

December 2022



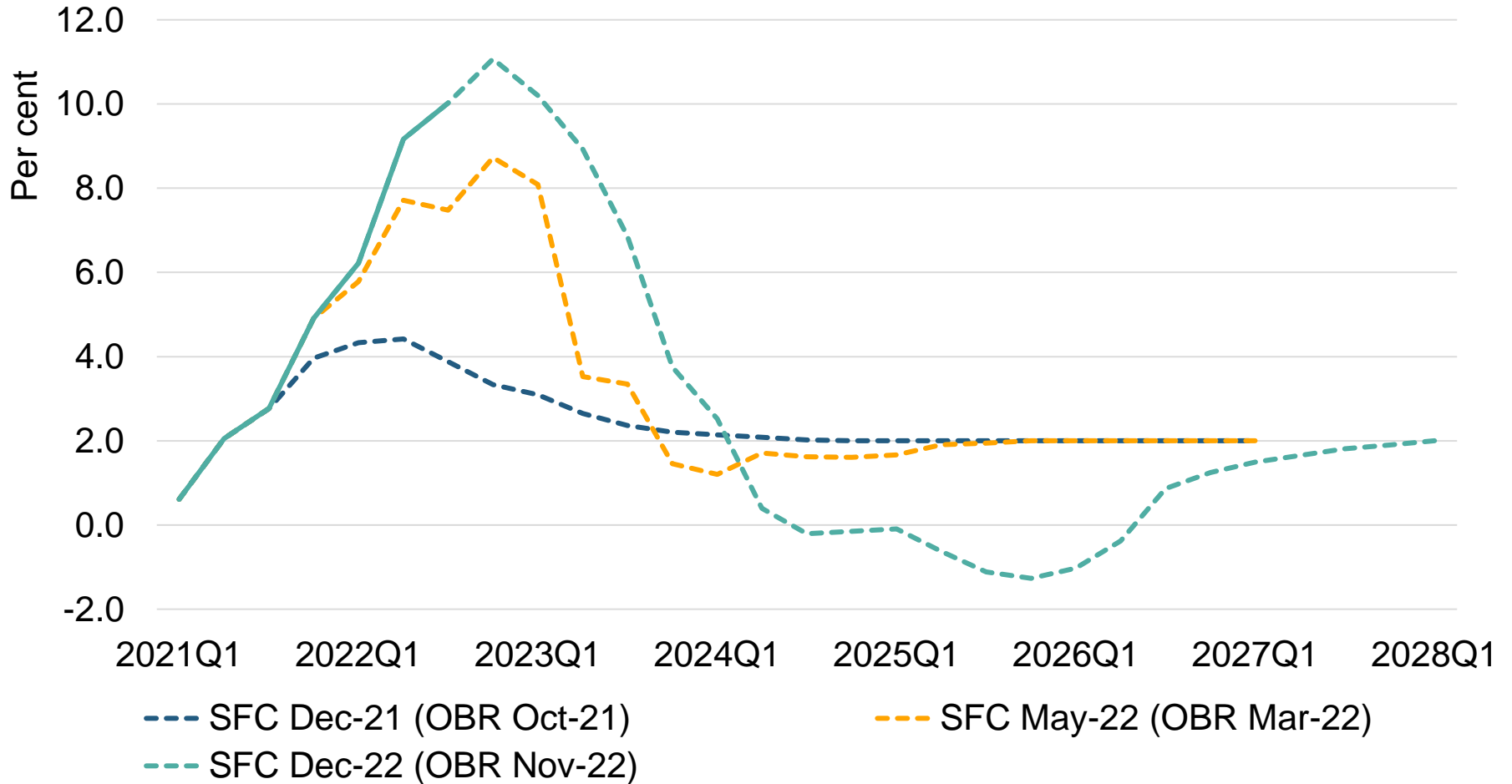
Scotland's Economic and Fiscal Forecasts

