Finance Committee

Stage 1 Report on the Scottish Fiscal Commission Bill
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Finance Committee

1. The remit of the Finance Committee is to consider and report on-
   a. any report or other document laid before the Parliament by members of the Scottish Government containing proposals for, or budgets of, public expenditure or proposals for the making of a tax-varying resolution, taking into account any report or recommendations concerning such documents made to them by any other committee with power to consider such documents or any part of them;
   b. any report made by a committee setting out proposals concerning public expenditure;
   c. Budget Bills; and
   d. any other matter relating to or affecting the expenditure of the Scottish Administration or other expenditure payable out of the Scottish Consolidated Fund.

2. The Committee may also consider and, where it sees fit, report to the Parliament on the timetable for the Stages of Budget Bills and on the handling of financial business.

3. In these Rules, “public expenditure” means expenditure of the Scottish Administration, other expenditure payable out of the Scottish Consolidated Fund and any other expenditure met out of taxes, charges and other public revenue.

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INTRODUCTION

1. The Scottish Fiscal Commission Bill ("the Bill") was introduced by the Deputy First Minister (DFM) on 28 September 2015. The Finance Committee ("the Committee") was designated lead committee by the Parliamentary Bureau. The role of the Committee at Stage 1 is to consider and report on the general principles of the Bill.

2. The purpose of the Bill "is to give the Scottish Fiscal Commission ("the Commission") a basis in statute which safeguards its structural and operational independence and which formalises its role in scrutinising the operation of Scotland's devolved fiscal framework." The Commission has been operating on a non-statutory basis since June 2014.

3. The Committee has taken a strong interest in the development of the Commission and published a report, Proposals for a Scottish Fiscal Commission, on 7 February 2014. The Committee also considered the need for an enhanced role for the Commission as part of its consideration of the Smith Commission proposals for an updated fiscal framework for Scotland. The Committee submitted its recommendations to the Scottish Government consultation on the draft Commission Bill.

4. The Committee’s scrutiny at Stage 1 builds upon this previous work and, in particular, focuses on some of the key issues which emerged. The Committee received 14 submissions to its call for evidence and held a number of oral evidence sessions.

5. The Committee has also carried out two fact-finding visits as part of its work on the Commission. In June three Members visited Stockholm where they met with the Swedish Fiscal Policy Council (SFPC) and in November two Members visited Dublin where they met with the Irish Fiscal Advisory Council (IFAC). On both visits there were also meetings with the respective governments, parliaments and other forecasting bodies.

6. Finally, the Committee also commissioned external research from Ian Lienert, an independent consultant in public financial management. His report, Independent Fiscal Institutions: International Experience and the Scottish Fiscal Commission, has been of great value to the Committee in informing our deliberations on the Bill.

7. The Committee would like to thank Ian for his report and to everyone who took the time to meet with them as part of the fact-finding visits and everyone who provided written and oral evidence.
INDEPENDENCE

8. The Committee has previously recommended that the Commission adheres to the Organisation for Economic Co-operation and Development (OECD) principles for independent fiscal institutions (IFIs) and especially the principles of independence, non-partisanship and transparency. The Scottish Government “recognises that it is critical to the effectiveness and credibility of the Commission that it is independent of government and seen to be so.”

Functions

9. A key element of the independence of any IFI is the functions which it is required to perform. The policy memorandum states that the Bill provides a statutory basis for the core functions currently being carried out by the non-statutory Commission which are “to independently scrutinise and report on the Scottish Government’s devolved tax revenue forecasts and on the economic determinants underpinning Scottish Ministers’ forecasts” of Non-Domestic Rates Income (NDRI). The role of the Commission is to scrutinise and challenge these forecasts including the methodologies and assumptions underpinning them which “enables the Commission to exert significant influence over the forecasts which underpin the Scottish Draft Budget.”

10. The policy memorandum explains that the Commission was “able to endorse as reasonable” the forecasts in relation to Draft Budget 2015-16 on the basis of a “thorough assessment of the methodologies and assumptions” used by the Scottish Government. The policy memorandum also explains that the Scottish Government revised down its NDRI forecast on the basis of the Commission’s assessment that the buoyancy assumptions seem optimistic.

11. The non-statutory Commission describes its role on its website as, throughout the year we “scrutinise the Scottish Government’s work in developing models and methodologies to produce its forecasts” and this informs our “understanding of the reasonableness or otherwise of their forecasts” and its scrutiny improves the methods used by the Scottish Government and thereby the eventual forecasts.” In its first report on the Scottish Government’s forecasts for Draft Budget 2015-16 it describes its approach as “one of enquiry and challenge followed by response, followed by further enquiry and suggested improvements.”

12. Ian Lienert questions whether it is desirable for the Commission to exert significant influence over the Scottish Government’s forecasts. He argues that this is “undesirable, as it could change the Commission from being an “independent assessor” of the forecasts to being an “advisor” to the Scottish Government. He suggests that the Commission “should step back from being closely involved” in the preparation of the official forecasts.
13. Rather, it should “develop its own fiscal forecasts independently” of the Scottish Government. It may also be preferable for the Commission to assess the official forecasts “only once they are submitted to the Scottish Parliament.” His view is the same day reporting requirement in the Bill could undermine the Commission’s independence. The Bill should be amended to allow the assessment report to be laid before the Parliament as soon as practicable after the publication of the draft budget.

