
Business Plan 2026-27

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Introduction

- 1.1 This business plan presents our priorities for the year ahead and sets out how we plan to deliver our strategic objectives. Our strategic objectives and values are set out in our corporate plan.¹

Box 1: Summary of our Corporate Plan

What we do: our mission

We produce independent, authoritative forecasts and assessments of the Scottish Government's tax and spending plans. We improve Scottish Government and Scottish Parliament's understanding of fiscal pressures and risks. Our work makes the Scottish Budget more transparent and better scrutinised.

Why we do it: our vision

The Scottish Budget is transparent and well-scrutinised. Government, Parliament and others understand the inevitable uncertainties and risks relating to devolved public finances, and the potential trade-offs needed to ensure public finances are on a sustainable path.

What we do: our strategic objectives

Provide authoritative, independent, official forecasts of Scotland's economy, devolved tax revenues and social security spending, and explain what these mean for the Scottish Budget.

Provide insightful, impartial analysis of the Scottish Government's funding and spending.

Analyse and explain issues with major impacts for the long-term fiscal sustainability of the Scottish Budget.

Be an effective and efficient organisation with skilled, knowledgeable people.

Our values

Everyone can trust our work because:

- we are independent – we are impartial, honest, and objective
- we work well with others
- we are transparent and we promote transparency in Scottish public finances
- we explain complex matters clearly and make our work easy to access
- we produce quality work which informs public debate

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- 1.2 Many of our activities contribute to more than one of our strategic objectives, as illustrated in Box 1.

¹ Scottish Fiscal Commission - [Corporate Plans](#)

- 1.3 Our aim is to produce regular forecast publications and other reports which improve understanding of the Scottish Budget. Our main forecasts usually accompany Scottish Government fiscal events (the Scottish Budget and Medium Term Financial Strategy) the timing of which can be affected by the timing of UK fiscal events. This means the timing of our forecasts is not typically determined by the Commission. In the recent past, both UK and Scottish fiscal events have not followed a regular timetable which means it can be difficult to plan our core and most substantial publications.
- 1.4 Due to the Scottish Parliament elections in May 2026, we will not be following our regular schedule of publishing forecasts in May. The requirement and timing for our forecasts will be determined by the incoming administration following the elections. We continue to give as much clarity as possible about when we expect to be able to publish our forecasts through our monthly forthcoming publications.
- 1.5 We will report on our activities in two ways. Firstly, we report our forecasting performance in our forecast evaluation reports, which give detailed quantitative and qualitative analysis of how accurate our forecasts were and what the factors determining this have been. Secondly, we report on our corporate work and stakeholder engagement in our annual report and accounts.

2026-27 Activities

Planned analytical publications

- 2.1 Our forecasts are prepared in-house by the Commission's staff, using models developed and maintained by the Commission. Our Commissioners are personally and collectively responsible for the judgements that underpin our forecasts.
- 2.2 Our regular publication schedule would normally see us publishing forecasts in May to accompany the Scottish Government's Medium Term Financial Strategy. Due to the Scottish Parliament elections in May 2026, the MTFS will not take place in May. The timing of any MTFS (and our accompanying forecasts) will be determined by the incoming administration. Later in the year we will publish our economic and fiscal forecasts to inform the Scottish Budget.
- 2.3 We plan to publish our Forecast Evaluation Report (FER) covering the economy, tax, and social security forecasts and our biennial Statement of Data Needs in late August 2026. At the same time we plan to publish a Fiscal Update to help inform the Scottish Parliament's pre-Budget scrutiny.
- 2.4 We also publish work on fiscal sustainability. We published our first Fiscal Sustainability Report in March 2023.² It identified key long-term pressures and opportunities facing the economy and public finances over the next 50 years. It explained how our ageing population might lead to increased demand on some services (such as health) and reduced demand for others (such as education), and what these changes in demographics mean for the tax base and future tax revenue. Our next Fiscal Sustainability Report will be published in 2027. We plan to review and consult on our

² Scottish Fiscal Commission (2023) [Fiscal Sustainability Report – March 2023](#)

approach to projecting and reporting the Scottish Government's fiscal sustainability in 2026 in advance of this publication.

