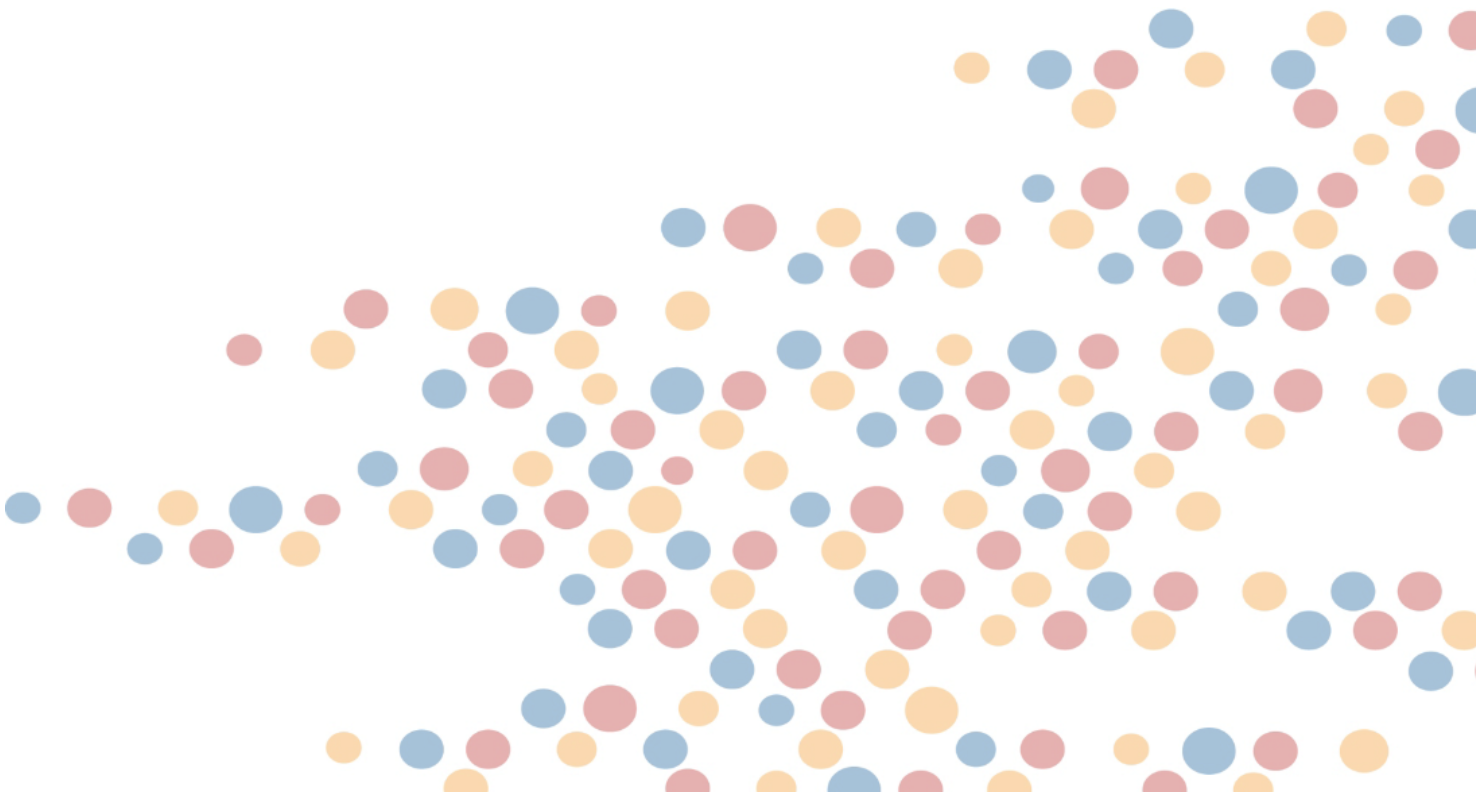




# Scottish Fiscal Commission Stakeholder Research

Final Report  
June 2024





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## EXECUTIVE SUMMARY

### Introduction and methodology

In November 2023, the Scottish Fiscal Commission (SFC) commissioned JRS to undertake research with stakeholders that engage with the SFC to gather their perspectives of and opinions on the organisation and their work. The research was designed to complement the SFC's second OECD external review, which occurred in Spring 2024.

JRS undertook a total of 25 qualitative in-depth interviews with stakeholders as part of the research. Interviews were conducted online (over Microsoft Teams or Zoom) and lasted between 25 and 60 minutes. The fieldwork took place between January 18<sup>th</sup> and March 13<sup>th</sup> 2024, with the fieldwork start date scheduled for after the publication of the Scottish budget in December 2023.

The sample of stakeholders was selected by the SFC and comprised participants with varying levels of interaction with the SFC. Participants represented a total nine different sectors: Scottish Parliament, Local Government, Scottish Government, (Other) Public Sector, Think Tanks, UK Bodies, Journalism, Public Health, and Business.

### Limitations

Some limitations with the research should be noted:

- The stakeholders involved in this consultation were selected by the SFC and all had existing relationships with the SFC. As such, opinions of this group may not reflect those outwith this sample.
- The total sample size (25) is relatively small, and within this only small numbers of participants were representing each sector. As such, insights should be taken as indicative only. Additionally, it should be noted that this evaluation has considered both feedback that was mentioned by many participants and feedback that was less widely referenced by stakeholders but was of particular importance to some individuals and or specific sectors. As such, this report does not automatically attribute more weight to feedback that was mentioned most frequently; instead, the reporting process has taken into account the relative importance of feedback within the context of the evaluation, and presented all feedback of significance for the SFC to consider.

### Findings

Perceived **knowledge and understanding of the SFC is high** amongst the stakeholders involved in this consultation - perhaps unsurprisingly given their existing relationships with the organisation. Whilst there was some variation depending on the level of interaction participants had with the SFC, the fairly resolute understanding across the sample highlights that the SFC is perceived as filling a well-defined role: there was no indication that what the SFC does is unclear, unnecessary, or duplicated by anyone else.

**Perceptions of the organisation are also positive** – the SFC is considered to be independent, expert, knowledgeable, and reliable. They are also perceived as being open and accessible, and

a body that welcomes engagement from stakeholders. The current SFC Chair, Professor Graeme Roy, was flagged as doing particularly valuable work to promote the approachability of the organisation and encourage interaction with them.

Stakeholders' confidence in the SFC's expertise translates into **credibility**, which means that they are trusted to make reliable forecasts. Perceived credibility is highly correlated with perceived independence, and this research found that **the SFC's independence from the Scottish Government is well established**. This allows stakeholders to feel they can rely on the SFC's work. This separation from Government is not something that was always as strong, which highlights the good work the SFC has done in recent years to strengthen this. Some of the developments which have contributed to this include:

- The natural separation from the Scottish Government that has occurred over time, as they were seen to be working together much more closely during the initial set-up period of the SFC, and this has now dissipated.
- The expansion of the SFC's role into fiscal sustainability and long-run projections, which has given them greater scope to comment on issues which may challenge the Government, giving an overall impression of the organisation as being 'bolder'.

Regarding credibility, some feedback did highlight that **the SFC's credibility could be further strengthened by diversifying the Commissioners**. There was some feedback that the current Commissioners are all 'similar' – i.e. all males from similar backgrounds / circumstances – which suggests it is the opinions of this group that matter the most. Looking at ways to diversify the profile of Commissioners in the future would be welcomed as fiscal forecasting is a topic which relies on a degree of judgement as well as science, and therefore greater diversity within the Commissioners would be perceived well.

**The work of the SFC is clearly felt to have an impact**, on both participants' own work and on wider society. The work and outputs of the SFC are supporting stakeholders to increase their knowledge of topics such as the fiscal framework and the Scottish budget, and their clear and accessible outputs (particularly the graphic and pictorial summary communications) were highly praised, along with the ability to communicate complex data in an accessible way. Casual stakeholders (that is those whose key professional focus is not public sector finance) highlighted that they would welcome more graphic and pictorial resources to increase their knowledge of the fiscal framework - a particularly complex subject. Beyond this, the expansion of work into long-term fiscal sustainability has been extremely valuable and is something stakeholders want to see more of: work focussing on broader discussions of fiscal policy and sustainability, rather than solely a narrow focus on budgets.

To increase impact further it was suggested that the SFC **generates and publishes more tailored outputs** – specifically in relation to key economic and business sectors, or specific geographical areas across Scotland. Some suggested looking to the work of Audit Scotland in this regard, who produce data in relation to specific sectors (e.g. the ferry sector). Stakeholders would also **welcome an expansion of the SFC's current commentary** to include more comprehensive analysis of the

implications of policy changes on fiscal sustainability. Additionally, whilst the 50-year analysis is very valuable to stakeholders, they would welcome greater contextualising of the data as 50 years is a long time away (e.g. highlighting the many variables impacting forecasting of this length, to support users to understand the parameters these forecasts exist within). **A middle-ground analysis (somewhere in the region of 10 or 20 years)** would also be of benefit.

Stakeholders were also keen to have **a greater level of engagement with the SFC throughout the year**. Themes of interest for ongoing engagement included: how to interpret findings and forecasts, the challenges of the fiscal framework, and the operation of fiscal policy. This should include communicating the complexity of devolution settlements, the relative powers of the Scottish Government, and the relation of these things to fiscal policy. They are also keen to be hearing from the SFC more often, and **not just around budget times, to underline the ongoing importance of the SFC's work**. Linked to this, stakeholders also recognised that they represent people who generally already have a relationship with the SFC, but that the work of the SFC is valuable across wider professional circles. As such, they would like to see the SFC proactively engaging with laypeople (e.g. those who are not economic or public finance specialists) to embed the SFC's work more widely across Scotland.

In addition, stakeholders are keen for the SFC to continue working alongside other fiscal institutions **to be a voice for change in the fiscal sector**. It is hoped that future work will include fiscal institutions continuing to work together to coordinate their modelling, share data, and lobby Governments (i.e. Holyrood and Westminster) to adjust timings of budgets to allow for more harmony (and, from this, support stakeholders to make use of all data with more ease).

