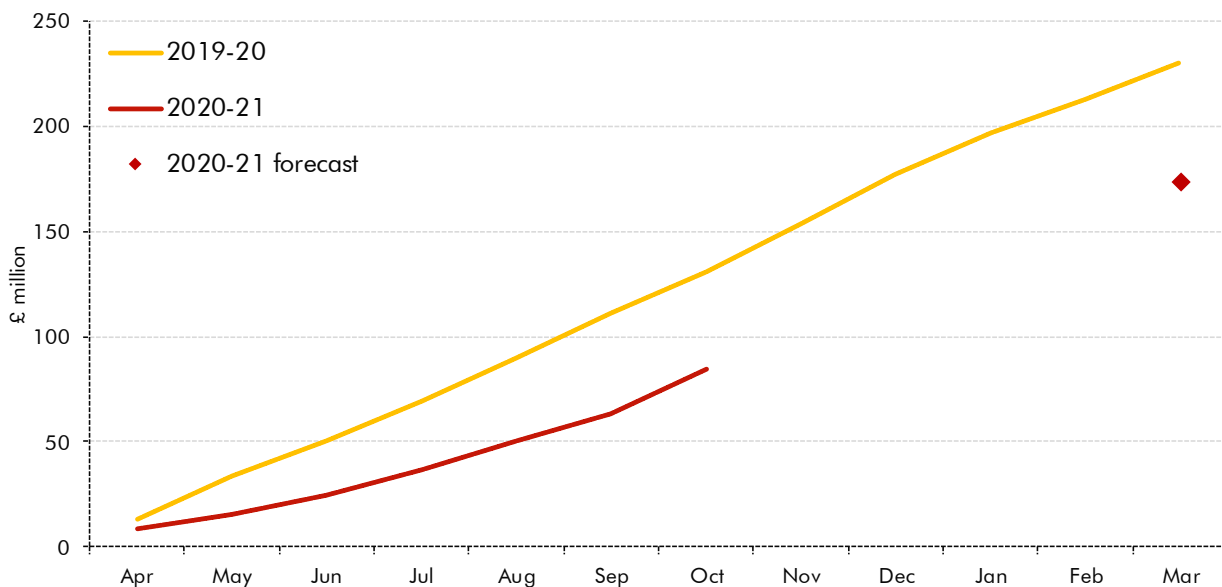
	£ million						
	Outturn	Forecast					
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
March forecast	191	194	197	200	208	216	
November forecast	191	139	149	160	172	185	198
<b>Change</b>		<b>-55</b>	<b>-48</b>	<b>-40</b>	<b>-36</b>	<b>-31</b>	
<i>of which:</i>							
Price changes		-20	-21	-19	-20	-21	
Transaction changes		-32	-24	-18	-13	-7	
Outturn data		-3	-3	-3	-3	-3	

## Land transaction tax forecast

### Latest LTT outturn data

3.11 In the seven months to October, LTT receipts totalled £85 million, 35 per cent lower than at the same point in 2019-20 (Chart 3.2). Residential receipts net of refunds were £35 million (37 per cent) lower and commercial receipts were £11 million (31 per cent) lower. This reflects the property markets restrictions imposed by the Welsh Government for much of the first quarter of the fiscal year. We expect some rebound in receipts through the rest of the year, but receipts in 2020-21 as a whole remain 24 per cent lower than in 2019-20.

Chart 3.2: Monthly LTT receipts in 2019-20 and 2020-21



Note: The monthly receipts shown above do not include the transfer of the Core Valley Lines (CVL) rail network into public ownership. The WRA records this as an untypically large transaction, which adds £28 million to total LTT receipts in 2019-20.  
Source: WRA, OBR

## Latest forecast

3.12 Table 3.5 sets out our latest forecast for LTT and its components. Relative to March, overall receipts are down in each year of the forecast, by an average of £86 million (27 per cent). Nearly 70 per cent of this is due to the drop in residential main rates receipts, which have been revised down by an average of £60 million (34 per cent) a year.

