

Derek Mackay MSP
Cabinet Secretary for Finance and the Constitution
The Scottish Parliament
Edinburgh
EH99 1SP

06 December 2016

SENT VIA EMAIL

Dear Cabinet Secretary,

I thought you might find it useful to have something of an update of our work.

Throughout this year, the Scottish Fiscal Commission has continued to build organisational capability and I believe we're making good progress in our transition to a Non Ministerial Department for 1 April 2017. I'm writing to you to set out our considered proposals for the Commission's budget requirements for 2016-17, for which we are awaiting confirmation from the Scottish Government.

As you are aware, the Financial Memorandum attached to the Scottish Fiscal Commission Bill estimated an operating budget for the Commission in the 2016-17 fiscal year of £970k. Subsequent to this the Fiscal Framework agreed by the Scottish and UK Governments in March this year changed the remit of the Scottish Fiscal Commission whereby it became responsible for the production of forecasts. I was asked to review the Commission's financial requirements once the revised remit was fully understood and we had in place a detailed transition plan.

While looking at our financial requirements, I have tried to ensure both efficiency in terms of operation, and value for money in our decision-making. Having done this, the budget requirement for the Scottish Fiscal Commission for 2016-17 is £1.2m, representing only a modest increase over our original budget for a significantly increased remit. A further breakdown of the budget is included at annex A.

I would be happy to discuss this at our meeting tomorrow if you wish.

Best wishes,

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

Susan Rice CBE