### **Key actions**

Based on feedback from stakeholders, the following actions are suggested for consideration to enhance the impact and value of the SFC's work:

- Continue to proactively reach out to organisations, attend visible events, and increase awareness of the SFC across sectors.
- Be an ongoing part of the conversation around understanding and interpreting the fiscal framework and forecasts.
- Expand commentary to include assessing the implications of policy changes on broader public spending.
- Offer stakeholders the opportunity to have regular, direct meetings to discuss analysis of defined areas.
- Introduce more tailored analysis for different sectors and localities across Scotland.
- Provide simple communications around the fiscal framework for casual stakeholders to increase understanding of this.
- Produce very simple communications for 'complete laypeople' to support those with less expertise in fiscal/economic matters to engage.
- Provide mid-range forecasts, around 10-20 years, to supplement current work on fiscal sustainability.

- Increase the frequency of forecasts and other reports to underline the ongoing value of the SFC.
- Continue to hire staff and board members who are visible, engaging, and can translate complex economic issues for laypeople in an engaging way.
- Diversify the board of Commissioners, in terms of demographics and economic thinking, to increase the independence and credibility of the SFC's work.
- Continue to conduct internal and external reviews of current forecasting models to incorporate more data and become more sophisticated as appropriate, and promote widely SFC's policy of continuous reviewing of the models to ensure that stakeholders are aware of these practices.
- Work with other UK fiscal institutions, lobby governments to adjust timings of budgets to allow for greater harmony across the UK.

### **Summary and conclusion**

The SFC is a highly regarded institution in Scotland, and the stakeholders involved in this consultation were extremely positive about the value that the organisation brings to the Scottish fiscal landscape. Their outputs are regarded as high quality, credible and reliable; their communications easy to digest and understand; and their flexibility and willingness to respond to needs commended. The SFC is also considered to be an open and transparent organisation, willing to engage with stakeholders in an honest and welcoming way.

To continue increasing the value of outputs, stakeholders are looking for the SFC to continue their good work – focussing on broader issues, producing more fiscal forecasts for differing lengths of time, and expand commentary to include the implications of policy changes and spending. Additionally, more tailored analysis of sectors or localities across Scotland would better support those working in more defined areas to use the SFC's work to make more informed decisions.

Stakeholders are also keen to see the SFC continuing its good work on self-promotion and awareness raising. They are felt to have made excellent progress on this in the last few years and should continue with this to engage even more people across different sectors. The wide-ranging impact of the SFC's work on social and economic issues is recognised, and stakeholders feel that many more people and organisations could benefit from engagement with the SFC than currently do. It is hoped that the organisation will continue with its open and accessible approach to engagement, to further entrench their positive identity.

## 1. INTRODUCTION

The Scottish Fiscal Commission (SFC) is the independent fiscal institution in Scotland. It is responsible for producing economic and fiscal forecasts to accompany the Scottish Government's budget cycle. Remaining independent, transparent, accessible, and open, whilst producing high quality forecasts, are core values of the SFC. As such, they are committed to reviewing their own working practices and approaches to ensure they bring best value and support their users, whilst remaining a credible and reliable part of the Scottish public sector.

In November 2023 the SFC commissioned JRS to undertake research with stakeholders that engage with the SFC and their outputs to gather insight about their opinions on and perspectives of the SFC. This research is intended to complement the next external review being conducted by the OECD in Spring 2024 as this review will be narrower in scope than its predecessor and the SFC want to ensure that the voices of a range of stakeholders are heard.

JRS therefore undertook a series of qualitative depth interviews with stakeholders selected by the SFC across a range of sectors to gather insights and opinions about the organisation.

## 2. METHODOLOGY AND SAMPLE

The research took a qualitative approach in the form of depth interviews. All interviews were conducted online using Zoom/Teams, and lasted between 25 and 60 minutes, with interviews taking an average of around 45 minutes. Interviews took place between January 18<sup>th</sup> and March 13<sup>th</sup> 2024. Fieldwork was deliberately scheduled to start after the publication of the Scottish Budget in December 2023.

A total of 25 stakeholders took part in the research – 23 of whom were interviewed individually, and two from the same organisation interviewed as a pair. The stakeholders selected to take part covered a range of sectors and had varying levels of engagement with the SFC – ranging from frequent, direct engagement, to less frequent, more passive engagement. Stakeholders were selected by the SFC and identified as either 'expert' or 'casual' users for JRS, with 'expert' users being those with a role more focussed on/aligned with economic and fiscal matters, and 'casual' users being those with less focus on these topics. A small number of questions in the research were relevant for only one of these groups, and therefore asked to only those participants.

Recruitment of participants was undertaken jointly by the SFC and JRS, with JRS writing an invitation letter for stakeholders to take part which was emailed out by the Chair of the SFC (Professor Graeme Roy) who has direct relationships with participants. This process worked very well, and resulted in achievement of the target 25 participants for this work.

A profile of the 25 respondents by sector can be seen in Table 1, with breakdown by type (expert or casual) in Table 2. In the interests of anonymity, no quotes within this report are attributed to individuals due to the small sample size.

Table 1: Sample by sector

Sector	Number
Scottish Parliament	5
Local Government	5
Scottish Government	4
(Other) Public Sector	3
Think Thanks	2
UK Bodies	2
Journalists	2
Public Health	1
Business	1
<b>Total</b>	<b>25</b>

Table 2: Sample by type

Type	Number
Expert	14
Casual	11
<b>Total</b>	<b>25</b>

## 2.1 Limitations

A few limitations within the research should be noted:

- The stakeholders involved in this consultation were handpicked by the SFC. Whilst they were chosen to represent various sectors and had varying levels of interaction, at the time of the research they were all stakeholders who do have existing relationships with the SFC and that the SFC themselves asked to be involved in this evaluation. As such, opinions may not reflect those of stakeholders outwith this sample.
  - NB: whilst the SFC chose initial target recruits, in instances where stakeholders were unable to take part, or felt someone else would be more suitable, they were encouraged to suggest others in their place. Two participants involved in the research were recruited in this way.
- The total sample size (25) is relatively small, and within this only small numbers of participants were representing each sector, meaning that insights are indicative only. For questions asked only to those identified as expert or casual, particularly small sample sizes are highlighted in red in figures. Additionally, it should be noted that this evaluation has considered both feedback that was mentioned by many participants, and feedback that was less widely referenced by stakeholders but was of particular importance to some individuals and/or specific sectors. As such, this report does not automatically attribute more weight to feedback that was mentioned most frequently; instead, the reporting process has taken into account the relative importance of feedback within the context of the evaluation, and presented all feedback of significance for the SFC to consider. This ensures that key feedback is not missed as a consequence of the small number of representatives in some sectors.



### 3. FINDINGS

Findings from all interviews are summarised below, with key quotes included to support insights. As the discussions used a semi-structured discussion guide, some figures are included to show results where rating scales were used. It should be noted that as not every participant provided an answer to every question, base numbers vary.

#### 3.1 Awareness and understanding

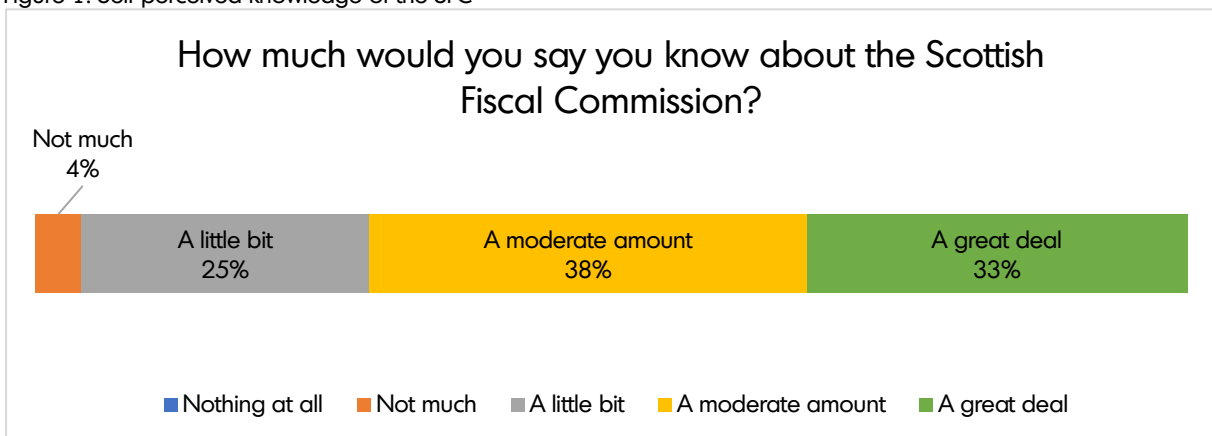
##### Participants are confident in their knowledge of the SFC.

By nature of the sample recruited for this project – i.e. stakeholders hand-picked due to their interaction with the SFC – self-perceived knowledge and understanding of the organisation is high. Within the sample there was variation in level of interaction with the SFC depending on participants' roles, with the sample having a mix of those with frequent, direct engagement (e.g. emailing them directly, having regular meetings with named staff etc.), and less frequent, more passive engagement (e.g. drawing on their outputs and reports but not contacting them directly).

Those with a narrower relationship with the SFC were more likely to rate their knowledge as slightly lower to reflect that the organisation may do more than they are aware of; unsurprisingly, those with more direct frequent engagement tended to rate their knowledge very highly.

However, even those with narrower relationships still feel they know a solid amount about the organisation, and overall respondents feel they understand well who the SFC is, what their role is, and what they do.

Figure 1: Self-perceived knowledge of the SFC



Base: 24

This fairly resolute understanding highlights that the SFC is perceived to be filling a well-defined role: there was no indication that what the SFC does is unclear, unnecessary, or duplicated by anyone else. Stakeholders know what they are there for, and there was a universal feeling that they occupy an important position within the fiscal sector.

**Levels of awareness and understanding have increased as the SFC has become more established and proactive.**

Stakeholders feel more confident in their knowledge of the organisation now than previously. Beyond those who had simply increased their knowledge by moving into a role with greater engagement with the SFC, increased awareness and understanding was largely due to two things:

- **The SFC is more established now than previously as it has been around longer.** It is a relatively new organisation and over time stakeholders have become increasingly aware of them.
- **They are perceived to have been making increased efforts to engage their audience more directly in the last few years,** which has strengthened understanding of their place in the fiscal sector.

The latter point is particularly important, and something stakeholders were keen to highlight. Much of this increased activity is credited to Professor Graeme Roy, who was commended by stakeholders as having done a lot of good work since he took over as Chair in 2022, committed to making the SFC more approachable and visible. This has included Graeme proactively reaching out to organisations and stakeholders by attending more events, appearing on panels and committees with the heads of other fiscal institutions/councils, and also doing more work with MSPs directly to weigh in from a fiscal perspective. One stakeholder noted that MSPs appear to be much more informed on the SFC and fiscal matters now than previously.

