

Neil Gray MSP  
Convener  
Social Justice and Social Security Committee  
  
The Scottish Parliament  
Edinburgh  
EH99 1SP

26 August 2021  
*Sent via email*

Dear Convener,

Today the Scottish Fiscal Commission has published three reports. [Scotland's Economic and Fiscal Forecasts – August 2021](#) gives our latest forecasts for the economy, tax revenues and social security spending. Usually we would have produced a forecast in May, but this was not possible given the Scottish Parliament election, and following a recommendation from the Finance and Constitution Committee we committed to publishing a forecast in August.

Our [Fiscal Update](#), sets out the latest position for the 2020-21 and 2021-22 Scottish Budgets in light of funding changes and outturn data since March.

The [Supplementary Forecast Evaluation Report](#) looks at our forecast error for income tax in 2019-20 and Non-Domestic Rates in 2020-21. This completes our annual forecast evaluation exercise, which was otherwise covered in our July [Forecast Evaluation Report](#).

Our new forecasts run to 2026-27 and are the second set we have produced since the start of the COVID-19 pandemic. With the success of the vaccination programme the outlook for the economy is more positive than in our January 2021 forecasts, but the path out of the pandemic is unlikely to be smooth and significant risks remain.

We have included our first costing for the new Adult Disability Payment that is launching next year, which we expect to increase spending by £0.5 billion by 2026-27.

We are committed to being independent, transparent, accessible and open. We are holding an online public event next month, and look forward to discussing our reports with you and your committee in due course.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Susan".

Dame Susan Rice DBE