Media Conference

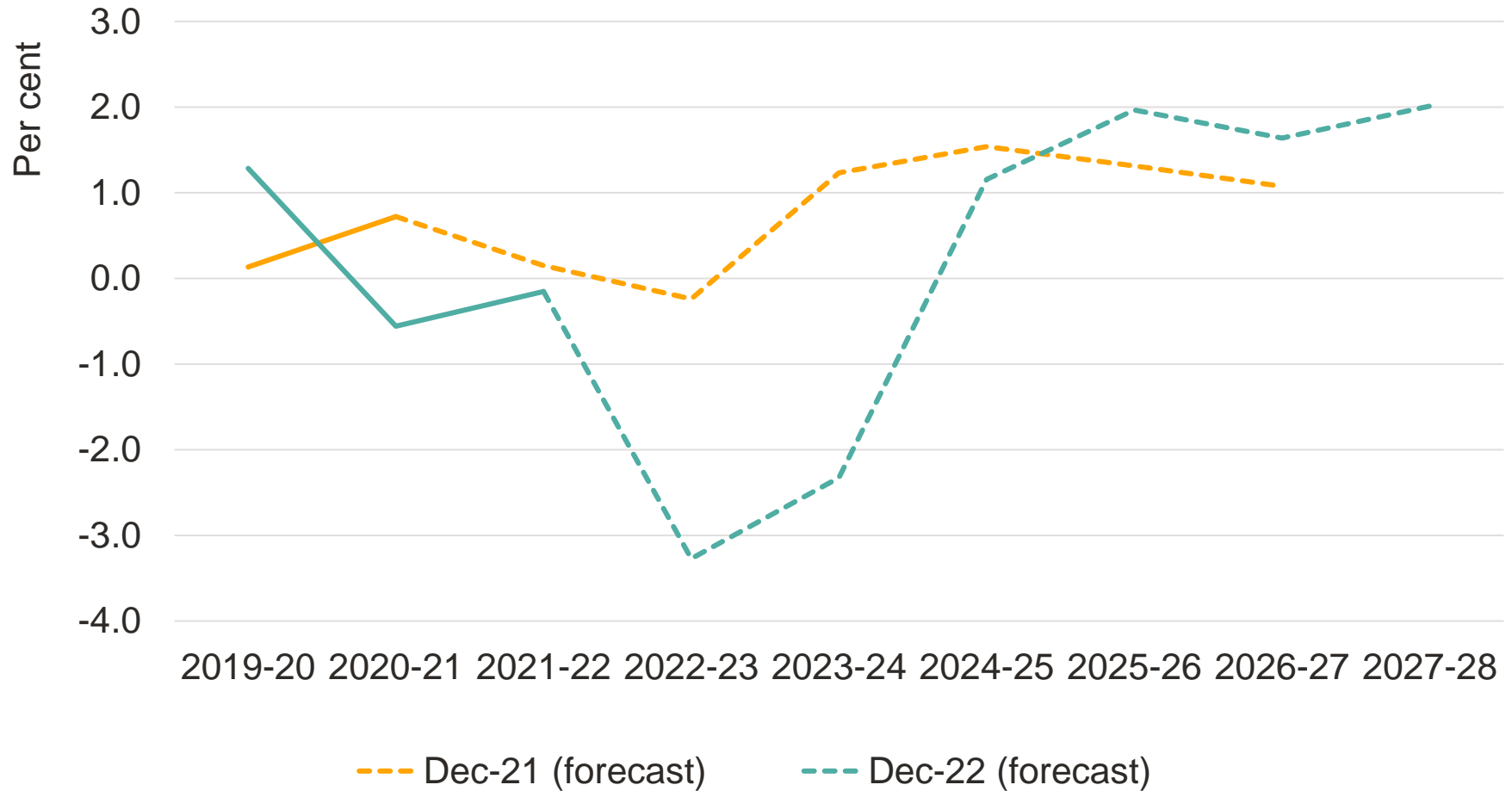


Scotland's Economic and Fiscal Forecasts

Consumer Price Inflation



Real disposable income per person to fall £1,150 over 2022-23 and 2023-24

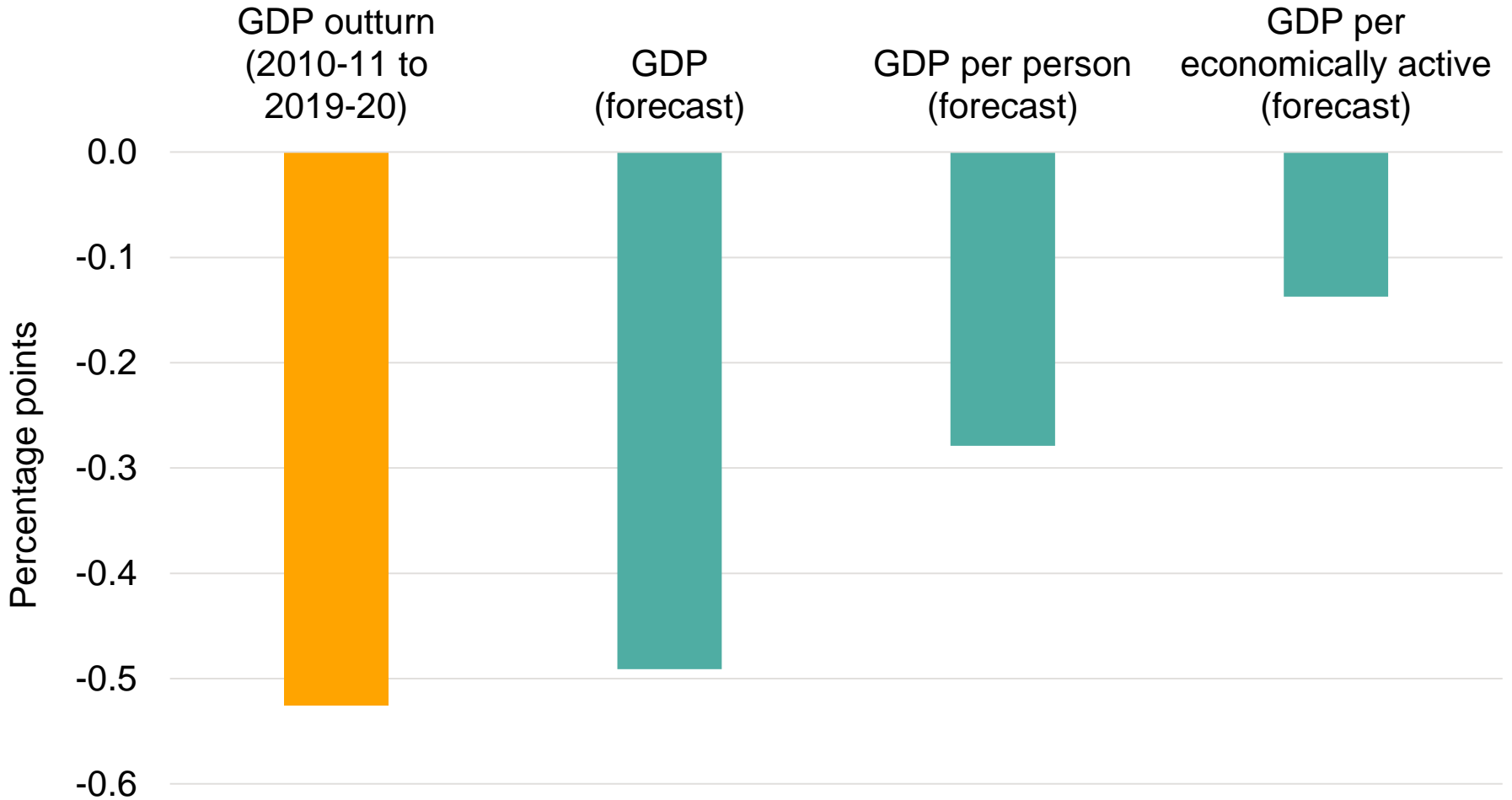


GDP outlook broadly in line with other forecasters (calendar year)

Per cent	2021	2022	2023	2024	2025	2026	2027
Scotland: SFC December 2022	7.9	5.0	-1.2	0.7	1.9	2.1	1.6
Scotland: FAI October 2022	7.9	3.6	-0.6	0.8			
UK: OBR November 2022	7.5	4.2	-1.4	1.3	2.6	2.7	2.2
UK: NIESR November 2022	7.5	4.6	0.7	1.7	1.6	1.6	1.6
UK: BoE November 2022	7.5	4.25	-1.5	-1.0	0.5		
UK: HMT average of forecasters Nov 2022	7.5	4.2	-0.9				