- 2.5 In January 2026 we launched a Scottish Fiscal Commission (SFC) blog: "SFC Insights". These Insights present accessible summaries of our work and role as Scotland's independent fiscal institution. We plan to publish regular Insights throughout 2026-27 once the pre-election period is over.
- 2.6 When the Scottish Government makes a policy change to an existing tax or benefit, we will publish a policy costing if we consider the policy change to be material or politically sensitive. The quantity and timing of this work depends on Scottish Government policy decisions.
- 2.7 Annex A details the analytical development work we are considering undertaking this year.

Strategy, Governance and Corporate Services

- 2.8 On the corporate governance side, we have controls and monitoring necessary for the proper stewardship of our resources that are appropriate to our scale and functions. These ensure that we manage our people, budget, risk, information, and records appropriately. Since its introduction in October 2024 we have worked with Scottish Government colleagues on the implementation and embedding of the Oracle Cloud based integrated finance and HR systems and we will continue to do so in 2026-27.
- 2.9 As part of our work on Public Service Reform and ensuring best value, we will review our longer term approach to the provision of our corporate support services. We currently purchase shared services from the Scottish Government including HR, finance, internal audit, procurement and legal services. We will also review our accommodation needs and occupancy of Governor's House.
- 2.10 Governor's House is fully open for use by staff and hybrid working is now embedded in our working patterns.
- 2.11 We will continue to develop our engagement and communication work informed by our engagement strategy and the recommendations of our last external review by the OECD. The engagement strategy will be refreshed over the summer as we take on board the opportunities offered by our new Commissioners and the needs of the new Parliament. This will include seeking out more opportunities for Commissioners and staff to speak at or contribute to events hosted by other organisations, as part of our drive to reach a wider audience.
- 2.12 Two new Commissioners were appointed from 8 October 2025, Dr Eleanor Ryan and Justine Riccomini. In December 2025 Professor Domenico Lombardi resigned as a Commissioner, and we will be recruiting a replacement during 2026, after the Scottish Parliament election.
- 2.13 The Commission is committed to promoting equality and diversity in its activities and operation. We wish to make commitments to improving diversity and inclusion and intend to report on them in our annual reports. This year our priorities are to:

- continue our work on staff recruitment with the aim of employing more people with protected characteristics and more people from lower socio-economic backgrounds, paying particular attention to how we advertise vacancies, provide information to applicants, and design the application and selection processes
- make sure we consider accessibility issues in our published material, website, webinars and events
- consider our target stakeholders in our engagement plans, considering how different audiences may find our work of use and how we can best engage with them
- broaden staff awareness of equalities issues, including through our weekly staff emails and presentations, away days and appropriate training.

2.14 During 2026-27, the Chair of the Audit and Risk Committee will lead on work to review the Committee of to strengthen its operation and ensure that it continues to give the Governance Board appropriate assurances.

External Review

2.15 The Commission is required to appoint independent external reviewers every five years. Our first review took place in 2019. The outcome of the second review, which took place in 2024, was published in March 2025.³ During 2026-27, we will continue to take forward actions in response to the review. These include broadening and deepening our spending analysis, undertaking further engagement work to strengthen fiscal literacy, and continuing to ensure there is transparency in the communication of our forecasts and the functioning of the fiscal framework.

³ OECD (March 2025) [OECD Review of the Scottish Fiscal Commission 2025](#)

Figure 1: How our activities contribute to our strategic objectives

Activities	Provide authoritative, independent, official forecasts and explain what these mean for the Scottish Budget	Provide insightful, impartial analysis of the Scottish Government's funding and spending	Analyse and explain issues with major impacts for the long-term fiscal sustainability of the Scottish Budget	Be an effective and efficient organisation with skilled, knowledgeable people
Scotland's Economic and Fiscal Forecasts	✓	✓	✓	
Evidence to Parliamentary Committees	✓	✓	✓	
Events	✓	✓	✓	
Policy costings	✓			
Forecast evaluations	✓	✓	✓	
Fiscal updates	✓	✓	✓	
Fiscal sustainability analysis			✓	
Statement of Data Needs		✓		✓
Model development	✓			✓
Corrections and error log	✓	✓	✓	✓
Annual review of protocol with Scottish Government	✓			✓
Reviewing / developing Memorandum of Understanding		✓		
Discussions with stakeholders	✓	✓	✓	✓
Participate in international IFI networks		✓		✓

