

Daniel Johnson MSP
The Scottish Parliament

By email: daniel.johnson.msp@parliament.scot

8 December 2022

Dear Mr Johnson

Thank you for your letter of 15 November concerning the Scottish Government's paper "Building a New Scotland: A stronger economy with independence" published in October.

The Scottish Government has not asked the Fiscal Commission to provide analysis on the contents of their paper. Officials here were asked to fact check a number of references in the paper to the Fiscal Commission and its work a few days ahead of publication. This request follows the process agreed in our Protocol with the Government.

The Commission's statutory duty is to prepare forecasts and assessments to inform the Scottish budget. We do this in part through our 5 year economic and fiscal forecasts that are published alongside the Government's Budget and Medium Term Financial Strategy.

This year we started work on a longer term projections that consider the fiscal sustainability of the budget. The factors that we intend to consider in the first report published next March include the impact of demographic change on likely spending commitments and tax receipts, as well as the block grant paid by the UK Government. Our intention is to hold the current policy position constant on spending and tax constant, and to make a similar assumption on the constitutional position. In time we may need to relax this assumption on the constitutional position and consider the Government's approach to independence.

Our [consultation paper](#) published in August considers the issue in more detail.

Yours sincerely

A handwritten signature in black ink that reads "Graeme Roy".

Professor Graeme Roy

