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Craig Hoy MSP  
Convener  
Social Justice, Housing and Local Government Committee  
The Scottish Parliament  
Edinburgh  
EH99 1SP

15 June 2026

Dear Convener,

Congratulations on your appointment as Convener of the Social Justice, Housing and Local Government Committee. In my role as chair of the Scottish Fiscal Commission (SFC) I look forward to supporting the work of the Committee.

As you are aware, the SFC is Scotland's official, independent fiscal institution. We produce the official economic and fiscal forecasts to accompany the Scottish Government's Budget cycle. We are a Non-Ministerial Office directly accountable to the Scottish Parliament for the delivery of our functions which were set out in the Scottish Fiscal Commission Act 2016.

We generally produce two reports each financial year forecasting Scottish GDP, income from devolved taxes and expenditure on devolved social security benefits. Our forecasts inform the Scottish Budget and assist in the scrutiny of fiscal events. We also provide an assessment of the reasonableness of the Government's borrowing projections and produce reports on the long-term sustainability of the Scottish Government's public finances.

For your Committee, our most relevant work will be our five-year forecasts of Scottish Government social security spending. In recent reports we have highlighted how spending on disability payments has risen over recent years and that we expect this to continue to rise. We forecast that the total number of young people and adults receiving disability payments in Scotland will exceed one million by 2030-31. This contributes to our forecast for total spending on devolved social security payments increasing from £7.4 billion in 2026-27 to £9.2 billion in 2030-31. This leads to spending on social security rising as a share of the funding available for Scottish Government day-to-day spending from 13.7 per cent in 2026-27 to 15.1 per cent in 2030-31.

On Tuesday 25<sup>th</sup> August we will publish three reports:

- The Fiscal Update will provide updated analysis of the Scottish Government's fiscal position as the new administration starts preparations for its first Scottish Budget. The

update will also look at recent economic developments and the potential impact on the Budget.

- The Forecast Evaluation Report will review our forecast performance in 2025-26 and our income tax forecasts for 2024-25.
- The Statement of Data Needs outlines the improvements we are requesting to the data and information used in our work. This year's Statement will also consider how the presentation of the Scottish Budget could be improved.

Upon publication of these reports, I intend to write to you to highlight relevant points for the Committee.

In the last Parliament, we had a strong working relationship with your predecessor Committee, regularly attending evidence sessions.

As Scotland's independent budget authority we would be happy to help the Committee understand the Scottish Budget process. And if there is anything else you or the other members would find helpful by way of explanation or background, we would be happy to help.

Given our close working, I would very much welcome the opportunity to meet with you over the summer to discuss our work and how we can support the Committee.

Yours sincerely,



Professor Graeme Roy