Scottish vs UK GDP growth gap

Difference in average annual GDP growth, 2023-24 to 2027-28

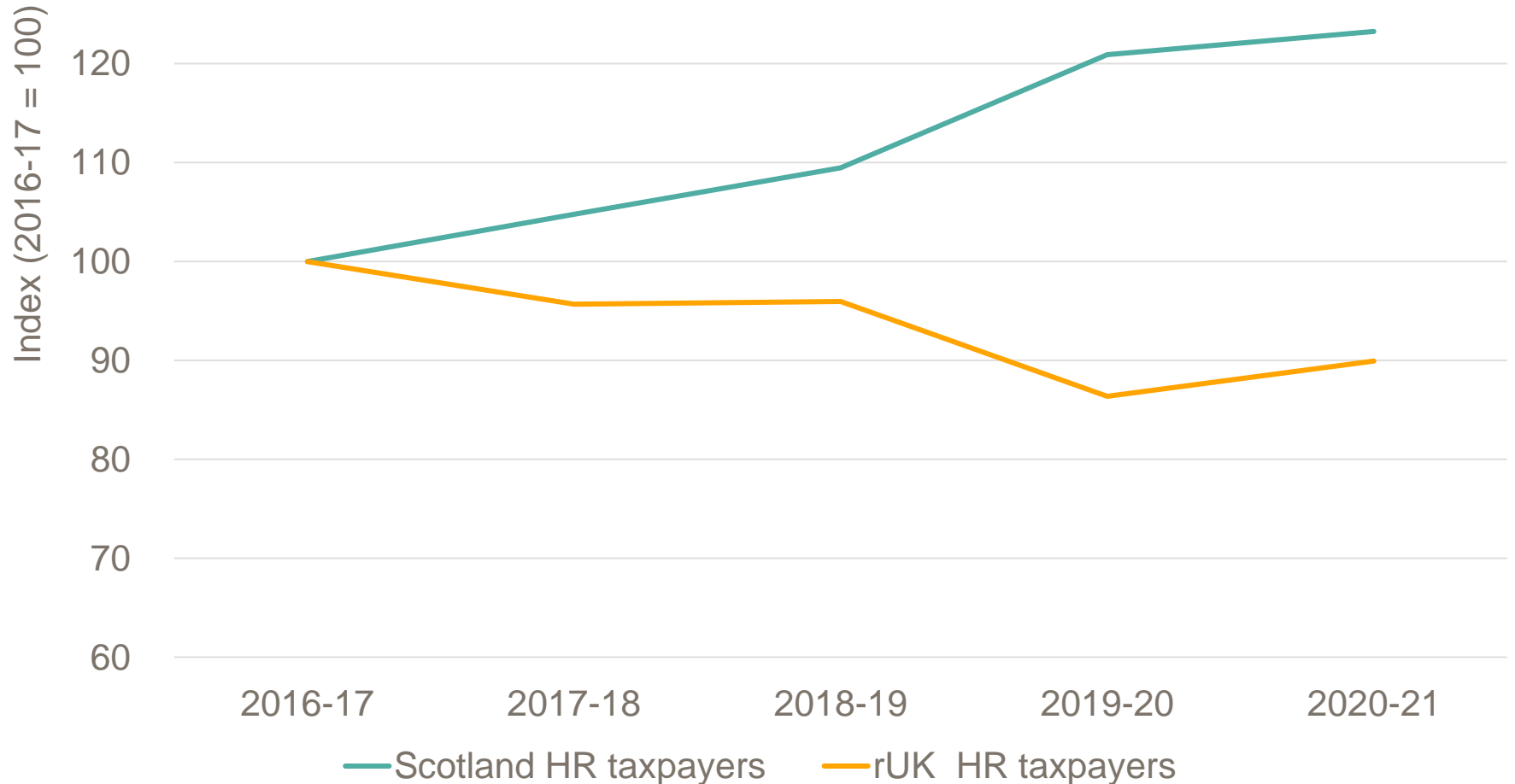


Tax

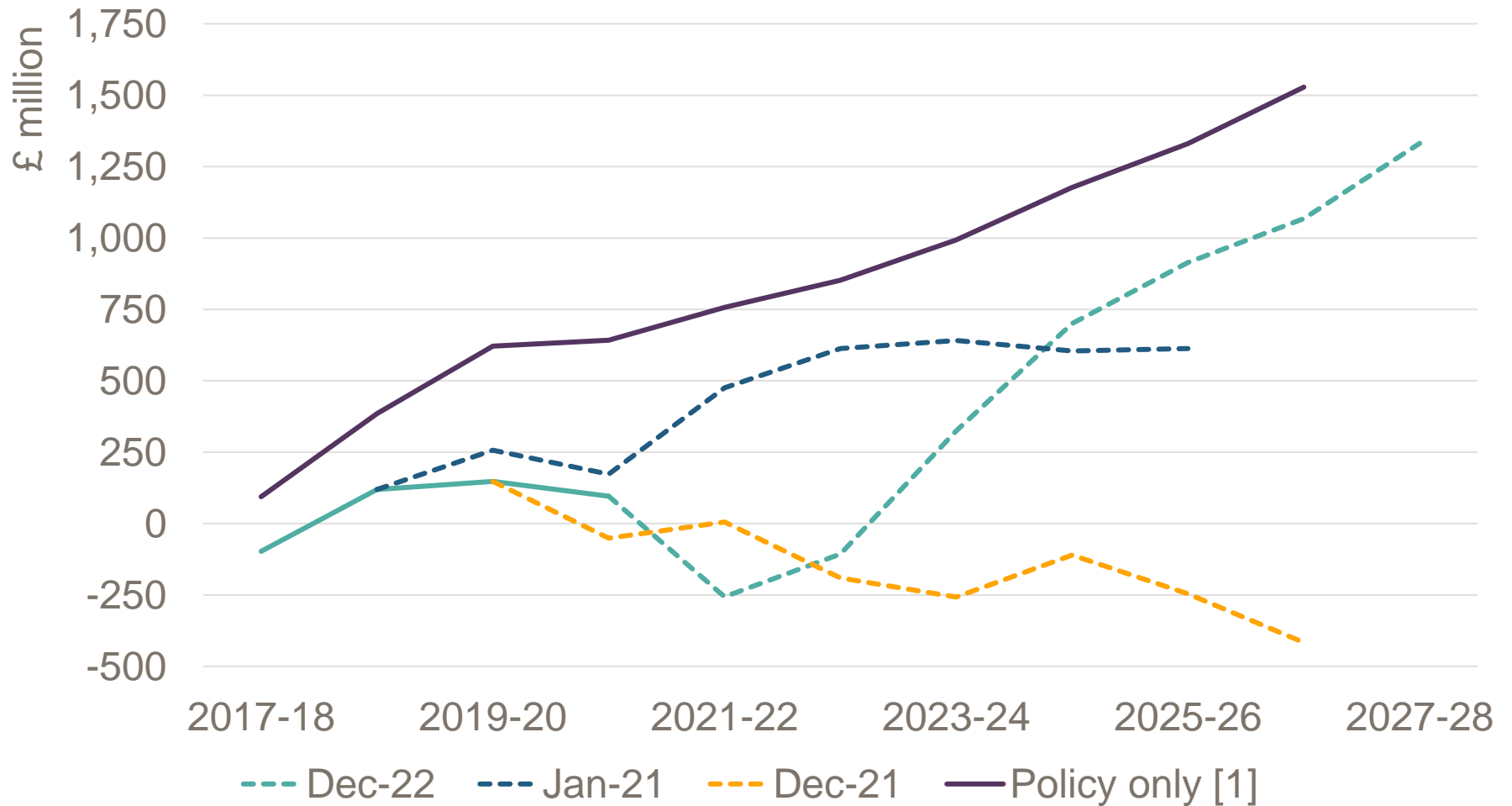
Tax policy changes – income tax

£ million	2022- 23	2023- 24	2024- 25	2025- 26	2026- 27
Total policy	4	129	142	150	162
Top rate threshold to £125,140	4	8	13	14	15
Basic rate band freeze		18	19	20	21
Starter rate band freeze		6	6	6	6
Top rate increased by 1p to 47p		3	3	3	3
Higher rate increased by 1p to 42p		92	98	104	114