Activities	Provide authoritative, independent, official forecasts and explain what these mean for the Scottish Budget	Provide insightful, impartial analysis of the Scottish Government's funding and spending	Analyse and explain issues with major impacts for the long-term fiscal sustainability of the Scottish Budget	Be an effective and efficient organisation with skilled, knowledgeable people
Annual review of protocol with Scottish Government	✓			✓
Reviewing / developing Memorandum of Understanding		✓		
Discussions with stakeholders	✓	✓	✓	✓
Participate in international IFI networks	✓	✓		✓
Staff development and training	✓	✓	✓	✓
Recruitment processes				✓
Support Governance Board and Audit and Risk				✓
Review shared services purchased from SG				✓
Website accessibility and maintenance		✓	✓	✓

Key risks

- 2.16 We consider our risks in five broad themes: corporate, reputation, independence, staffing, and partners.
- 2.17 Staffing has consistently proved our highest scoring risk, and we are conscious that the Commission can only achieve its objectives through the expertise, diligence, and commitment of our staff. Staff wellbeing and development will therefore continue to be a focus for us. Maintaining our open, supportive, collaborative culture will continue to require conscious effort as we continue with hybrid working.

Resources

- 2.18 At 1 April 2026 we have three Commissioners:
- Professor Graeme Roy – Chair
 - Dr Eleanor Ryan
 - Justine Riccomini
- 2.19 At 1 April 2026 we have 25 staff, (a full time equivalent of 23.4).
- 2.20 The Senior Management Team comprises:
- Chief Executive – John Ireland
 - Head of Economy and Income Tax – David Stone
 - Head of Fiscal Sustainability and Public Funding – Claire Murdoch
 - Head of Social Security and Devolved Taxes – Michael Davidson
 - Head of Strategy, Governance, and Corporate Services – Susie Warden
- 2.21 The Scottish Fiscal Commission’s budget for 2026-27 is £3.112 million.⁴ In line with the OECD Principles for Independent Fiscal Institutions, the Scottish Government have provided us with an indication that our funding for 2027-28 will be £3.2 million and for 2028-29 will be £3.2 million.⁵ This resource allocation reflects our current remit, which would need to be adjusted should that remit be altered.

Scottish Fiscal Commission
March 2026

⁴ Scottish Parliament (February 2026) [Scottish Budget Act 2026](#)

⁵ Scottish Government (January 2026) [Scottish Spending Review 2026](#)

Annex A – Development work

Overview

2.22 In this Annex we detail development work by area and cross-cutting projects. These have been drawn from discussions within each team, external commitments, discussions with Commissioners, developments from our Forecast Evaluation Reports, the independent review by the OECD in 2024, feedback from stakeholders as well as development work that we were not able to complete in 2025-26.

Figure 2: Development work – Economy

Project	Description and output	Benefits
Nowcasting model (developed by the University of Strathclyde)	<ul style="list-style-type: none"> • Explore the use of the new nowcasting model in our forecasting and analysis processes • Discuss the model and its output with analyst colleagues at the Scottish Government • Review the performance of the model over time, and continue to engage with researchers at the University of Strathclyde on any further development and improvement work in this area 	<ul style="list-style-type: none"> • Improved forecasts (both accuracy and communication) • Improved stakeholder relations
Regional data and Scotland-UK relative economic performance	<ul style="list-style-type: none"> • Continue to monitor and analyse sources of regional data to explore trends in the Scottish economy and labour market as well as potential drivers of any Scotland-UK asymmetries • Continue to engage with data producers to further improve the quality and availability of regional data and to meet our forecasting needs 	<ul style="list-style-type: none"> • Improved economy and fiscal forecasts and narrative • Improved understanding of income tax net position
Collaboration opportunity for students	<ul style="list-style-type: none"> • Sponsor a Master-level dissertation through the Scottish Graduate Programme in Economics (SGPE) which will consider how Scotland is exposed to the impacts of Artificial Intelligence relative to the UK 	<ul style="list-style-type: none"> • Inform future work on the economy
Model development and simplification	<ul style="list-style-type: none"> • Quality Assurance (QA) and streamlining of models • Standardise structure and formatting of models • Review and improve processes and documentation 	<ul style="list-style-type: none"> • Improved efficiency • Improved internal processes
Links with wider Scottish Fiscal Commission work	<ul style="list-style-type: none"> • Collaborate across the SFC to improve understanding of Scotland’s public finances and links with the economy forecast, such as on public sector pay and workforce • Support the ongoing fiscal sustainability work • Contribute to the SFC strategy on communication and engagement (for example through the SFC Insights blogs, presentations for external events) 	<ul style="list-style-type: none"> • Improved forecasts • Openness and transparency • Improved communication of our forecasts

