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Kenneth Gibson MSP  
Convener  
Finance and Public Administration Committee  
The Scottish Parliament  
Edinburgh  
EH99 1SP  
27 August 2024  
Dear Convener,

Today the Scottish Fiscal Commission has published three reports. Our [Fiscal Update](#) has been prepared to assist the Committee with its pre-Budget scrutiny given that we did not publish a forecast in May or June as the Government's Medium Term Financial Strategy was postponed. We discuss the economic and fiscal developments since our last forecasts in December 2023 and how these will affect the Scottish budget for the remainder of 2024-25 and in 2025-26.

In our [Forecast Evaluation Report](#) we evaluate our December 2022 forecasts for the economy, fully devolved taxes, and social security in 2023-24 and our December 2021 income tax forecast for 2022-23. For Scottish income tax revenues 2022-23 was a relatively positive year for growth, with the income tax net position reaching £257 million. As this net funding position is higher than when the 2022-23 Scottish Budget was set, there will be a provisional positive reconciliation of £447 million applied to the 2025-26 Scottish Budget.

Most of the requests in our [Statement of Data Needs](#) relate to funding and spending information. We welcome the improvements made by the Scottish Government since our last Statement of Data Needs in 2022. But we need more data, and in a more accessible format, to better scrutinise and analyse spending trends and to assess the long-term fiscal implications of climate change. We also make recommendations to HM Treasury to improve its Block Grant Transparency data.

I would be happy to answer any questions you have on these reports and look forward to giving evidence to the Committee on Tuesday 3 September.

Yours sincerely,

A handwritten signature in black ink that reads "Graeme Roy".

**Professor Graeme Roy**