*“Whenever they do a report they’re always doing webinars, seminars etc. but the best work has been the work they’ve done with MSPs. Whenever I have to engage with MSPs they always seem much more informed now because of the work that Graeme and his team have been doing with them beforehand...seeing Graeme popping up with the heads of other fiscal commissions and councils around the UK I think has been a new development...I’ve heard universally positive feedback on Graeme as I’ve moved around the ecosystem of stakeholders in Scotland.”*

Stakeholders recognise that, prior to Graeme, the previous Chair’s role may have focussed more on the set up and establishment of the organisation, and therefore the organisation was less visible and accessible. However, they were very eager to highlight how valuable Graeme’s commitment to this has been and the positive impact it has had on the identity of the organisation, making stakeholders – particularly those with less direct engagement – feel more confident and comfortable working with them and asking them for input/support.

Overall, this effort has been noted, and has reflected well on the organisation.

*“The change of Chairman...to Graeme...he is a bit more proactive in getting out to speak to people and that’s probably just because he has a slightly different type of personality. With the previous Chair, it was kind of in its start-up phase and a lot of that was educating people about what does it do, why is it important.”*

However, stakeholders believe there is still some work to be done around awareness building. Whilst those that have contact with the SFC feel that their understanding has steadily improved over time, and they can see understanding improving in different parts of relevant professional circles across Scotland, there is a feeling that the role of the SFC is not very widely known about or understood by those who do not directly engage with them (and who were not included as part of this consultation). This is an area where improvements could be made as the SFC's work potentially has a wide impact on governance and social issues, and knowledge of what the SFC could contribute would benefit people who do not necessarily see the SFC as being relevant to their roles.

### 3.2 Perceptions

Perceptions of the SFC are positive. Most stakeholders perceive them as being independent, expert, knowledgeable and reliable. There is really strong support for the work they do, and many wanted to emphasise how impressed they are with the SFC and how important they believe their work is. It is felt to be vital to have an independent body to make forecasts for Scotland and maintain separation from the Scottish Government.

Words to describe them included independent, professional, trustworthy, credible, accessible, expert, clear, and ethical.



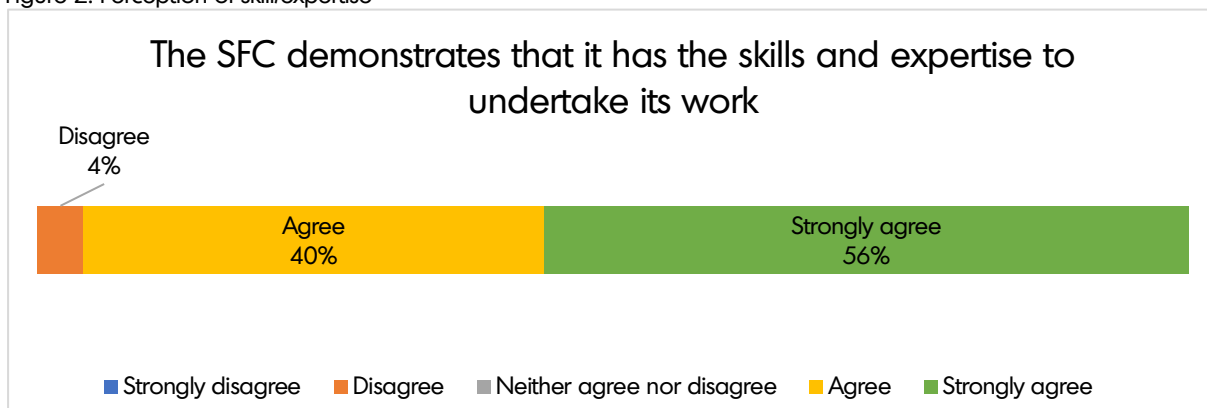
**The SFC is widely considered to be highly skilled, and there is little doubt in their ability to undertake their work.**

Almost all participants rated the skills and expertise of the SFC highly, with only one being unsure if the SFC demonstrates it has the skills and expertise to undertake its work. Participants find the outputs of the SFC to be high quality and accurate, meaning they can be relied upon.

This one lower score was related to this participant's relationship with the SFC being relatively one-sided (i.e. the respondent only engages with the SFC to provide the SFC with assistance)

and a lack of knowledge about the backgrounds of all SFC staff – meaning they felt unable to confirm if everyone at the SFC is a specialist/expert and has the skills required. As such, the lower score given reflects uncertainty rather than lack of confidence. They suggested that greater publicising of the skills of SFC staff to those that work with them less frequently would help to ensure wider confidence in their expertise. Beyond this, there were no concerns about the skills and expertise of staff.

Figure 2: Perception of skill/expertise



Base: 25

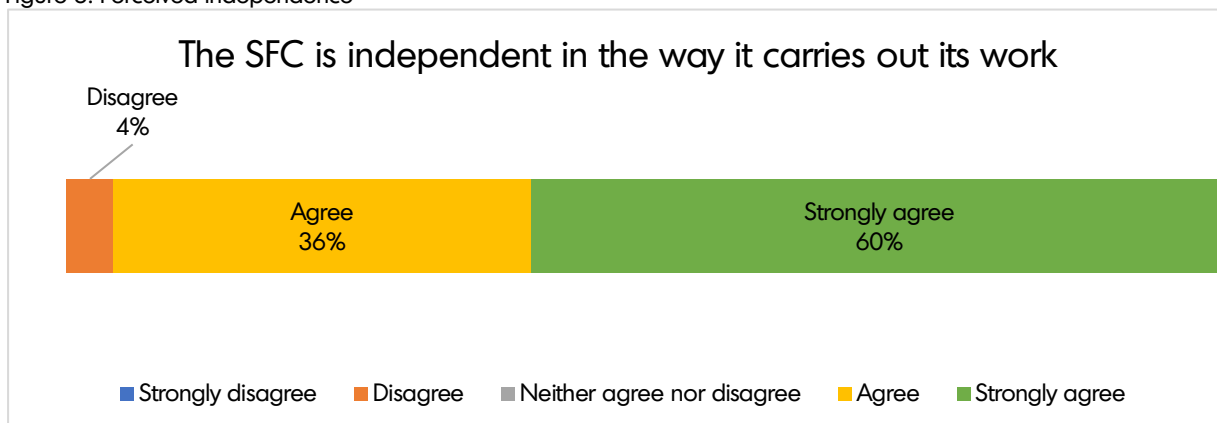
**Stakeholders are impressed by the SFC’s work and trust them to make reliable forecasts that are independent from the Scottish Government.**

Independence and credibility go hand-in-hand and are central to the SFC’s role. The SFC must maintain independence from the Scottish Government to ensure that they make trustworthy forecasts that stakeholders can rely on, that are not perceived to be led or influenced by those in power. This independence is well-established, and stakeholders have confidence in SFC’s separation from the Government.

*“The Scottish Fiscal Commission aims to fill gaps in understanding and transparency regarding government spending. It strives to keep the government accountable by providing insights and analysis, even if it may inconvenience the government.”*

*“I have never heard the SFC make a party-political comment.”*

Figure 3: Perceived independence



Base: 25

The increased visibility of the SFC has had a positive impact on this perception. The staff's commitment, led by the Chair and Commissioners, to improving visibility and accessibility has positioned the organisation as approachable and transparent. Stakeholders feel they can request what they need from the SFC and are always met with responsiveness.

*"They're certainly very important directly to our work...trustworthy, 100%, definitely - they take on board their role and they do it with independence. And they're open to constructive comments and challenges, I would say. And again, as I mentioned earlier, very approachable in the context of good working relationships with colleagues across and within government."*

Faith in the SFC's independence from the Scottish Government amongst stakeholders was not always as strong but has been strengthened over the years by some key developments. Firstly, as time has passed, stakeholders recognise that the SFC has become more naturally separated from the Scottish Government and more established as an independent body. Whilst it was not believed that, even around the time of inception, the SFC were working for the Scottish Government, stakeholders were less confident in the complete separation of the bodies, seeing them working together during this set-up period. However, this link has diminished over time, resulting in greater confidence in their independence.

Additionally, respondents indicated a sense that the SFC seems 'bolder' in recent times than they did before – becoming more challenging of the Scottish Government in their outputs, and being more likely to say things that may put pressure on the Scottish Government or make things awkward for them. This underlines the separation of the two bodies, leading to increased feelings of trust in the SFC's outputs and confidence in their independence.

Whilst JRS recognises that the greater perception of independence is likely to be (at least in part) due to the widening of the scope of the SFC's role - particularly into fiscal sustainability and long-run projections – which has allowed them to comment on areas of Government spending and the wider fiscal position in a way they could not before, this was not always apparent to participants. From their point of view, the increased sense of independence is often directly

linked to the work of Professor Graeme Roy, as this bolder and more challenging approach is perceived as coinciding with him becoming Chair. The important work of the previous Chair and SFC staff behind the scenes to establish independence from the Scottish Government, and produce outputs with greater scope of commentary, was much less noticeable to participants. As such, participants were very vocal (and positive) about Graeme's leadership, which they see as having driven the greater and more established independence of the organisation.

*"I think Graeme coming in has made them bolder, and there's a sense - whether it's true or not - that they are even more independent and they will say what the figures say. There was always this feeling in the past that the Scottish Government controlled the SFC and told them what they could and couldn't say or put pressure on them. But there's a sense now that the SFC will stand up to the Scottish Government and get tough with them and say 'it's up to you if you're going to do that policy or not, but we're not going to pretend you can't afford it'. We like that - that independence and not being influenced by politics is really important."*

### **3.3 Impact**

**The SFC's work is having a clear impact, but this could be enhanced with more tailoring.**

Generally the stakeholders involved in this consultation felt the SFC's work has a notable impact on their own work. Indeed, many reported that they draw on the SFC's outputs and data on a daily basis and rely heavily on their work.

