



The Scottish Parliament
Pàrlamaid na h-Alba

Finance and Public Administration Committee

Matthew O'Toole MLA
Chairperson
Committee for Finance
Northern Ireland Assembly

19 December 2025

Dear Matthew

Northern Ireland Fiscal Council Bill

Thank you for your letter of 4 December 2025 in relation to the Northern Ireland Assembly Committee for Finance's scrutiny of the Northern Ireland Fiscal Council Bill.

I am very happy to share my reflections in relation to the Scottish Parliament's Finance and Public Administration Committee's interactions and engagement with the Scottish Fiscal Commission (SFC), Scotland's independent fiscal institution.

The Committee has an excellent working relationship with the SFC, hearing from the Commissioners and officials regularly, usually in relation to key SFC publications, but also on an ad hoc basis where we seek their expert input to relevant Committee inquiries. These arrangements are working very well. The examples below help to build a picture of the essential role the SFC has in relation to the Committee's all-year round scrutiny of Scotland's public finances and where similar approaches could be considered for Northern Ireland.

Scotland's Economic and Fiscal Forecasts

The Committee holds regular evidence sessions with the SFC throughout the year, including in May/June in relation to the SFC's Scottish Economic and Fiscal Forecasts¹ (SEFF) published alongside the Scottish Government's annual Medium-Term Financial Strategy. We also hear from the SFC in December/January each year regarding its SEFF² published with the Scottish Budget.

¹ Latest May SEFF - [Scotland's Economic and Fiscal Forecasts – May 2025 | Scottish Fiscal Commission](#)

² Latest December SEFF - [Scotland's Economic and Fiscal Forecasts – December 2024 | Scottish Fiscal Commission](#)

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Email FPA.committee@parliament.scot. We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

These sessions provide valuable opportunities to explore the economic and fiscal outlook and implications of the Scottish Government's spending and tax plans. They also set the scene for the Committee's evidence-taking with academics, thinktanks, business organisations and the voluntary and public sectors.

Late publication of UK and Scottish Budget documents has been a feature of this parliamentary session, limiting time for effective scrutiny. In our Report on the Scottish Budget Process in Practice³, we recognised the challenges in striking a balance between ensuring the Scottish Government and the SFC have the time needed to develop spending and tax decisions and related forecasts (following the UK Budget) and protecting sufficient time for the Scottish Parliament to scrutinise them.

We also noted the SFC's view that it is not only the length of time that matters; engagement with the Scottish Government on its policy choices must also be effective whatever the time available. The Committee is therefore engaging further with the Scottish Government and the SFC to explore whether an optimal time can be secured for both budget formulation and scrutiny.

It may therefore be helpful for the NIA Committee for Finance to consider how best to protect time for parliamentary scrutiny of the Budget and related forecasts in this context. Similar to the SFC⁴, publishing key deadlines in the forecast timetable for the provision of information by the Executive and the NI Fiscal Council may also be a helpful way of bringing more transparency to the forecasting process.

The SFC produces a Statement on Data Needs⁵ every two years which sets out areas where it believes improvements are required in the data and information it uses for forecasting. This could be a helpful model to follow as it allows the Committee to hold the Government to account where data is not forthcoming.

Fiscal Update

In 2024 and 2025, the SFC has published a Fiscal Update⁶ in late August considering the implications for the Scottish Government's fiscal outlook of new information that has become available in the intervening period since June.

During evidence-taking in relation to our recent inquiry into the Scottish Budget Process in Practice, the SFC explained that it plans to make this a regular publication, to "set up the Committee to think about some of the issues that it needs to explore in the run-up to the budget", and to make sure the SFC can communicate "most effectively and highlight the key elements at key points in time". Spreading its publications more evenly across the year, we heard, also helps the organisation in managing its resources effectively.

³ [Report on the Scottish Budget process in practice](#)

⁴ [Letter-from-Professor-Graeme-Roy-to-Finance-and-Public-Administration-Committee-notification-of-SEFF-timetable-12-November-2025.pdf](#)

⁵ [Lates Statement of Data Needs – August 2024 | Scottish Fiscal Commission](#)

⁶ [Latest SFC Fiscal Update published in August 2025.](#)

In our Report on the Budget Process inquiry⁷ published in June 2025, the Committee—

“welcomes the SFC’s proactivity in committing to publish a Fiscal Update on a regular basis. We consider this document to be useful in providing more up to date context and data to inform pre-budget evidence sessions in September and October.”