Table 3.5: Land transaction tax forecast

	£ million						
	Outturn		Forecast				
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Total LTT</b>							
March forecast	266	254	288	319	349	379	
November forecast	260	174	218	224	253	288	321
<b>Change</b>	<b>-6</b>	<b>-80</b>	<b>-70</b>	<b>-95</b>	<b>-95</b>	<b>-91</b>	
<b>Residential (excluding additional properties)</b>							
March forecast	103	124	151	175	197	220	
November forecast	102	71	105	109	129	154	178
<b>Change</b>	<b>-1</b>	<b>-53</b>	<b>-45</b>	<b>-66</b>	<b>-68</b>	<b>-66</b>	
<b>Additional properties</b>							
March forecast	59	62	68	74	78	83	
November forecast	60	57	64	62	67	73	78
<b>Change</b>	<b>1</b>	<b>-5</b>	<b>-5</b>	<b>-11</b>	<b>-10</b>	<b>-10</b>	
<b>Commercial</b>							
March forecast	104	68	69	70	73	76	
November forecast	99	45	49	53	57	61	65
<b>Change</b>	<b>-5</b>	<b>-22</b>	<b>-20</b>	<b>-18</b>	<b>-16</b>	<b>-15</b>	

### Residential LTT forecast

3.13 Table 3.6 breaks down changes in our residential forecasts since March. The downward revision to receipts this year is largely due to lower transactions and the LTT holiday. From 2021-22 onwards it is driven by the weaker outlook for house prices, which lower receipts by an average of £71 million (27 per cent) a year.

3.14 The Welsh Government has raised the lower threshold for main rates residential property transactions from £180,000 to £250,000, with effect from 27 July 2020 until 31 March 2021. This means that transactions between £180,000 and £250,000 will temporarily pay no LTT, while all those above £250,000 will save £2,450. We assume that around 1,000 transactions will be brought forward from next year, increasing revenues in 2020-21 by around £3 million and lowering them by £4 million in 2021-22. Around 10,000 transactions are expected to benefit from the tax cut, at a cost of £18 million.

Table 3.6: Changes in residential LTT since March

	£ million						
	Outturn	Forecast					
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
March forecast	162	186	219	249	275	302	
November forecast	162	129	169	171	197	227	256
<b>Change</b>		<b>-58</b>	<b>-50</b>	<b>-78</b>	<b>-79</b>	<b>-76</b>	
<i>of which:</i>							
Modelling changes		1	-1	0	0	0	
Price changes		-10	-59	-84	-83	-78	
Transaction changes		-33	20	10	6	3	
LTT raising the tax-free threshold		-18	-5	-1	0	0	

### Commercial LTT forecast

3.15 Our forecast for commercial LTT receipts is lower for each year of the forecast compared to March (Table 3.7). Lower transactions and prices account for over 80 per cent of the downward revision, though updating the base year data in the forecast model and slightly weaker than expected in-year receipts also contribute.

Table 3.7: Changes in commercial LTT since March

	£ million						
	Outturn	Forecast					
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
March forecast	104	68	69	70	73	76	
November forecast	99	45	49	53	57	61	65
<b>Change</b>		<b>-22</b>	<b>-20</b>	<b>-18</b>	<b>-16</b>	<b>-15</b>	
<i>of which:</i>							
Modelling changes		-2	-2	-2	-2	-2	
Price changes		-7	-8	-7	-7	-8	
Transaction changes		-13	-9	-7	-5	-3	
Outturn data		-2	-3	-3	-3	-3	



# 4 Landfill taxes

## Introduction

4.1 Landfill tax applies to all waste disposed of at a landfill site unless it is specifically exempt. Scottish landfill tax replaced the UK equivalent with effect from April 2015 while landfill disposals tax (LDT) came into effect in Wales from April 2018. The Scottish and Welsh Governments have so far matched the main rates set by the UK Government.<sup>1</sup>