*"They are absolutely integral to the work of the finance committee."*

*"We rely heavily on their projects for tax revenue and tax policy...and the work they did on fiscal sustainability was massively important for us."*

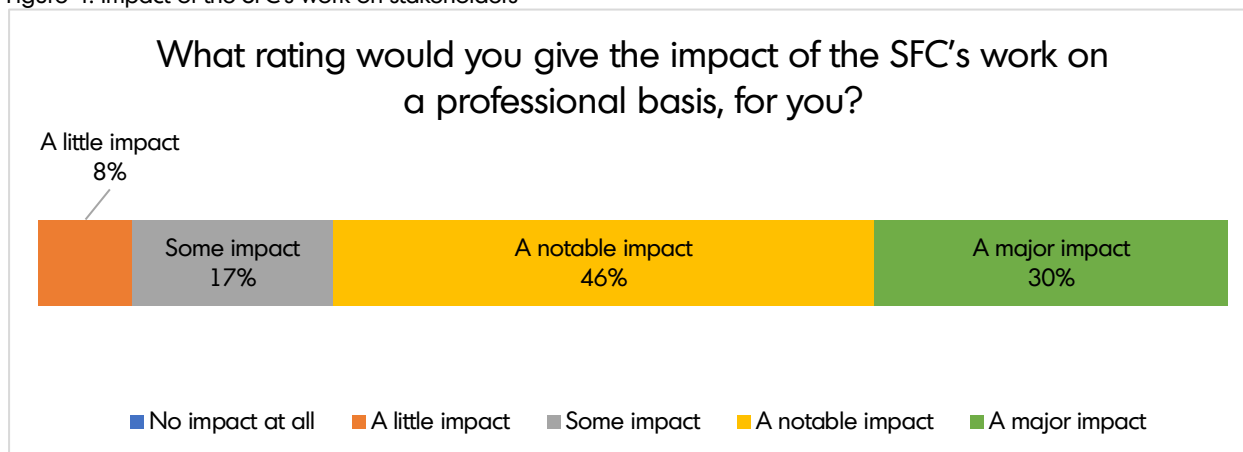
Whilst all stakeholders felt that the SFC has impact, there were inevitably some variations in the degree of impact based on the different roles of participants:

- Those working specifically in public finance, and with a Scottish only focus, reported the highest level of impact.
- Those working in general leadership roles, or with a wider focus of responsibilities, regarded SFC's output as 'only part' of what they do, and therefore reported lesser impact.

However, all felt that the SFC is having some impact, and they reported that this impact has increased over time. The increase in this level of impact is generally put down to four key things:

- The SFC has become more established over time.
- The fiscal landscape in Scotland has become more complex over time, and therefore requires more explanation.
- The SFC has become more accessible.
- The SFC has widened their areas of focus, including to addressing long-term sustainability, making them more valuable.

Figure 4: Impact of the SFC's work on stakeholders



Base: 24

There were some suggestions about how the SFC could continue to increase their impact:

- Providing more tailored outputs, specifically in relation to key economic and business sectors and particular geographical areas across Scotland, could strengthen impact for those with specific areas of focus.
  - It was noted that Audit Scotland are a body that currently does this well, producing data in relation to specific sectors (e.g. the ferry sector).
- Linked to this, there was some call for there to be an opportunity to have regular, direct meetings with the SFC to discuss data in relation to these more specific areas, where stakeholders can sit down with the SFC and focus on the issues of most relevance to them.

### **Knowledge of general fiscal issues amongst 'expert' stakeholders has increased, in some part due to the SFC.**

Stakeholders identified as expert by the SFC were asked a few additional questions about their knowledge of fiscal issues. In some circumstances, these questions were also asked to stakeholders initially identified as casual who, during the course of the interview, in fact appeared to have greater levels of knowledge/understanding that lent themselves to these questions.

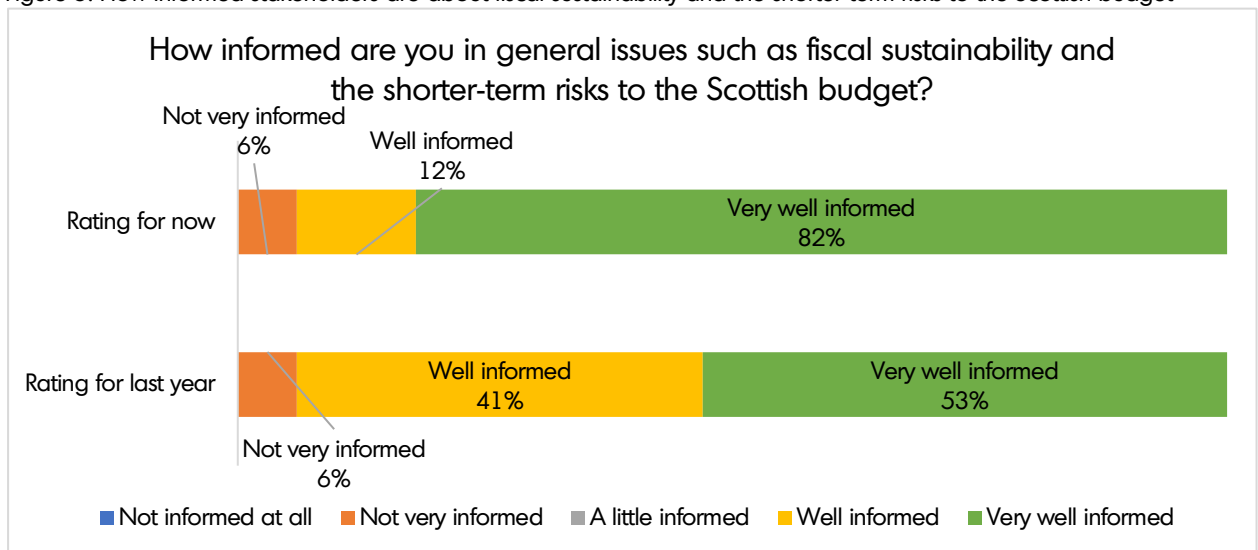
This group perceived their knowledge of general issues, such as fiscal sustainability and the shorter-term risks to the Scottish budget, as being high – with over 90% rating their knowledge as 4 or 5 out of 5 (both this year and last). This level of knowledge is perhaps unsurprising due to the expert roles of participants, and therefore the importance of these things to their jobs.

That being said, there was an increase in self-perceived knowledge on these issues between last year and this – with a further 31% giving themselves the top score of 5 out of 5 now than did in relation to their level of knowledge last year. However, the extent to which the SFC has had an impact on this is difficult to measure. Regarding fiscal sustainability, stakeholders certainly feel that the work of the SFC has had an impact on their understanding: largely through the fiscal

sustainability report from last year. On the other hand, it is difficult for stakeholders to assess the impact of the SFC on their knowledge of the Scottish budget (and its shorter-term risks) as there are many variables at play - for example, some stakeholders had moved into new roles where this was a more central concern, and others suggested that they simply feel their understanding has increased over time.

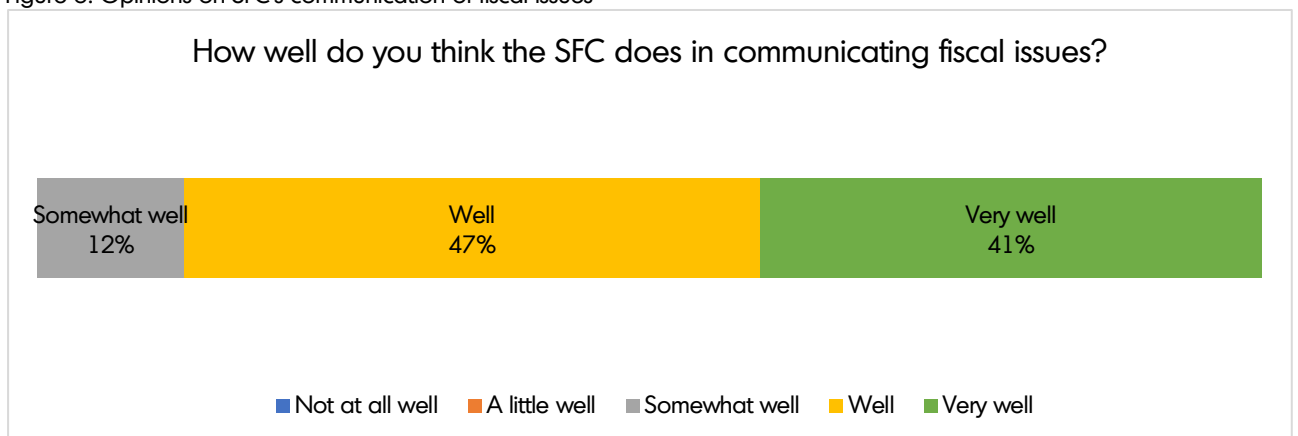
However, expert stakeholders certainly feel that the SFC is doing a valuable job in communicating these issues clearly, and they are having an impact on knowledge – but not in isolation.

Figure 5: How informed stakeholders are about fiscal sustainability and the shorter-term risks to the Scottish budget



Base: 17 (expert users)

Figure 6: Opinions on SFC's communication of fiscal issues



Base: 17 (expert users)

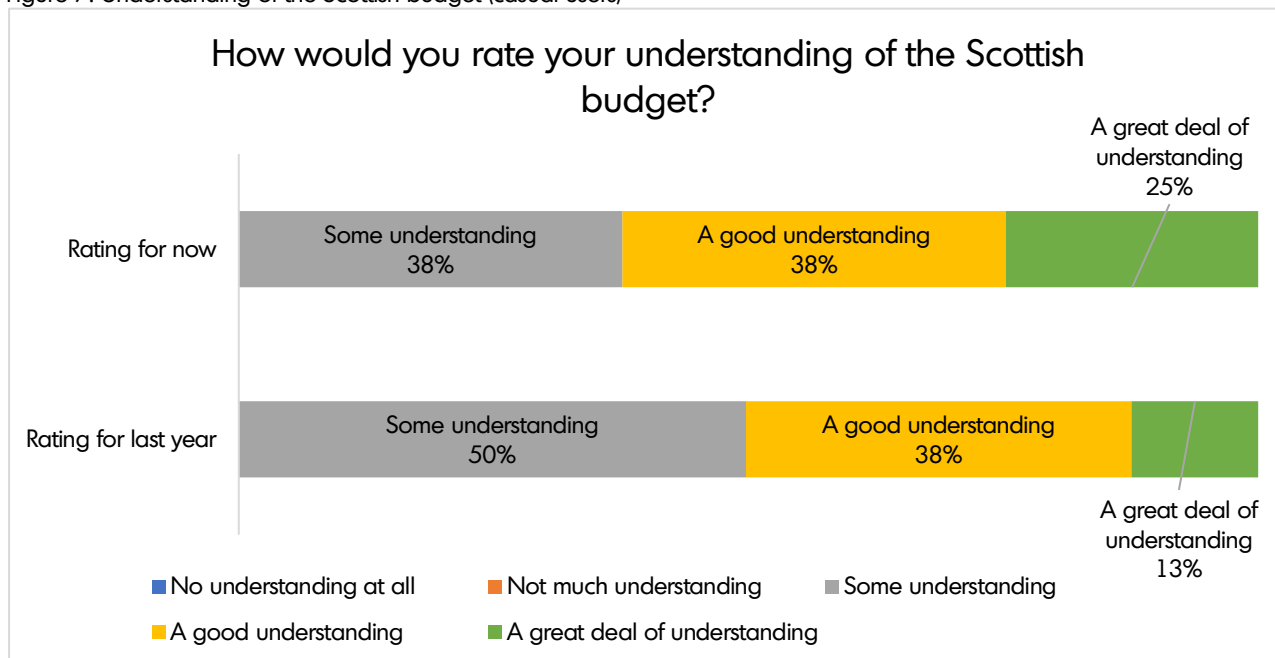


**Knowledge of the Scottish budget and the fiscal framework varies amongst 'casual' stakeholders, and the work of the SFC has more impact for those without economic/fiscal backgrounds.**

Stakeholders identified as casual by the SFC were asked a few alternative questions about their understanding of the Scottish budget and the fiscal framework. Self-perceived knowledge of these issues varied, and knowledge of the Scottish budget was generally higher than that of the fiscal framework.

