

Bruce Crawford MSP
Convener
Finance and Constitution Committee
The Scottish Parliament
Edinburgh
EH99 1SP

Sent by email

12 December 2018

Dear Convener

The Scottish Fiscal Commission has now published its report [Scotland's Economic and Fiscal Forecasts – December 2018](#), to inform the Scottish Budget published today.

We forecast stronger economic growth of 1.4 and 1.2 percent respectively in 2018 and 2019, followed by a return to a trend of around 1.0 percent.

We forecast that devolved taxes will raise £15.2 billion of the Scottish Budget in 2019-20, of which income tax raises the most revenue, £11.7 billion. We also cost the changes in Scottish Government policy announced in today's Budget. The largest of these is the change in the Scottish Government higher rate policy which we estimate will raise an additional £68 million.

We forecast that total devolved social security spending will be £458 million in 2019-20. The new and expanded social security plans are estimated to cost £90 million more than the funding received for those benefits in 2019-20.

We are committed to being independent, transparent, accessible and open. Alongside the main report, we have produced a one page graphic of key figures and a summary report that sets out our forecasts and the main assumptions and judgements that underpin them. We also publish background information, including spreadsheets with data for all the report's tables and charts.

We look forward to discussing the report with you in the new year.

Yours sincerely

A handwritten signature in black ink that reads "Susan Rice".

Susan Rice DBE

Scottish Fiscal Commission,
Governor's House, Regent Road,
Edinburgh, EH1 3DE

www.fiscalcommission.scot
For general enquiries:
info@fiscalcommission.scot