## Methodology

4.2 Our forecasts are driven by the tax base (the amount of waste sent to landfill) and the effective tax rate that will be paid (largely driven by policy decisions on rates, but also by the composition of waste sent to landfill as there are two different rates).<sup>2</sup> The volume of waste sent to landfill has been on a downward trend, both in absolute terms and relative to the size of the economy. Our forecast methodology involves three main steps:

- establishing the **in-year estimate** drawing on the latest administrative data (and other relevant sources) to estimate the level of receipts in the current year in progress;
- producing a **pre-measures forecast** using our forecast models, by multiplying the amount of liable waste sent to landfill (the tax base) by the relevant duty rate; and
- generating a post-measures forecast by adding the effects of any **new policy measures**.

4.3 The sharp drop in receipts in the early part of 2020-21 has necessitated two departures from our standard forecasting approach. For in-year estimates, since receipts early in the year are unlikely to be representative of those later in the year, we have lowered our forecasts for the remaining quarters in line with revisions to our UK-wide consumer spending forecast. For Scottish landfill tax in future years, we have assumed that receipts as a share of household consumption follow a similar path as in our March forecast. These approaches will be reviewed and if necessary refined at our next forecast.

4.4 Both forecast models take account of alternatives to landfilling, either explicitly (as with future additions to incineration capacity) or implicitly through assumptions about trends in waste sent to landfill. We assume that the tax rates for Scottish landfill and Welsh LDT rise in line with RPI inflation in each year of the forecast, consistent with each Government's default indexation assumption.

---

<sup>1</sup> Other than the treatment of payments to respective communities funds in lieu of tax, the fiscal effects of which are small, landfill taxation is very similar across the UK.

<sup>2</sup> We have set out more information on our landfill taxes forecasts in the 'forecasts in-depth' pages on our website.

## Scottish landfill tax forecast

- 4.5 Table 4.1 sets out our forecast for Scottish landfill tax receipts. The downward trend reflects increases in recycling and growth in alternative infrastructure such as incineration capacity.
- 4.6 Receipts in 2020-21 are down £24 million (21 per cent) compared to March, due to the weakness of first quarter outturns and our lower forecast for consumption. Thereafter they recover towards the levels forecast in March, as the effects of the pandemic on consumption, and thus the amount of waste being sent to landfill, diminish.
- 4.7 Receipts in 2024-25 have been lifted by the Scottish Government's decision to delay the introduction of its biodegradable municipal waste (BMW) ban, so that it now takes effect from 31 December 2025.<sup>3</sup> It therefore no longer affects receipts until the final quarter of 2025-26, reducing receipts by £13 million in that year. The effect in 2024-25 is largely offset by our assumption that the increases in incineration capacity will continue into 2024-25, rather than flattening off in 2024-25 as we assumed in March.
- 4.8 There is also a small impact from the UK Government's plastic recycling targets policy, which we estimate will reduce landfill receipts by £1 million in 2021-22 and 2022-23.

Table 4.1: Scottish landfill tax forecast

	£ million						
	Outturn		Forecast				
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
March forecast	124	116	109	92	77	65	
November forecast	119	91	101	91	76	66	53
<b>Change</b>		<b>-24</b>	<b>-8</b>	<b>-1</b>	<b>-1</b>	<b>1</b>	
<i>of which:</i>							
Data and modelling		-24	-7	0	-1	-14	
Effects of UK Government policies		0	-1	-1	0	0	
Effect of BMW ban delay		0	0	0	0	15	

## Welsh landfill disposals tax forecast

- 4.9 Table 4.2 presents our LDT forecast and the changes to it since March. We have revised down receipts in 2020-21 by £7 million (21 per cent), driven by weak in-year receipts data and the weaker outlook for consumption. From 2021-22 onwards we expect the impact of the pandemic on LDT to recede and so our forecast is little changed since March.

<sup>3</sup> Legislation has now been laid in the Scottish Parliament to provide for a delay in the introduction of the BMW ban until 31 December 2025.