Overall, casual stakeholders felt they had a decent understanding of the Scottish budget, with some giving themselves a top score, but others giving more of a middling score. Overall understanding had increased some since last year, with those giving themselves a score of 5 out of 5 rising from 13% to 25%.

Figure 7: Understanding of the Scottish budget (casual users)



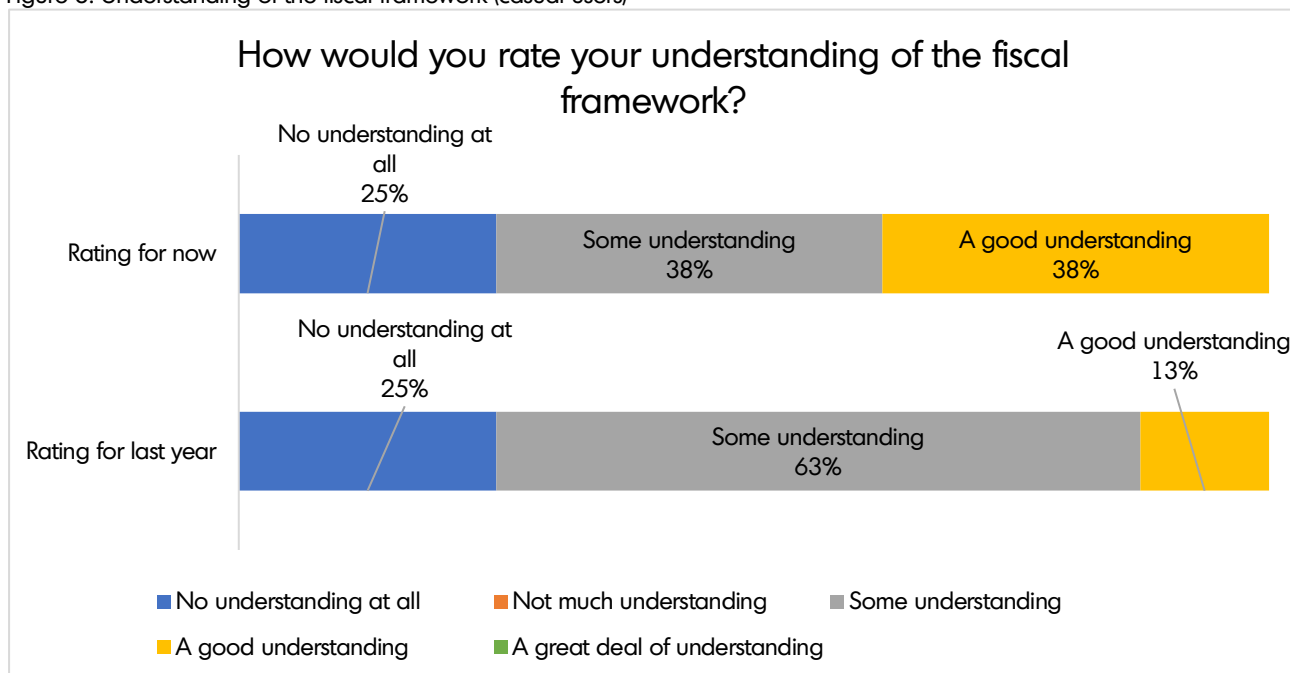
Base: 8 (casual users)

Casual stakeholders did feel that the SFC does a good job supporting them to better understand the Scottish budget – with the SFC’s outputs being very clear and easy to use to assist them with their work. However, they did highlight that they do also use other sources of information – such as the Fraser of Allander Institute – to support their understanding of this, but that the SFC’s outputs are particularly useful (for their clarity).

Knowledge of the fiscal framework was less strong – casual stakeholders were more likely to give lower or middling ratings for this than for their understanding of the Scottish budget. In general, the fiscal framework was felt to be complex and challenging to understanding – and detailed understanding of this was not necessarily particularly important to casual stakeholders’ jobs (at least not in the same way understanding of the Scottish budget is).

Levels of understanding had increased somewhat in the last year, and casual stakeholders who had perceived their own knowledge as increasing were positive about the SFC’s impact on this, saying their resources and outputs are valuable. Generally, however, there was less real impetus amongst casual stakeholders to do further research into better understanding the fiscal framework – which is difficult to understand even for experts. However, if the SFC was to proactively reach out with simple resources on this topic they would be receptive.

Figure 8: Understanding of the fiscal framework (casual users)

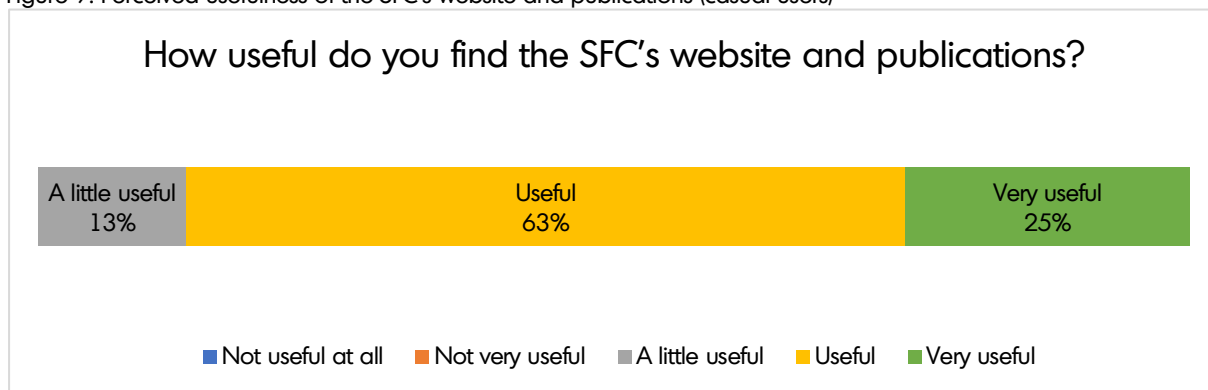


Base: 8 (casual users)

Amongst casual stakeholders, use of the SFC’s website and communications varied, but these are generally perceived well. The graphic, pictorial and summary communications are particularly important for casual users, who feel they have less time to go through the SFC’s large reports, and less understanding to make these meaningful. The clarity of summary communications is appreciated.

Specifically in relation to the website, attitudes varied. It was flagged as an area for development by some casual stakeholders, who called for better navigation and a wider range of formats for presenting information to be available (e.g. videos, Q&As). However, others suggested that the website was easy to use and that it had various formats available. These respondents also suggested that they had seen improvements being made over the last few years.

Figure 9: Perceived usefulness of the SFC's website and publications (casual users)



Base: 8 (casual users)

### 3.4 Areas of praise

Stakeholders identified that the SFC performs a number of duties well that they wanted to recognise and praise. In some cases, improvements over the last few years have been noted.

These positive aspects are summarised below:

#### **The SFC has established itself as an open and accessible body that welcomes engagement from stakeholders.**

Stakeholders are confident reaching out to the SFC due to the approachable identity of the organisation, which has been established largely over the last few years. Crucial to establishing this identity has been the proactive outreach work they have been undertaking – which has allowed stakeholders to experience their willingness to engage first-hand - and the fact that Graeme, the SFC's Chair, has done much of this work himself. Having the Chair of the organisation being so visible and engaging emphasises that approachability and accessibility are core values of the organisation.

*“Under Graeme Roy they have become more relevant and more welcoming for media enquiries. There has been a culture change at SFC, they are more helpful.”*

In addition, the SFC's transparency regarding their models and analysis also communicates that they are an accessible and open organisation. Being transparent about their work gives stakeholders the confidence that they can reach out and ask questions, and the SFC will be both responsive and honest with them – leading to positive working relationships between the SFC and the stakeholders they engage with.

*“I've always found them really useful and the staff and the Commissioners are obviously incredibly knowledgeable so being able to tap into that knowledge is really good.”*

**The ability to communicate complex data in an accessible way is noted and appreciated by stakeholders.**

The clarity and accessibility of the SFC's communications is widely praised, and this reflects positively on the identity of the organisation as it underlines their openness and approachability, ensuring they are not seen as a body only experts can engage with.

In particular, the inclusion of graphic and pictorial reports is of great value to stakeholders: both to those that are not financial or fiscal experts themselves, and those who share insights and findings with others who are not financial/fiscal experts. This is regarded as a welcomed improvement seen in the last few years.