Figure 3: Development work – Fiscal Sustainability

Project	Description and output	Benefits
Fiscal sustainability report: 2027	<ul style="list-style-type: none"> • Publish a fiscal sustainability report with thematic analysis and commentary 	<ul style="list-style-type: none"> • Provide the Scottish Government with analysis of risks and pressures on its long term finances.
Stakeholder engagement	<ul style="list-style-type: none"> • Re-engage with external stakeholders to get feedback on fiscal sustainability papers to inform the focus of future work and how we project fiscal sustainability • Share results and findings from 2026 FSP 	<ul style="list-style-type: none"> • Improve fiscal sustainability modelling • Ensure the relevance of our FS work by getting input on future reports • Widen the reach of our previous work, gain new audiences and stakeholders
Model development	<ul style="list-style-type: none"> • Revise the suite of fiscal sustainability models to streamline and improve functionality 	<ul style="list-style-type: none"> • Reduce propensity to error • Allow more versatile and flexible analysis

Figure 4: Development work –Public funding

Project	Description and output	Benefits
Communications	<ul style="list-style-type: none"> • Continue to improve and develop alternative ways to communicate our explanations of how the Scottish Budget is funded – for example through our new Insights series and ensuring our reports are as accessible as possible to as wide an audience as possible • Support parliamentary authorities’ programme of induction for new MSPs following the Scottish Parliament election in May 2026 – explaining our role and sharing our expertise in support of Parliament’s budget scrutiny function 	<ul style="list-style-type: none"> • Support political and public understanding of key fiscal issues • Strengthen levels of fiscal literacy among MSPs
Knowledge building – Scotland’s Economic and Fiscal Forecasts	<ul style="list-style-type: none"> • In line with OECD recommendation on expanding spending analysis, develop understanding of local government funding and spending analysis 	<ul style="list-style-type: none"> • Improve and expand our understanding and ability to communicate on Scottish Government/local government funding and spending
Fiscal Update	<ul style="list-style-type: none"> • Discuss and analyse relevant spending and funding information and analysis to support the new Finance Committee and MSPs following the election 	<ul style="list-style-type: none"> • Support Parliament and committees in the first Budget process of the new parliamentary session • Improve public understanding of changes to the funding position • Provide insights to support Budget scrutiny

Figure 5: Development work – Tax

Project	Description and output	Benefits
Non Domestic Rates	<ul style="list-style-type: none"> Model streamlining and fully moving to open source software 	<ul style="list-style-type: none"> Improved forecasts Improve efficiency
Land and Building Transaction Tax	<ul style="list-style-type: none"> Work on improvements to our underlying model for house prices and transactions, with consideration of links to broader economy 	<ul style="list-style-type: none"> Improved forecasts Improved economy and fiscal narrative
Scottish Landfill Tax	<ul style="list-style-type: none"> Continue to monitor Scottish Landfill Tax revenue and standard rated waste sent to landfill in the period after delay to the Biodegradable Municipal Waste ban 	<ul style="list-style-type: none"> Improved forecasts
Income Tax	<ul style="list-style-type: none"> Develop model in preparation for potential changes to tax on property income Fully utilise new open source model for all aspects of our forecast process ending our reliance on SAS software Review and develop documentation for new open source modelling approach Assess how input and output stages of modelling process could be improved by open source 	<ul style="list-style-type: none"> Improved efficiency Improved forecasts Improved economy and fiscal narrative Improved internal processes
New taxes	<ul style="list-style-type: none"> Monitor Scottish Aggregates Tax revenue from the beginning of 2026-27 and incorporate initial outturn data into our forecast. Develop forecast approach for introduction of Air Departure Tax in 2027 and produce first fully devolved forecast alongside 2027-28 Budget Develop forecast approach for Scottish Building Safety Levy, which is being introduced in 2028 	<ul style="list-style-type: none"> Improved forecasts