Table 4.2: Welsh LDT forecast

	£ million							
	Outturn	Forecast						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	
March forecast	36	34	33	33	33	32		
November forecast	37	27	32	33	33	33	32	
<b>Change</b>	<b>0</b>	<b>-7</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<i>of which:</i>								
Data and modelling		-7	-1	1	1	1		
Prices		0	0	-1	-1	-1		





# A Illustrative forecasts for taxes not yet devolved

A.1 In this annex we present illustrative forecasts for three taxes slated for devolution that have yet to be devolved. Aggregates levy is due to be devolved to both Scotland and Wales, while air passenger duty and VAT assignment are due to be devolved to Scotland.

## Aggregates levy

A.2 The aggregates levy is a tax on the commercial exploitation of rock, sand and gravel. It is due from any business that quarries, dredges or imports these products. The UK Government has legislated to devolve the levy to Scotland and has committed to keeping devolution to Wales under review. In February 2019 longstanding litigation against the levy was concluded and the UK Government announced a full review. We do not yet know the outcome of the review or when devolution will occur, so our forecasts remain illustrative.

A.3 Our methodology uses the average of the most recent estimated Scottish and Welsh shares of UK aggregates levy receipts produced by the ONS, the Scottish Government and HMRC. These all relate to 2018-19.<sup>1</sup> As this is the most recent year of data, we have not changed the shares relative to March. We have revised down our UK-wide aggregates levy forecast in the medium term. Table A.1 shows the effects of this on our illustrative forecasts.

Table A.1: Aggregates levy illustrative forecasts

	£ million					
	Forecast					
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>UK forecast</b>						
March 2020	386	402	421	438	458	
November 2020	390	433	385	405	442	460
<b>Change</b>	<b>4</b>	<b>31</b>	<b>-36</b>	<b>-34</b>	<b>-15</b>	
<b>Scottish forecast</b>						
March 2020	59	61	64	67	70	
November 2020	60	66	59	62	67	70
<b>Change</b>	<b>1</b>	<b>5</b>	<b>-5</b>	<b>-5</b>	<b>-2</b>	
<b>Welsh forecast</b>						
March 2020	28	29	31	32	33	
November 2020	28	31	28	29	32	33
<b>Change</b>	<b>0</b>	<b>2</b>	<b>-3</b>	<b>-2</b>	<b>-1</b>	

<sup>1</sup> For the Scottish share we use the average of all three estimates: from the ONS *Country and Regional Public Sector Finances* (15.3 per cent), the Scottish Government's *Government Expenditure and Revenues Scotland* (15.4 per cent) and HMRC's *Disaggregation of HMRC tax receipts* (15.0 per cent). For the Welsh share we use the average of the ONS (7.3 per cent) and HMRC (7.2 per cent) estimates. All are based on aggregate tonnage estimates published in the *UK Minerals Yearbook*.

## Air passenger duty

A.4 Air passenger duty (APD) is an excise duty that applies to passengers on flights leaving UK airports. Many passengers, including children or those connecting between flights, are exempt. The tax paid is determined by the final destination and class of travel.<sup>2</sup> The Scotland Act 2016 includes provisions for the devolution of APD to Scotland. Our Scottish APD forecast is illustrative as the final timing of devolution has not been set.

A.5 We use the average of the most recent estimated Scottish shares of total UK-wide APD receipts produced by the Scottish Government, the ONS and HMRC.<sup>3</sup> We revised down our UK-wide forecast, reflecting the collapse in passenger numbers and receipts this year, and our expectation that passenger numbers will remain lower over the duration of the forecast. Table A.2 shows how this affects our illustrative forecast for Scottish APD receipts.