*"Graphics are excellent, I think it's very well laid out. I would say more about the graphics than anything, they're really, important tools just to kind of give you that understanding."*

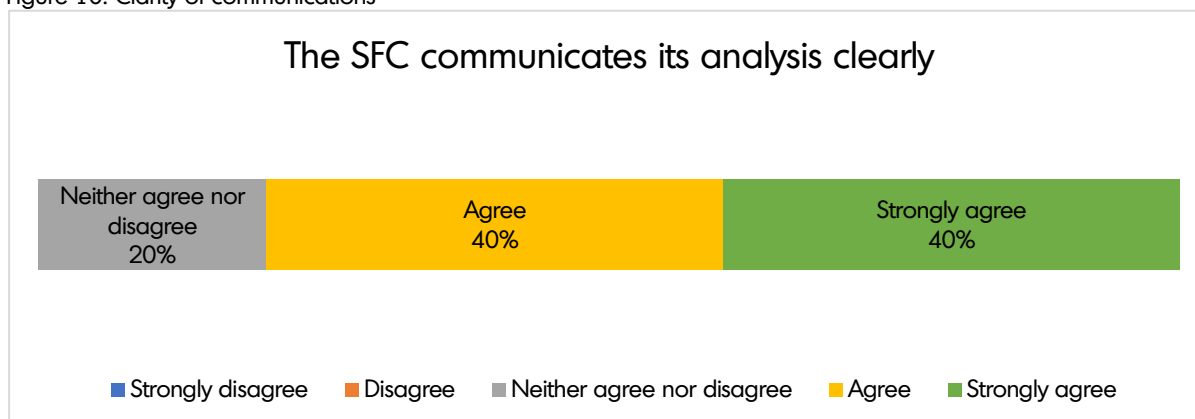
*"I think that's a strength - they do it really well to be honest. The graphics and design of it all...there probably has been some minor improvement in some of the interpretations that come from the diagrams and the data. I think that's becomes sharper and more accessible."*

It is recognised that translating complex financial matters into accessible outputs is very challenging, and the efforts of the SFC are not lost on participants: they are very positive about the impact of these and note that this takes time and expertise. The graphic explanations and diagrams were highlighted specifically as being important, as were Graeme's presentations, which were praised for including easy to digest slides with understandable explanations.

*"I do think the SFC does an excellent job. It is incredibly challenging to produce reports, graphics, whatever it is on the state of Scotland's public finances and for that to be hugely teaching for the public."*

Having staff, like Graeme (i.e. dynamic, personable, and approachable), presenting findings is also a crucial part of making communications from the organisation feel clear and accessible for stakeholders.

Figure 10: Clarity of communications



Base: 25

**The ability to be flexible and respond to need – and feedback – is a core strength of the organisation.**

The SFC is noted for its flexibility and willingness to respond to need and feedback. They have been seen to be patient in circumstances where several iterations of models are required to reflect changing conditions, or when stakeholders have needed to come back to them several times about issues.

Their willingness to adapt in response to feedback was also commended, and stakeholders perceive the SFC as having revised their key areas of focus since their set up in 2017 to respond to the needs of the sector. There was a perception that initially the SFC took a more academic role and focussed on smaller issues, which was less helpful overall; in response to feedback about how they could offer greater benefit by focussing on broader issues, the SFC was seen to reallocate their resources. The introduction of the long-term fiscal sustainability report last year is a reflection of this shift in focus.

*“I think the move into producing longer term sustainability analysis was a really important one. And I think this reflects the fact that over time they’ve got better at allocating their resources to the big issues...in the pre-statutory phase ahead of 2017, [they were] encouraged to develop really sophisticated models for small tax lines when that wasn’t what they should have been doing...they were right to switch more recently into a broader discussion of fiscal policy, sustainability and analysing fiscal risks, which I think came out of an OECD review a few years ago. I think this came up in that and they seem to have responded to that very well.”*

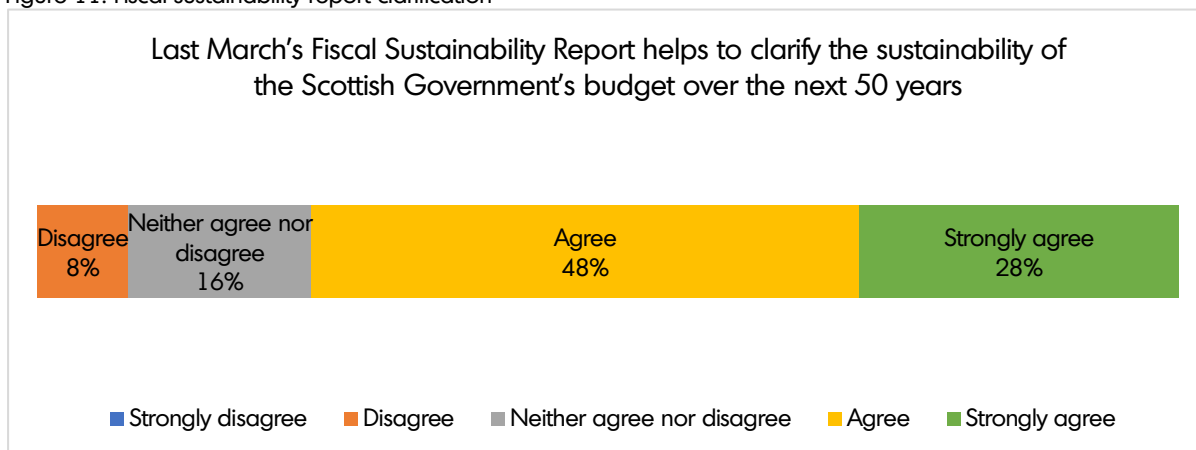
The perception that this shift was informed (at least in part) by the last OECD review reflects very well on the organisation, who are perceived as being very open to feedback.

**The move into long-term fiscal sustainability has been extremely valuable and is something stakeholders want to see more of.**

The introduction of the fiscal sustainability report in March 2023 was, by all accounts, an extremely valuable addition to the SFC’s repertoire. One of the key benefits of this kind of long-term analysis was felt to be that it can be used to influence decision-making and cross-party support further into the future, and beyond short political cycles.

Stakeholders are keen to see the SFC doing more of this work – focussing on broader discussions of fiscal policy and sustainability, rather than narrow issues.

Figure 11: Fiscal sustainability report clarification



Base: 25

### **Outputs are felt to be credible due to SFC's established independence from the Scottish Government.**

The greater establishment of the SFC's independence from the Scottish Government over the last few years has been an important development for the organisation, and one which has increased stakeholders' confidence in their outputs. By establishing and maintaining this independence, as shown through their apolitical outputs and willingness to be bold, they ensure that all parties, politicians, and stakeholders can be confident in the quality and validity of their outputs.

*"They have the respect of all parties and trust of all politicians."*

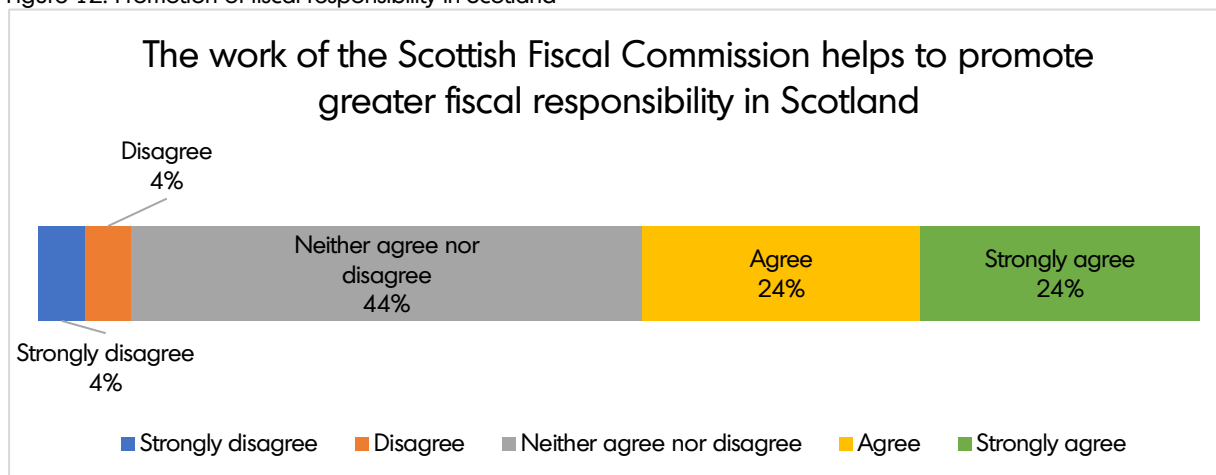
### **3.5 Potential areas for development**

The SFC is highly regarded across stakeholders and is perceived as being a very valuable organisation. However, stakeholders noted some aspects which limit the impact of the SFC, which could be considered for future development to enhance their value.

#### **Promotion of fiscal responsibility is limited by the SFC's remit.**

Out of all questions respondents were asked to provide ratings for, the extent to which the work of the SFC is promoting greater fiscal responsibility received the least positive response – achieving an average score of 3.6 out of 5.

Figure 12: Promotion of fiscal responsibility in Scotland



Base: 25

This was felt to be a complex question. Overall, the lower scores given for this question were less to do with the SFC and any potential inadequacies on their part, and more to do with perceived gaps within the fiscal sector.

In terms of the contribution that SFC is perceived to make to promote greater fiscal responsibility in Scotland as part of the fiscal sector, the organisation is rated highly: participants feel they are neutral and transparent, never making party-political comments, and encouraging responsible behaviours amongst others. In general, the creation of a body such as the SFC is recognised as an important step in promoting greater fiscal responsibility in Scotland, as just having an independent and apolitical organisation to provide fiscal forecasts ensures that there is a source in Scotland responsible for making assessments without bias and encouraging scrutiny of spending plans.

However, there is a perceived gap between the SFC's forecasts and the Scottish Government in relation to fiscal responsibility. That is, while the SFC can provide forecasts and provide assessments and commentary on the Scottish Budget, it was clear to respondents that the implications of these do not necessarily have to be taken on board nor actioned by decision makers. Stakeholders recognise that ensuring the SFC's outputs are listened to is not within the remit of the SFC themselves, as this would stray into political territory. As such, stakeholders highlighted that the confined role of the SFC limits the degree to which they can be said to be promoting greater fiscal responsibility as they are not making the final decisions about policy themselves.

"The Fiscal Commission are required to provide the information, but it is up to the politicians and those in key roles in the economy to ensure there is fiscal responsibility."

**Expanding commentary into the implications of policy changes would enhance the SFC's role in promoting fiscal sustainability.**

The development and flexibility of the SFC from their inception until now is commended, with developments like the work on long-term fiscal sustainability being recognised as particularly useful.

