

26 June 2025: Media Briefing

Scotland's Economic and Fiscal Forecasts

MTFS June 2025 Update

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Fiscal Overview

- What has changed since May post UK-Spending Review?

Figure 2.2: Change in funding outlook since May 2025

£ million (nominal)	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Total funding	-327	485	27	-600	-669	-828	-994
Change since May (%)	-0.6	0.8	0.0	-1.0	-1.0	-1.2	-1.4
Resource funding	-271	430	-102	-298	-413	-542	-700
Change since May (%)	-0.6	0.8	-0.2	-0.5	-0.7	-0.9	-1.1
Capital funding	-56	54	129	-303	-255	-286	-293
Change since May (%)	-0.9	0.7	1.8	-4.2	-3.5	-3.9	-3.9

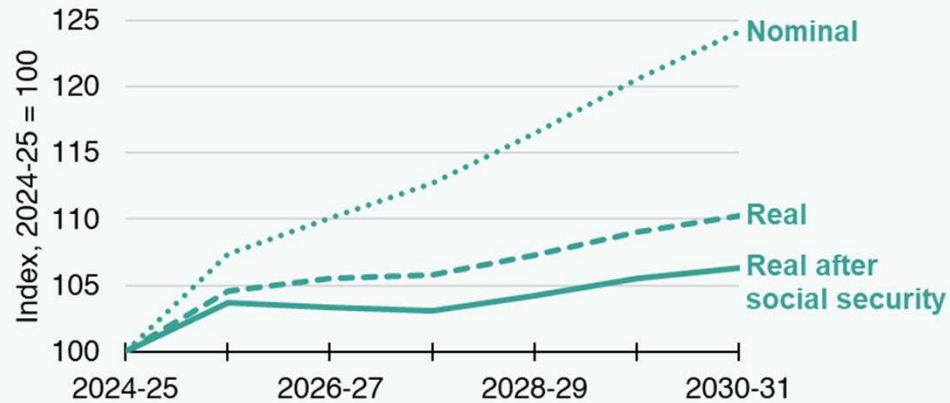
Fiscal Overview – Funding Outlook

£ million (nominal)	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Total	55,177	60,046	61,329	62,491	64,469	66,528	68,370
Nominal growth		8.8	2.1	1.9	3.2	3.2	2.8
Real growth		6.0	0.5	-0.1	1.2	1.3	0.9
Resource	49,027	52,623	53,975	55,235	57,100	59,099	60,856
Nominal growth		7.3	2.6	2.3	3.4	3.5	3.0
Real growth		4.6	0.9	0.3	1.4	1.6	1.1
Resource after social security	42,905	45,685	46,261	47,083	48,541	50,090	51,383
Nominal growth		6.5	1.3	1.8	3.1	3.2	2.6
Real growth		3.7	-0.4	-0.3	1.1	1.3	0.7
Capital	6,150	7,422	7,354	7,256	7,370	7,429	7,513
Nominal growth		20.7	-0.9	-1.3	1.6	0.8	1.1
Real growth		17.6	-2.5	-3.3	-0.4	-1.1	-0.7

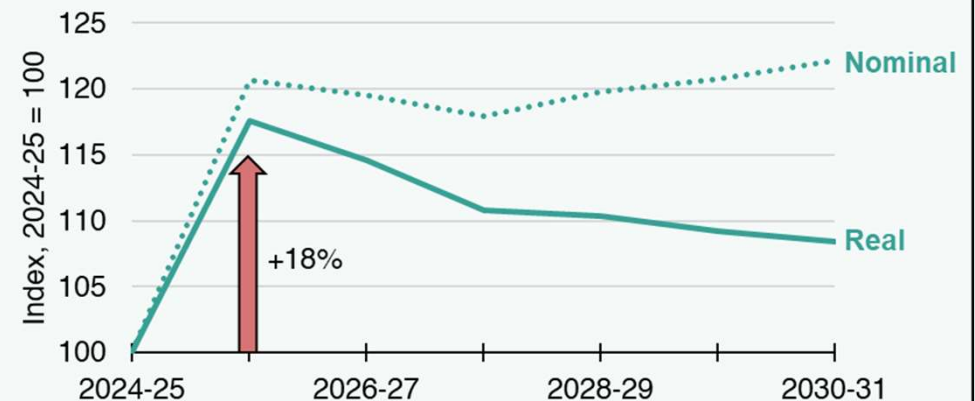
Table comprises values from Figure 2.1.

Fiscal Overview

Resource funding growth reduced by social security spend



Capital funding to grow rapidly in 2025-26 but to remain flat thereafter



Charts comprise values from Figures 2.5 and 2.8.

Social Security changes since May forecasts

£ million	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Total cost of Two-Child Limit Payment	11	156	172	185	199	209
Pension Age Winter Heating Payment – Illustrative estimates						
May 2025	98	103	103	105	109	113
June 2025	151	158	160	166	174	182
Change	53	55	57	61	65	69

Table comprises values from Figures 3.3 and 3.5.

Scottish Government's 'Fiscal Gaps'

Figure 2.10: Resource and capital gaps

£ million (nominal)	2026-27	2027-28	2028-29	2029-30
Resource				
Funding	53,975	55,235	57,100	59,099
Spending [1]	54,938	57,132	59,453	61,724
Gap	-963	-1,897	-2,353	-2,624
Capital				
Funding	7,109	7,004	7,059	7,067
Spending [1]	8,180	8,501	8,962	9,213
Gap	-1,070	-1,497	-1,903	-2,146

[1] Spending figures have been produced by the Scottish Government. They are rounded to the nearest £ million.

Thank you for listening

Slides available on our website

www.fiscalcommission.scot

Please email us with any further questions

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