Table A.2: Air passenger duty illustrative forecast

	£ million					
	Forecast					
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>UK forecast</b>						
March 2020	4039	4212	4410	4601	4799	
November 2020	460	1887	2926	3995	4197	4432
<b>Change</b>	<b>-3579</b>	<b>-2325</b>	<b>-1484</b>	<b>-606</b>	<b>-603</b>	
<b>Scottish forecast</b>						
March 2020	388	404	423	442	461	
November 2020	44	181	281	383	403	425
<b>Change</b>	<b>-344</b>	<b>-223</b>	<b>-142</b>	<b>-58</b>	<b>-58</b>	

## VAT assignment

A.6 The Scotland Act 2016 makes provision for the first 10 percentage points of standard rate, and the first 2.5 percentage points of reduced rate, VAT receipts generated in Scotland to be assigned to the Scottish Government. VAT will continue to be collected by HMRC and the Scottish Government will not have the power to change the collection or administration of the VAT regime in Scotland, or to change VAT rates or the VAT base. The UK and Scottish Governments initially agreed to commence VAT assignment from 2019-20 but this has been delayed and a revised date for commencement has not been set.

A.7 The formal methodology for VAT assignment is being developed by HMRC, the Treasury and the Scottish Government. We have no role in validating or approving the chosen methodology. For this illustrative projection we have taken the latest estimated share, which relates to 2017, as the starting point. We then factor in slower population growth in Scotland relative to the UK as a whole. Table A.3 shows our latest illustrative projection, which is down from March 2020, reflecting the downward revision to our UK VAT forecast.

<sup>2</sup> Destinations fall into two bands based on distance from London, with the higher duty rate applying to flights of more than 2,000 miles.

<sup>3</sup> The ONS *Country and Regional Public Sector Finances* estimates 9.4 per cent; the Scottish Government's *Government Expenditure and Revenues Scotland* estimates 9.3 per cent; while HMRC's *Disaggregation of HMRC tax receipts* estimates 10.2 per cent.

Table A.3: VAT assignment illustrative projection

	£ billion						
	Estimated outturn 2019-20	Projection					
		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
UK	129.9	95.6	150.2	142.0	145.6	149.8	154.0
of which:							
Assigned to Scottish Government	5.6	4.1	6.4	6.0	6.2	6.3	6.5
VAT from Scotland retained by UK Government	5.6	4.1	6.4	6.0	6.2	6.3	6.5
VAT from the rest of the UK	118.7	87.5	137.4	130.0	133.3	137.2	141.0
	Per cent						
Assigned to Scottish Government	4.3	4.3	4.2	4.2	4.2	4.2	4.2
Scottish population share	8.2	8.1	8.1	8.1	8.0	8.0	8.0
<i>Memo: index Scottish population share (2016-17 = 100)</i>	99.3	98.3	98.0	97.8	97.6	97.4	97.2



## B Forecasts required for the block grant adjustments

- B.1** The block grant is a mechanism for transferring funds from the UK Government to the devolved administrations, as allocated from within the departmental spending limits set by the Treasury. The block grants for the Scottish and Welsh Governments are adjusted in accordance with their respective fiscal frameworks.<sup>1</sup> The OBR has no direct involvement in these spending decisions or block grant negotiations, but the spending settlements do draw on our tax and spending forecasts.
- B.2** This annex presents our forecasts for revenues from the devolved taxes and the UK Government's revenue from the taxes equivalent to those that have been devolved. For the devolved taxes covered in this report, the corresponding UK Government taxes are income tax liabilities excluding that on savings and dividends, stamp duty land tax and landfill tax, all from England and Northern Ireland. We also set out our England and Wales forecasts for social security streams that are devolved to Scotland.
- B.3** Tables B.1 to B.4 compare our current forecasts for the devolved taxes to their UK Government equivalents while Table B.5 reports our England and Wales social security forecasts. The differences between growth rates forecast in Scotland and Wales and those in the rest of the UK are generally modest in most years, but some are more noteworthy:
- As regards **income tax** (Table B.1), near-term differences largely reflect different policy settings in Scotland versus the rest of the UK – in particular in respect of the higher rate threshold. In the longer term, growth rates are similar across countries, with the remaining differences largely down to assumptions about relative population growth.
  - As regards **property transaction taxes** (Table B.3), differences in near-term growth rates are heavily influenced by the strength or weakness of the latest receipts data. In the later years of the forecast, growth rates are expected to be higher in Scotland and Wales than for the equivalent UK Government tax in England and Northern Ireland. This reflects the more progressive structure of the devolved taxes, which means more transactions fall into the higher tax bands as house prices rise.