However, there was a suggestion that the SFC could expand its role beyond current responsibilities to begin assessing the likely costs and impacts of policy shifts on public finances. While the SFC already engages in statutory forecasting, the suggestion is to broaden this scope to include a more comprehensive analysis of the implications of policy changes on fiscal sustainability. It is thought that whilst initially this would likely focus on areas where the SFC already has statutory responsibilities (e.g. forecasting funding), over time this could expand to cover broader areas of public spending – such as providing independent assessments of the fiscal implications of various policy decisions, and offering insights into the sustainability of public finances in Scotland.

*"It's been good they've moved into fiscal sustainability...it's still a challenge with the cost-of-living crisis and spending. There's a role developing where the SFC (or someone) might opine of the costs and impacts and some of the material policy shift and the implications and sustainability of public finances. Initially I would expect them to do this in the areas they already do statutory forecasting, but over time this could grow into broader areas of public spending."*

**Supporting better understanding of the context of decision-making will enhance debates and discussions around decisions.**

There was also suggestion that, as a body independent from government, the SFC could play a useful role in supporting better understanding of the context within which decisions have been made by government. This was felt to be particularly important for those in roles not so aligned with fiscal policy and decisions, as they are less likely to have a strong understanding of the fiscal framework. This can impact understanding of the full context of decision-making, resulting in less constructive debates and discussions.

It is hoped that the SFC could support better understanding by providing ongoing engagement around how to interpret findings and forecasts, and be more upfront about the challenges of the fiscal framework and the operation of fiscal policy, to improve understanding of this more widely. This should include communicating the complexity of devolution settlements, the relative powers of the Scottish Government, and the relation of these things to fiscal policy.

It is hoped the SFC will become an intermediary body to translate technical language and facilitate discussion of these matters more widely, and a body that makes engaging with these conversations more accessible to more people. This role would support wider understanding across sectors of **why** decisions have been made, leading to more fully informed and constructive discussions in which context is understood and agreed.



*"I think what is really toxic for government is if people don't believe that you're telling the truth and through that might take an issue with the choice. You can make the choice to disagree, but we really want to be in a position where you can describe the context accurately and it's understood widely, and agreed, that the context described is genuinely the context in which we're all operating. Then proper debate can take place. And establishing an accurate context is a role that the Scottish Fiscal Commission can take on more with a more expansive role moving forward in that area of commentary."*

*"The discussion of fiscal policy and fiscal sustainability within the context of the Scottish Government and Scottish Parliament decisions is still slightly emerging. The quality of that discussion, in part because of the complexity of the devolution settlements and understanding what particular powers the Scottish Government has, is difficult... But those powers have increased and the fiscal framework has developed more of a need, I think, for high quality discussion of public policy and fiscal policy in Scotland, in Scottish context, and there just aren't a lot of voices to do that relative to what you have at UK level...the SFC can try and take more of a convening role....to help facilitate wider discussion. I think that would be a positive."*

### **Conducting analysis on more defined areas would help stakeholders to make more informed decisions.**

In addition to the current reports, providing a focussed analysis on more defined areas – both geographically, and in terms of different sectors – would enhance the value of forecasts further and make the SFC's outputs more relevant and valuable to different stakeholders.

For those who work in localised areas – such as local government – this could include a more detailed analysis to translate what the SFC's forecasts mean for localities, and encourage these localities to take ownership and responsibility for issues related to fiscal sustainability. This type of analysis would also allow different areas to assess how they compare with others and identify localised issues.

For others, it would be beneficial for the SFC to provide outputs which focus on issues in specific sectors – for example, in the business sector – zoning in on the issues they are concentrating on (for example, Net Zero or green industry).

*"Saying how this is playing out in different context. Saying how 'x' plays out locally, nationally, regionally would help with their analysis...if they do an analysis of, for example, [a city], it would be really useful. They wouldn't have to find the solutions for the locality, but this narrowed down analysis would be helpful."*

*"For example, the government is looking at the green industrial strategy. It would be really interesting to look at this fiscally. What's it going to cost to deliver that? What are the scarifies you're going to have to make? If you're going to fund it, if you don't have the money...how much does the private sector have to raise to match the public sector so we can have the green industrial strategy this year?"*

It was recognised that the SFC would not necessarily have the resource to conduct this across the board, but this was suggested as an area to explore for future development – and potentially something that could be done on a staggered (i.e. throughout the year at topical points) or request-only basis.

**The 50-year analysis is very helpful, but a middle-ground analysis would be of benefit.**

The work the SFC has begun on long-term fiscal sustainability, primarily through last March's fiscal sustainability report, is clearly felt to be of great benefit. The only real concern in relation to how much this work clarifies the sustainability of the budget is around the fact that 50 years is a very long time and there are too many variables at play to define the actual picture in 50 years' time.

*"50 years is fiction."*

To improve on this work further, two key things were requested:

- Greater contextualising of long-term data is included in reporting: there are many variables that may impact forecasting covering a length of time as long as 50 years, so further context will help users to understand the parameters that forecasts exist within.
- A 'middle-ground analysis' – somewhere in the 10 or 20 year region – to bridge the gap between the five-year and 50-year forecasts that are currently being produced.

**Credibility could be increased further by diversifying the Commissioners.**

Whilst there is confidence that the SFC is independent insofar as their position in relation to the Scottish Government, there were some criticisms in relation to their independence of thought and their diversity of thinking. This specifically related to the diversity of the Commissioners – in terms of their backgrounds and education. There was some suggestion that the Commissioners are not broad enough to represent diversity of thought in economics, all coming from the same school of economics and thought processes, which also matches that of many of the individuals in parliament.

*"They are independent from the Scottish Government obviously, but they actually follow convention rooted within the Scottish Government...I think they should improve the diversity of their board. I think it needs to be more reflective of alternative economic thinking and practice...reflective of the diversity of thought within economics."*

Similarly, there was some criticism of the diversity of the Commissioners generally, and what this communicates about the SFC. It was noted that all the Commissioners are men, which may communicate that the opinions of this group matter the most. Diversity of thought, including perspectives from different demographics, is felt to be particularly crucial in a sector that, at the end of the day, relies on a degree of judgment rather than strict science, as models can only take you so far.

*“The diversity of the Commissioners is an issue. When you’re a forecasting organisation a lot of it is about judgement...this is something I’m concerned about, the diversity of thought, it really matters...because of the set-up of the role only people of a certain age and stage can take it on...[thinking about diversity] from the point of view of women and ethnic minorities, but also those from a different socio-economic background...I do think this is an issue for the SFC...The SFC actually determines how much money the Scottish Government have to spend. How diverse is the group of people who are essentially deciding this?”*

It was suggested that part of the issue around the lack of diversity in the Commissioners is the set-up of the role – Commissioner roles are only part-time positions, meaning that only those in certain circumstances can apply. This limits the diversity of those able to take on the role, and there is some call for this to be reviewed, for example by adding a full-time Chair (or at least a ‘less part-time’ Chair), as increasing the diversity of the Commissioners would enhance the independence and credibility of the SFC’s forecasting. JRS notes that the idea of having full time Commissioners was also a suggestion in the 2019 OECD review, and something that the SFC considered before deciding to take other actions to increase diversity instead (the next opportunity for the SFC to appoint new Commissioners is in 2025, four years since the last appointments were made). Decision-making processes around increasing diversity (and subsequent actions taken) are, however, not necessarily apparent to stakeholders. As such, greater promotion of what has been considered and ultimately done instead of adding a full-time Chair would be of benefit.

*“It might only be people of a certain age and stage who can take on those roles. I’ve often argued this since the last OECD review, which said there should be a full-time Chair, or at least a less part-time Chair.”*

**Ongoing review processes around forecasting models will ensure these continue to be strengthened and developed where needed.**

Current models used by the SFC are well-respected and produce data and outputs that stakeholders have confidence in. However, some participants did suggest that models could be strengthened through continuous refining and reviewing to incorporate new data, economic insights, and best practice learned from other bodies, to ensure that models remain robust. External reviewing was also highlighted as something that would be helpful, which will ensure the SFC’s models match the complexity of peers and can produce comparable insights. This ongoing review and development of the forecasting models was also suggested as something that could be undertaken in collaboration with the other UK fiscal institutions (discussed further below).

JRS recognises continuous reviewing of models and processes is something that the SFC already does – engaging with other UK fiscal institutions as part of this, and having models and processes externally reviewed (with reports outlining this process available publicly). However, this is not necessarily apparent to participants, and therefore as part of this process more promotion of the fact that the SFC does have systems in place that ensure forecasting models

are reviewed and updated on an ongoing basis would be welcomed to ensure that confidence in the SFC's models is maximised.

**Lack of harmony between UK budgets and other analytical data makes it hard for stakeholders to consider the SFC's forecasts alongside other important information.**

The timing of reports and forecasts by the SFC and other bodies across the UK (e.g. the OBR and Westminster) is recognised by participants as not being aligned. Stakeholders feel it would be easier to make use of the data from all these bodies, and the SFC, if outputs were produced in a more streamlined way.

Whilst participants acknowledge that this is not an issue within the SFC's control and their influence is limited in this area, it was suggested that the SFC could lobby governments (i.e. Holyrood and Westminster) to adjust the timings of budgets to allow for more harmony. Again, it was suggested that this action could be undertaken in collaboration with the other UK fiscal institutions.

*"The alignment and timing (re. UK budgets) is important...so the autumn statement is really crucial for our budget. The later the autumn statement is...it pushes our budget back in and it was very late this year...it was very late on and then it squeezes parliamentary time. So the two UK fiscal events are really important to the devolved fiscal commissions and the budget processes. So getting some greater certainty on them would help."*

**Working alongside other fiscal institutions to be a voice for change will strengthen the UK and Scottish fiscal frameworks.**

Fiscal issues are recognised as being very complex and often difficult to navigate, even for those working in fiscal institutions, due to issues such as policy changes and variations across the different nations, as well as varying budget timelines. Alongside the other fiscal institutions, the SFC is hoped to become a voice for change to drive better coordination and streamlining of processes in the fiscal sector, to achieve harmonisation across the UK fiscal system and result in more robust forecasts and findings.

*"And one thing we've been trying to do is reach a position where the UK Fiscal Councils can speak with one voice on the problems that are generated for each of us by the complicated interactions on income tax and so on and which just becomes incredibly confusing, even for the people doing the calculations, never mind politicians and those who have to make decisions in this framework...God knows how they do it. And there are no votes in that so it needs a concerted public push."*

Advising governments on how to simplify systems such as the taxation system, which is recognised as having become more complex, as well as petitioning for the streamlining of UK budgets, is a one place a voice for change is needed. Similarly, fiscal institutions working together to coordinate their modelling would help to ensure that systems are robust, aligned, and more easily compared. Linked to this, it was also suggested that fiscal institutions should

work together to gather comparable data from key sectors around the world (e.g. business) to continuously improve upon and strengthen systems across the nations.