Change in number of higher rate taxpayers, Scotland and UK



Income tax net position



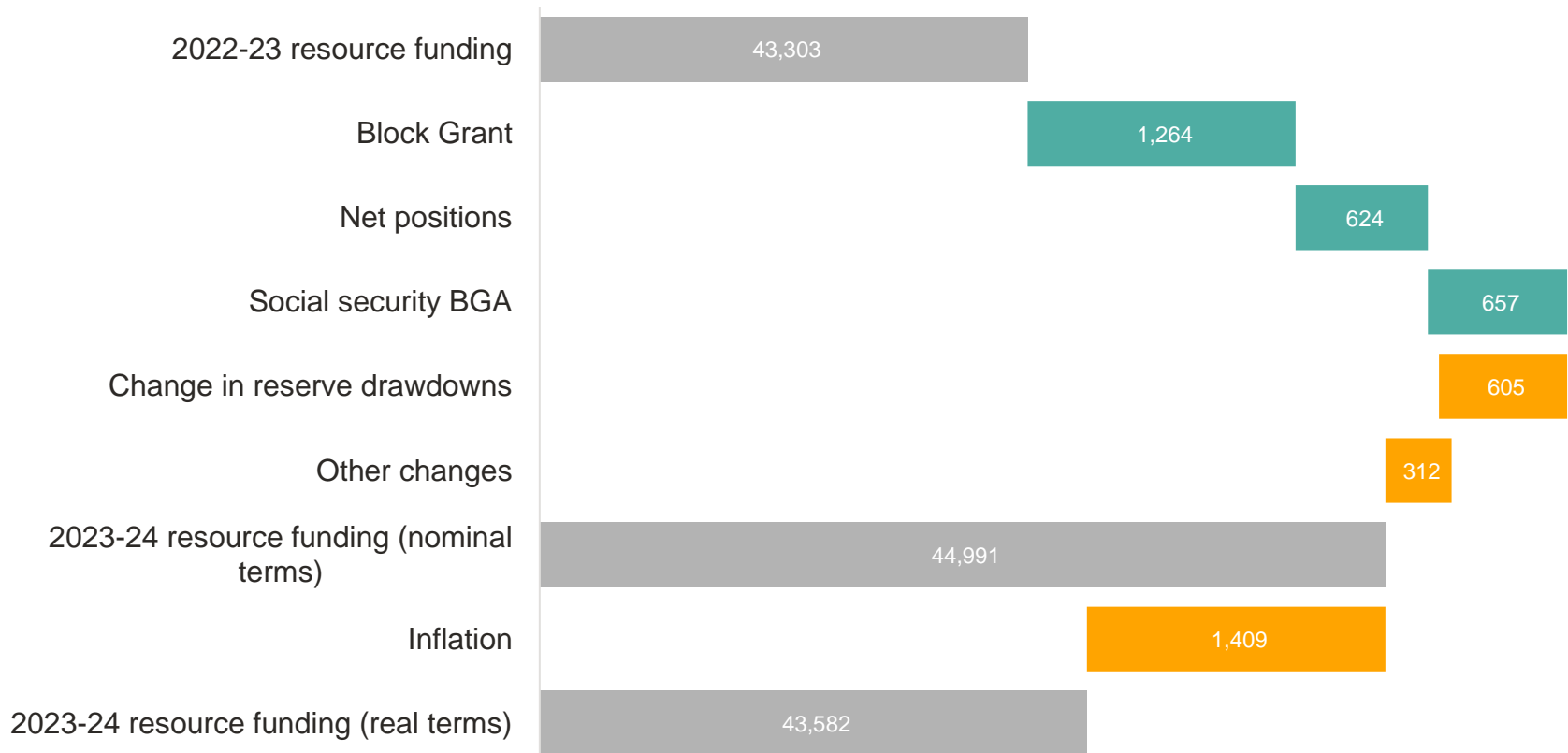
Outturn and indicative estimates of income tax reconciliations

Collection year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Applies to Budget for	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Reconciliation (£ million)	-204	-309	-34	50	-732	83