---

<sup>1</sup> *The agreement between the Scottish Government and the United Kingdom Government on the Scottish Government's fiscal framework, February 2016, and The agreement between the Welsh Government and the United Kingdom Government on the Welsh Government's fiscal framework, December 2016.*

Table B.1: Income tax on non-savings, non-dividend income

	£ billion							
	Outturn		Forecast					
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Whole UK NSND income tax</b>	172.3	174.7	178.4	178.1	185.9	194.3	204.0	213.8
<i>of which:</i>								
Welsh Government income tax (WRIT basis)	2.0	2.0	2.1	2.1	2.2	2.2	2.4	2.5
UK Government NSND income tax from Wales	2.6	2.6	2.7	2.7	2.8	2.9	3.1	3.2
Scottish income tax <sup>1</sup>	11.6	11.8	12.0	11.9	12.4	13.0	13.6	14.3
England and Northern Ireland NSND income tax	156.1	158.3	161.6	161.4	168.5	176.1	185.0	193.8
Whole UK NSND income tax excluding Scottish income tax	160.8	162.9	166.3	166.1	173.4	181.3	190.4	199.5
UK Government NSND income tax <sup>2</sup>	158.7	160.9	164.3	164.1	171.3	179.0	188.1	197.1
		Percentage change on a year earlier						
<b>Whole UK NSND income tax</b>		1.4	2.1	-0.2	4.4	4.5	5.0	4.8
<i>of which:</i>								
Welsh Government income tax (WRIT basis)		0.8	3.2	-1.3	4.2	4.4	4.8	4.6
UK Government NSND income tax from Wales		-0.4	2.7	-0.8	4.4	4.7	5.3	5.3
Scottish income tax		1.9	2.0	-0.5	4.1	4.3	4.8	5.0
England and Northern Ireland NSND income tax		1.4	2.1	-0.1	4.4	4.5	5.0	4.8
Whole UK NSND income tax excluding Scottish income tax		1.4	2.1	-0.1	4.4	4.5	5.0	4.8
UK Government NSND income tax <sup>2</sup>		1.4	2.1	-0.1	4.4	4.5	5.0	4.8

Note: Shaded cells represent notional estimates for years when tax devolution has not occurred.

<sup>1</sup> Currently outturn data is only available for 2018-19, and 2019-20 remains a forecast.

<sup>2</sup> Whole UK NSND income tax excluding Scottish income tax and Welsh Government income tax (WRIT basis).

Table B.2: Welsh rates and England and Northern Ireland equivalent by band

	£ billion							
	Outturn		Forecast					
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>England and Northern Ireland NSND income tax (WRIT basis)</b>	57.8	59.0	60.8	60.6	63.1	65.8	69.0	72.0
<i>of which:</i>								
Basic rate	39.3	40.7	42.5	42.2	43.9	45.6	47.6	49.4
Higher rate	11.4	11.0	11.3	11.5	11.7	12.1	12.6	13.2
Additional rate	7.1	7.3	7.0	6.9	7.5	8.2	8.8	9.4
<b>Welsh Rates</b>	2.0	2.0	2.1	2.1	2.2	2.2	2.4	2.5
<i>of which:</i>								
Basic rate	1.7	1.7	1.8	1.8	1.9	1.9	2.0	2.1
Higher rate	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Additional rate	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
		Percentage change on a year earlier						
<b>England and Northern Ireland NSND income tax (WRIT basis)</b>		2.2	2.9	-0.2	4.1	4.3	4.8	4.4
<i>of which:</i>								
Basic rate		3.6	4.3	-0.6	3.8	4.0	4.4	3.8
Higher rate		-4.0	2.7	1.7	2.0	3.0	4.2	5.2
Additional rate		4.0	-4.6	-1.5	9.4	8.1	7.8	6.5
<b>Welsh Rates</b>		0.8	3.2	-1.3	4.2	4.4	4.8	4.6
<i>of which:</i>								
Basic rate		1.7	3.6	-1.7	4.2	4.3	4.6	4.1
Higher rate		-6.6	2.7	1.4	3.0	4.3	5.6	7.0
Additional rate		5.4	-5.7	-1.0	12.9	11.2	11.2	9.8