**Simpler versions of communications would encourage engagement with the SFC across wider professional circles.**

Whilst the communications were felt to be clear and accessible for stakeholders, there were still some suggestions that simpler versions for ‘complete laypeople’ could be of benefit. By nature of the sample selected for this consultation, even those with less expertise on fiscal matters are engaging with the fiscal and economic sector on at least a semi-regular basis; there was a suggestion that communication of analysis in an even more simple/accessible way could encourage those across the wider public sector (and/or the general public) to engage with the SFC and their work.

**Proactively engaging with laypeople will increase the value of the SFC’s work across wider professional circles.**

Linked to the above point, to continue efforts to make the SFC’s information and reporting more accessible, proactive engagement with laypeople – i.e. people in wider professional circles, who are not economic or finance specialists – is required to embed the SFC’s work more widely across Scotland. As the SFC’s work has a widespread impact on issues beyond the economic/fiscal sector, stakeholders felt that many professionals not currently engaging with the SFC (as they do not see their roles/sectors as being linked to the organisation) could benefit from interaction with them. Achieving greater engagement with those who are not financially and economically focussed is something stakeholders feel would increase awareness of the impacts and outcomes of forecasting, promoting responsibility across Scotland.

To engage with these laypeople, the SFC should:

- Ensure that accessible communications are available to provide a clear understanding of the current picture in public finances.
- Proactively reach out to different sectors and professions to explain **how** the work of the SFC is valuable to them, and invite them to be engage with and interact with the organisation.

**Increased and expanded reporting would communicate the value of the SFC throughout the year, not just around budget times.**

The SFC’s reports and outputs are highly valued by stakeholders, and increasing the frequency of reports is something that could increase the value of the SFC further. The introduction of the long-term fiscal sustainability report was received positively as this highlighted that the work of the SFC has ongoing value, and is not limited to budget times. Increasing the frequency of reporting like this (and expanding commentary to areas like fiscal sustainability) would underline their ongoing value.

*“Slight criticism... This is maybe just more in the timings of the calendar, but they do go very quiet for months at a time. You know, so you might not hear anything for a long time and then*

*suddenly there's a bit more stuff. There might be a more regular calendar of things they do throughout the year, so the moment it feels quite compressed."*

#### 4. KEY ACTIONS

Based on feedback from stakeholders, the following actions are suggested for consideration to enhance the impact and value of the SFC's work:

- **Continue to proactively reach out to organisations, attend visible events, and increase awareness of the SFC across sectors**, to encourage those who do not engage already to do so, as SFC's work has a wide impact on governance and social issues.
- **Be an ongoing part of the conversation around understanding and interpreting the fiscal framework and forecasts**, to increase wider understanding of decision-making contexts and to ensure that ongoing debate is valid.
- **Expand commentary to include assessing the implications of policy changes** on broader public spending.
- **Offer stakeholders the opportunity to have regular, direct meetings** to discuss analysis of defined areas.
- **Introducing more tailored analysis for different sectors and localities** to increase value and impacts of the SFC's work and make it easier for these stakeholders to engage with outputs in a meaningful way.
- **Provide simple communications around the fiscal framework** for casual stakeholders to increase understanding of this.
- **Produce very simple communications for 'complete laypeople'** to support those with less expertise in fiscal/economic matters to engage, including across the wider public sector and/or the general public.
- **Provide mid-range forecasts**, around 10-20 years, to supplement current work on fiscal sustainability.
- **Increase the frequency of forecasts/reports** to underline the ongoing value of the SFC, not just at budget times.
- **Continue to hire staff and board members, like Graeme, who are visible, engaging, and can translate complex economic issues for laypeople in an engaging way**, as this is integral to the positive and approachable identity of the organisation,
- **Diversify the board of Commissioners**, in terms of demographics and economic thinking, to increase the independence and credibility of the SFC's work and reflect more positively on the organisation – and more widely report actions being taken to increase diversity.
- **Continue to conduct internal and external reviews of current forecasting models** to incorporate more data and become more sophisticated as appropriate (working with other bodies – such as other UK fiscal institutions - to learn from peers and produce comparable insights) **and promote widely SFC's policy of continuous reviewing of the models to ensure that stakeholders are aware of these practices.**
- **Working with other UK fiscal institutions, lobby government to adjust timings of budgets** to allow for greater harmony across the UK.



## 5. SUMMARY AND CONCLUSION

The SFC is a highly regarded institution in Scotland, and the stakeholders involved in this consultation were extremely positive about their value in the Scottish fiscal sector. Their outputs are considered to be high quality, credible and reliable; their communications easy to digest and understand; and their flexibility and willingness to respond to need commended. They are also considered to be an open and transparent organisation, willing to engage with stakeholders in an honest and welcoming way.

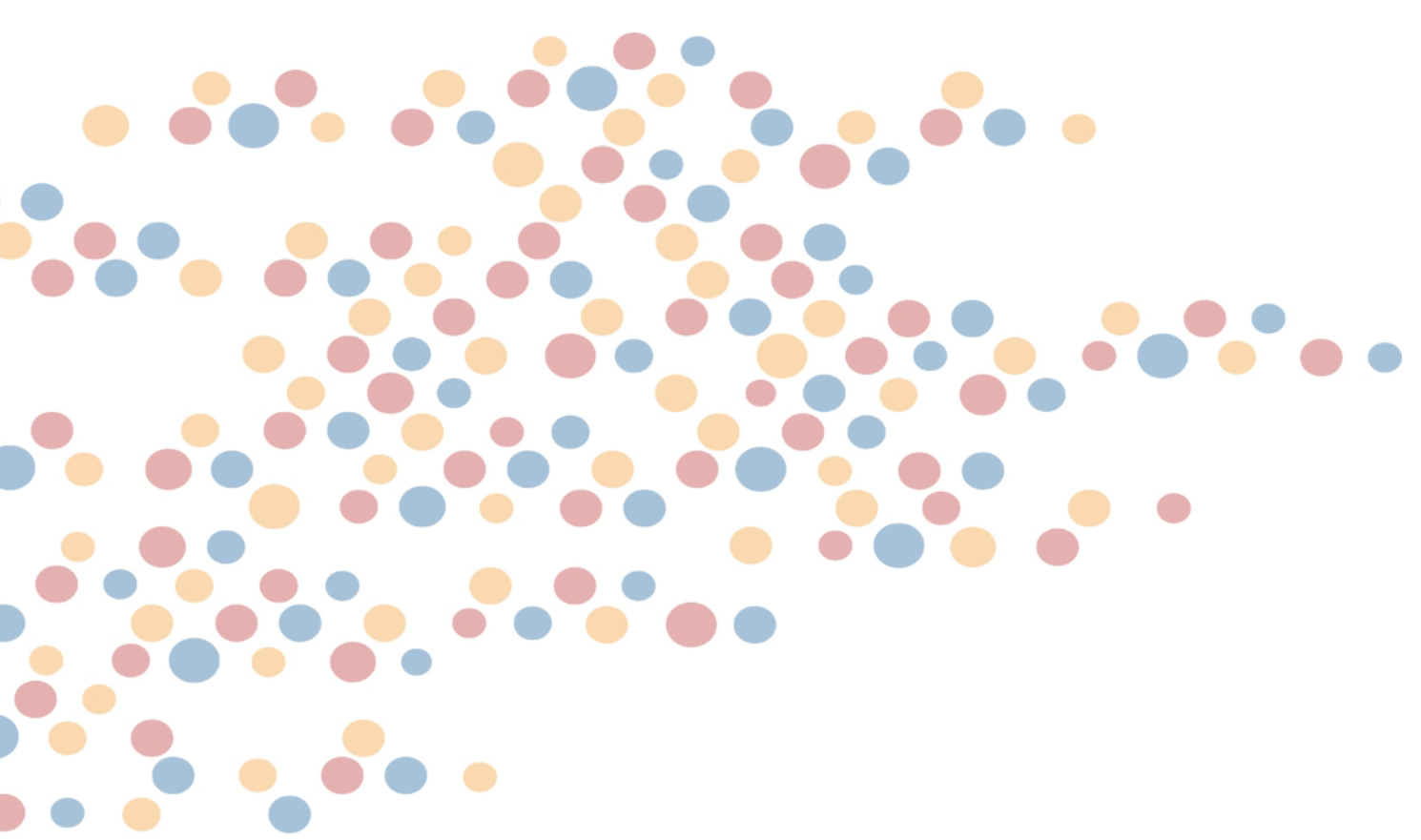
Stakeholders were particularly positive about the developments they have perceived in the SFC in the last few years – particularly since Graeme Roy took over as Chair. They feel there has been a notable step-change in the organisation, and they have become bolder, more independent from government, and more approachable. This has increased stakeholders' confidence in the organisation and boosted faith in their outputs.

Their responsiveness to feedback was also noted, and stakeholders have recognised that following feedback from the last OECD review, the SFC has shifted their focus to analysis of broader issues, and the introduction of the work around fiscal sustainability has been a hugely valuable addition for stakeholders.

To continue increasing the value of outputs, stakeholders are looking for the SFC to continue this work – focussing on broader issues, producing more fiscal forecasts for differing lengths of time, and expanding commentary into the implications of policy changes and spending. Additionally, more tailored analysis of sectors or localities would better support those working in more defined areas to use the SFC's work to make more informed decisions.

One area for consideration is around the diversity of the Commissioners, which was criticised. Reviewing the conditions of Commissioner roles is required to broaden the scope of people able to take on the position. Diversifying the board of Commissioners is important to maintain confidence in the SFC, as the current board appears to suggest that the judgements of this group of people (who are perceived as being similar) matter the most.

Stakeholders are also keen to see the SFC continuing its good work on self-promotion and awareness raising. They are felt to have made excellent progress on this in the last few years and should continue with this to engage even more people across different sectors. The wide-ranging impact of the SFC's work on social and economic issues is recognised, and stakeholders feel that many more people could benefit from engagement with the SFC than currently do. It is hoped that the organisation will continue with its open and accessible approach to engagement, to further entrench their positive identity.



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