

A solid orange right-angled triangle in the top-left corner of the page.

Michelle Ballantyne MSP
Convener
Economy, Energy and Fair Work Committee
The Scottish Parliament
Edinburgh, EH99 1SP

23 April 2020
Sent via email

Dear Convener,

The Scottish Fiscal Commission has today published an [update](#) on the Scottish Government's budgetary position that takes account of the significant shift in UK and Scottish Government spending commitments since our last publication.

As well as the spending associated with the response to COVID-19, we also consider the changes in the Scottish Budget following the UK Budget on 11 March and the Budget deal agreed between the Scottish Government and the Green Party which amended the Budget Bill

The Convenor of the Finance and Constitution Committee wrote to the Cabinet Secretary for Finance on 8 April saying that the Committee did not think it appropriate to ask the Commission to update its forecasts at the moment.

The recent OBR analysis of the UK economy and public finances, and similar analysis of the Scottish economy by the Fraser of Allander Institute and the Scottish Government, is helpful in explaining the ways in which the economy will be affected by COVID-19 and in providing initial indications of the potential scale. The Commission takes the view that given the way in which the Scottish Budget is determined, further detailed analysis would be of limited value at the moment in understanding the position of the public finances in Scotland.

As more data become available we will get a better understanding of the situation in Scotland allowing us to publish additional analysis including forecasts.

I would welcome any views that you have on analysis that the Commission could produce that would help your Committee in its work between now and the autumn.

Yours sincerely

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

Susan

Dame Susan Rice