Note: Shaded cells represent notional estimates for years when tax devolution has not occurred.

Table B.3: Property transactions taxes

	£ million						
	Outturn		Forecast				
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Whole UK property transaction taxes</b>	12,549	9,113	12,030	12,703	14,063	15,599	16,966
<i>of which:</i>							
Land transaction tax (Wales)	260	174	218	224	253	288	321
LBTT (Scotland)	598	431	578	597	671	753	830
SDLT (England and Northern Ireland)	11,691	8,508	11,234	11,882	13,139	14,558	15,815
<b>UK excluding Scottish LBTT</b>	11,951	8,682	11,451	12,106	13,392	14,846	16,136
		Percentage change on a year earlier					
<b>Whole UK property transaction taxes</b>		-27.4	32.0	5.6	10.7	10.9	8.8
<i>of which:</i>							
Land transaction tax (Wales)		-33.2	25.2	2.9	13.1	13.5	11.7
LBTT (Scotland)		-27.9	34.2	3.2	12.4	12.2	10.2
SDLT (England and Northern Ireland)		-27.2	32.0	5.8	10.6	10.8	8.6
<b>UK excluding Scottish LBTT</b>		-27.4	31.9	5.7	10.6	10.9	8.7

Table B.4: Landfill taxes

	£ million						
	Outturn	Forecast					
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Whole UK landfill taxes</b>	732	683	751	718	622	578	610
<i>of which:</i>							
Landfill disposals tax (Wales)	37	27	32	33	33	33	32
Scottish landfill tax	119	91	101	91	76	66	53
Landfill tax (England and Northern Ireland)	576	565	618	594	513	479	524
UK excluding Scottish landfill tax	613	591	650	627	546	512	557
		Percentage change on a year earlier					
<b>Whole UK landfill taxes</b>		-6.7	10.0	-4.3	-13.4	-7.0	5.5
<i>of which:</i>							
Landfill disposals tax (Wales)		-27.0	19.4	2.7	-0.6	-0.8	-1.0
Scottish landfill tax		-23.0	10.4	-10.0	-16.5	-12.5	-19.5
Landfill tax (England and Northern Ireland)		-2.0	9.4	-3.8	-13.7	-6.6	9.4

Table B.5: Social security spending

	£ million						
	Outturn	Forecast					
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Carer's allowance</b>							
England and Wales	2,890	3,012	3,215	3,469	3,706	3,959	4,222
<b>Personal independence payment</b>							
England and Wales	11,662	13,371	14,469	15,982	17,314	18,613	19,935
Scotland	1,303						
<b>Disability living allowance</b>							
England and Wales	6,429	5,765	5,497	5,344	5,164	4,912	4,485
Scotland	801						
<b>Attendance allowance</b>							
England and Wales	5,383	5,408	5,574	5,755	5,987	6,219	6,529
Scotland	527						
<b>Industrial injuries disablement benefit</b>							
England and Wales	729	722	699	684	671	656	643
Scotland	84						
<b>Severe disablement allowance</b>							
England and Wales	80	73	69	66	63	60	56
Scotland	9						

Note: These forecasts are for spending in England and Wales on benefits which have now been devolved to Scotland. Carers allowance was devolved in September 2018 and all other benefits in this table were devolved in April 2020. The shaded cells represent updated baseline spending at the point of devolution, which have been provided by the Treasury.