Figure 6: Development work – Social Security

Project	Description and output	Benefits
Forecast presentation – all payments	<ul style="list-style-type: none"> • Continue to expand the use of visualisations in the presentation of social security forecasts • Develop broader awareness of social security topics through dedicated analytical outputs via Insights 	<ul style="list-style-type: none"> • Improved communication of forecasts
Forecast development – disability payments	<ul style="list-style-type: none"> • Improve alignment between the Pension Age Disability Payment (PADP) forecast approach and the approach used for other disability payments. Incorporate initial outturn data from Social Security Scotland into the PADP forecast • Develop the Carer Support Payment forecast approach to incorporate new outturn data from Social Security Scotland • Continue researching trends in prevalence of disability and rises in payment caseloads 	<ul style="list-style-type: none"> • Provide greater insight to forecasts and risks • Improved forecasts • Improved efficiency
Forecast resilience	<ul style="list-style-type: none"> • Expand internal shadowing and review forecasting tools to strengthen team resilience and efficiency 	<ul style="list-style-type: none"> • Improved efficiency
Stakeholders -	<ul style="list-style-type: none"> • Maintain existing lines of communication between the Commission and the policy and analytical teams within the Scottish Government, Social Security Scotland, UK Government Departments, Scottish Parliament, and other institutions • Review published outputs to ensure they reflect stakeholder needs and support ad-hoc data requests • Establish a shared data-request and transfer process across the Scottish Government, Social Security Scotland and the Scottish Fiscal Commission 	<ul style="list-style-type: none"> • Improved communication of forecasts • Improved forecasts • Improved internal processes

Figure 7: Development work – Cross-cutting analytical

Project	Description and output	Benefits
Publication planning	<ul style="list-style-type: none"> • Continuous improvement through internal wash-ups from each publication informing the next publication • Review and refine our internal guidance on the process for producing a SEFF publication 	<ul style="list-style-type: none"> • Greater impact from published material • Improved internal processes • Improved efficiency
Intern	<ul style="list-style-type: none"> • Offer paid opportunities to students through Economics Futures Programme 	<ul style="list-style-type: none"> • Improved outreach to potential candidates • Improved forecasts and fiscal sustainability work
Communication of analysis and forecasts	<ul style="list-style-type: none"> • For each publication and output ensure the main messages are clearly communicated throughout the work. • Seek out opportunities for all staff to communicate and promote the work of the Commission. 	<ul style="list-style-type: none"> • Improved understanding of analysis
Review of quality assurance practices	<ul style="list-style-type: none"> • Implement risk-based framework to focus quality assurance resources on areas of highest risk • Run SFC wide intensive programme of quality assurance reviewing high-risk models 	<ul style="list-style-type: none"> • Improved forecasts • Improved internal processes
Publication of “Insights” articles on our website	<ul style="list-style-type: none"> • Reinforce messages from our work and on our role. • Expand on particular aspects of our forecasts and other work to provide more in-depth analysis • Ensure Insights are accessible to as wide an audience as possible 	<ul style="list-style-type: none"> • Improve and broaden understanding of our work and role.

Figure 8: Development work – Communication and Engagement

Project	Description and output	Benefits
Engagement Plan	<ul style="list-style-type: none"> Refresh the Commission’s Engagement Plan 	<ul style="list-style-type: none"> Maintain and develop existing communication and engagement work with stakeholders Identify opportunities to widen engage with stakeholders including Parliament
New Parliamentary Session	<ul style="list-style-type: none"> Support induction training for MSPs 	<ul style="list-style-type: none"> Highlight the role of the Scottish Fiscal Commission and how its work support scrutiny of Scottish Public finances by Parliament

Correspondence and enquiries

We welcome comments from users about the content and format of our publications. If you have any feedback or general enquiries about this publication or the commission, please contact info@fiscalcommission.scot. Press enquiries should be sent to press@fiscalcommission.scot.

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