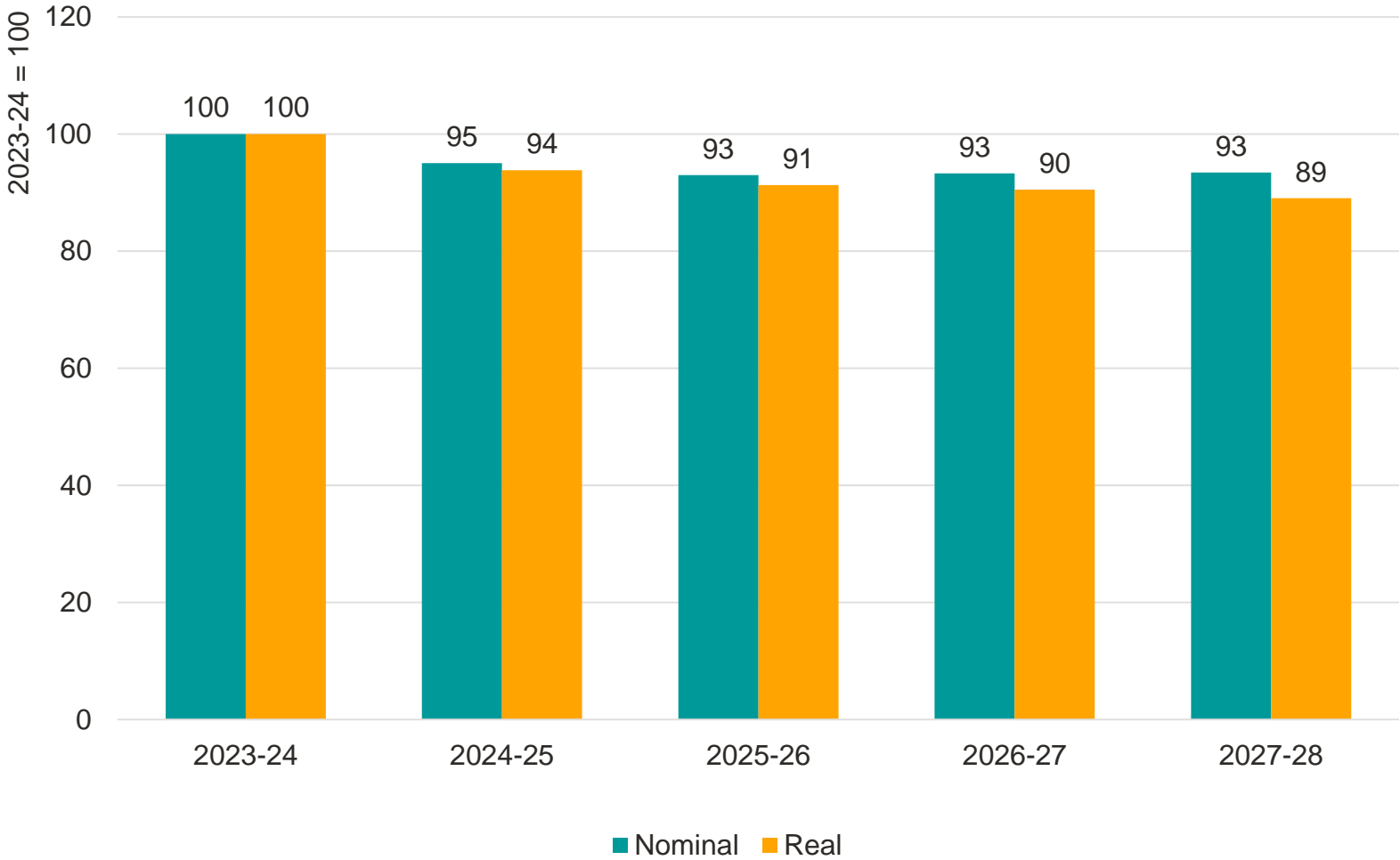
Funding

Resource funding for the Scottish Budget for 2023-24

Resource funding for 2023-24 is over £1.7 billion higher than 2022-23 in nominal terms, but once inflation is factored in the increase is only £279 million.