The SFC’s forecast evaluation report, usually published in August/September each year, is also included as part of the evidence session on the Fiscal Update.

Fiscal Sustainability publications

The SFC produces a substantive Fiscal Sustainability Report with a 50-year horizon, every two years, along with fiscal sustainability perspectives papers in the intervening years. These have proved extremely useful in encouraging a much-needed debate across Parliament about future trends and pressures, including in relation to demography and climate change, and in holding the Scottish Government to account for its longer-term financial planning.

These reports also regularly frame and inform the Committee’s pre-budget scrutiny inquiries. For example, our pre-budget 2026-27 scrutiny focused on Responding to Long-Term Fiscal Pressures⁸, using the SFC’s April 2025 Report⁹ as a backdrop. In addition, subject committees often examine these reports and papers within their remits.

This model may be of interest to the NIA Committee for Finance given the valuable opportunity it provides for Members and wider society to consider how best to respond to long-term issues arising.

Annual governance session

During this parliamentary session, the Committee has introduced an annual evidence session with the SFC focusing on governance¹⁰, as part of our scrutiny of relevant bodies directly accountable to Parliament. Taking place after the SFC has laid its annual accounts in Parliament, this session provides an opportunity for the Committee to scrutinise how the SFC fulfils its functions.

As well as looking at the SFC’s corporate activities under this item, the Committee also considers wider issues such as the implications of recommendations from the OECD review of the SFC 2025¹¹, including the budgetary impact of carrying out more spending analysis¹², which the Committee has welcomed. We also hear from

⁷ [Report on the Scottish Budget process in practice](#)

⁸ [Report on pre-budget scrutiny 2026-27: responding to long-term fiscal pressures](#)

⁹ [Fiscal Sustainability Report – April 2025 – Update | Scottish Fiscal Commission](#)

¹⁰ [Paper-2--SFC-annual-evidence-session--Note-by-the-Clerk](#)

¹¹ [OECD Review of Scottish Fiscal Commission 2025 - Highlights](#)

¹² Recommendation – “The Committee agrees with the recommendation of the OECD that the Scottish Fiscal Commission should broaden and deepen its spending analysis beyond social security to encompass a wider range of budget areas and help inform political debate.”

the OECD on its review recommendations to gain a better understanding of where any developments, such as more focus on spending analysis, could be adopted.

Appointments

The Committee also has a role in approving the appointment of the Chair of the SFC and Commissioners. Usually, it hears evidence from the selected candidate for each new Chair or Commissioner appointments to inform our decisions on their appointment and to support openness and transparency regarding the process.¹³

Informal briefings and engagement

The SFC further holds regular informal briefings for Members, their staff and parliamentary staff, usually around the timing of its forecasts and fiscal sustainability reports. The SFC's ability to explain very complex issues such as the practical operation of the Scottish Government's fiscal framework through its publications, evidence and briefings is very important for the Parliament and wider society. For example, The SFC Chair carries out a significant amount of wider work aimed at improving understanding of Scotland's public finances, for example, he has participated in two public engagement events carried out by the Committee regarding the Scottish Budget.

The Committee is currently exploring with the Scottish Parliament how the SFC, and other relevant organisations, can be involved in a new fiscal literacy programme for Members in Session 7.

Ad hoc inquiries

We also hear from the SFC during relevant inquiries. Indeed, in our Pre-budget 2026-27 Report published in October 2025, the Committee acknowledged "the SFC's continued commitment to supporting this Committee and Parliament to carry out effective parliamentary scrutiny through its regular and robust analysis, evidence and briefings".

I trust that this information is helpful to the NIA Committee for Finance's inquiry.

Yours sincerely,

Kenneth Gibson MSP
Convener

¹³ Once the Committee is content, the Parliament is asked to agree a motion in the name of the relevant Cabinet Secretary and Convener to approve the appointments.