Capital funding outlook

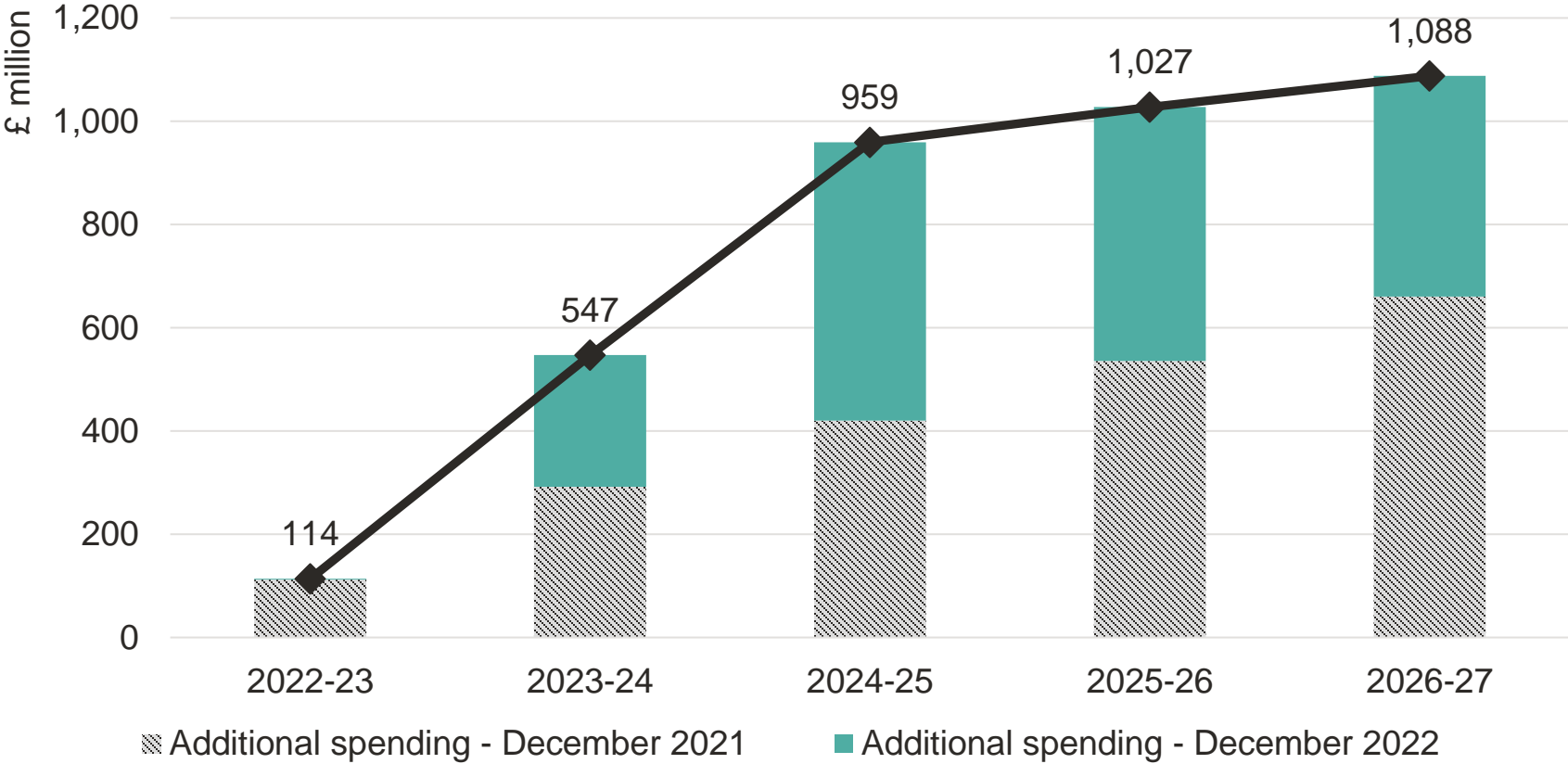


Social Security

Social security spending



Higher inflation drives higher social security spending



Social security net position and new payments

£ million	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Social security net position	- 11	- 194	- 422	- 589	- 696	- 782
New social security payments	- 363	- 582	- 624	- 623	- 629	- 634
Total	- 374	- 776	- 1,046	- 1,212	- 1,325	- 1,416

What's next:

- Tuesday 20 December: SFC at Finance and Public Administration Committee
- Thursday 22 December: SFC at Social Security Committee
- January 2023: Open public event to discuss our forecasts
- March 2023: Our first Fiscal Sustainability Report published

Where to find out more:

- Visit our website www.fiscalcommission.scot for the full report, copies of all charts and tables plus supplementary data

How to keep in touch:

- Join the mailing list on our website
- Follow us on twitter @ScotFiscComm
- Email press@fiscalcommission.scot