14. He also questions the requirement within the Bill for the Commission to send a copy of its report to Scottish Ministers prior to being laid before the Parliament which could also undermine its independence. The OECD’s view is that this “requirement may be perceived as favouring the government.” Ian Lienert recommends that section 4(3) should be removed from the Bill. However, the Bill Team pointed out that the Scottish Government would only be looking to check the factual accuracy of the report and that the “only changes we would envisage would be to clarify understanding of the forecasting processes and methodologies that the Scottish Government had put in place.”

15. Robert Chote, Chairman of the Office for Budget Responsibility (OBR) was also asked whether it was appropriate for the Commission to have significant influence over the forecasts at the same time as providing an assessment of reasonableness. His view is that the whole point of independent scrutiny is to exert influence. The question arises as to how that influence is exerted and whether it is done in “private conversation with the commission in the run-up to publishing the draft budget?” The experience of the OBR is that “if there is this sort of debate beforehand, it might be harder to satisfy everybody and demonstrate that the commission is being independent.” At the same time though there would clearly be “more opportunity for the Commission to influence the numbers if it has that prior discussion rather than waiting for the draft budget to come out.”

16. Robert Chote was also asked whether in his view the independence of an IFI was as much dependent on individuals as it is on formal processes. He responded that this was certainly the conclusion of the independent review of the OBR. The review states that stakeholder confidence in the OBR “is tied more strongly to its people (i.e. leadership and staff), methodological approaches and transparency than to its legal underpinnings and operational structure.”

17. Carlo Cottarelli of the International Monetary Fund (IMF) noted that there is clearly a trade-off between exerting influence and providing independent assessment. In his written submission he stated that “early intervention would give the SFC more influence which on the forecasts in the short run, but would involve some degree of ownership, which would reduce its independence over the medium term.” While there is nothing wrong in having discussions throughout the year this “should not become a formal scrutiny.” On this basis he argues that the assessment should be carried out after the Scottish Government forecasts are published. Otherwise, the forecasts could be changed which “would essentially mean that the SFC could influence the forecasts.”
18. In contrast, Dr Armstrong and Dr Lisenkova argue that the Commission should have sufficient time to evaluate the forecasts prior to publication. They suggest that to do so after publication “would place intolerable political pressure on the SFC and more likely to lead to suspicion rather than trust which is essential.”

22. Scrutiny of the forecasting methods should be a collaborative and iterative process in which the Commission “should continuously communicate with the Scottish Government and civil servants to make its opinion as to methodology and assumptions known.”

19. During the Committee’s fact-finding visit to Dublin, Members heard that the secretariat of the IFAC has significant levels of on-going interaction with Irish Government officials. The Council was clear that in its meetings with officials it does not give an opinion on levels of figures or attempt to influence the direction of travel of the government. Once the date of the Budget has been announced only discussions around the clarification of technical issues can take place.

20. The DFM provided some further details of how the Commission works in practice. He explained to the Committee that the Commission is “there to challenge us, to push us and to make sure that we are coming to the correct answer, and its members will verify whether they think that we have come to the correct answer.” He does not view this as being an advisory role and does not think there is any conflict between the Commission’s independence and being able to exert significant influence.

21. The DFM explained that in his view the Commission essentially has a veto as he would not publish a forecast unless it was assessed as reasonable by the Commission. When questioned by the Committee as to where the veto is provided for in the Bill he responded that essentially, “the power in section 2(1) of testing the reasonableness of the forecast is where the commission has its veto.”

22. However, he went on to say that this is unlikely to happen as he would reach agreement with the Commission on the methodology prior to the production of the forecasts. He explained, we “get to that point of agreement on the methodology weeks before the budget, and then we introduce the numbers.” The Commission interrogates and challenges the model “to make sure well in advance that it is a robust model for generating the numbers that need to go into the budget.”

23. It is clear that the Scottish Government seeks the agreement of the Commission regarding its forecasting model. It is less clear what happens next. The DFM explained that once the methodology has been agreed he then tells the Commission, “this is what I want to do” and they test “that to see whether the numbers and propositions that I am suggesting, when applied through the methodology that has been prepared are robust.”

24. However, Lady Rice, Chair of the Commission, told the Committee, the Commission’s role is to provide a challenge function early in the process but it “would then let the forecasters get on with running the numbers – we would not be part of that, because we do not look at numbers and outputs; we look at their
thought processes going into that."\textsuperscript{29} She also suggested that the Commission’s report could be submitted to the Scottish Government for a fact check either once the forecast is “essentially complete” or “before the forecast is finalised.” It is not clear how the Commission provides an assessment of the reasonableness of the forecast if it submits its report before the forecast is finalised.

25. The Committee believes that the Commission needs to be able to demonstrate how its role in exerting significant influence on the Scottish Government’s forecasts can be combined with its role as an independent assessor.

26. The Committee, therefore, recommends that in order to demonstrate its independence there needs to be much greater clarity regarding the role of the Commission and how it works in practice. In particular, there is a need to set out in a Memorandum of Understanding, between the Scottish Government and the Commission, the formal process and timings for:

- agreeing the methodology;
- assessment of the forecasting methods;
- testing the suggested numbers and propositions;
- commenting on any provisional or initial assumptions and forecasts;
- assessing the reasonableness of the forecasts;
- assessing the reasonableness of any revised forecasts.

**Transparency**

27. In addition to the need for much greater clarity regarding the functions of the Commission there is also the need for much greater transparency in relation to how it carries out those functions. Robert Chote’s view is that while there are formal ways of demonstrating independence “the absolutely crucial issue is transparency, in not only the process and nature of our interactions with officials, but the outputs.”\textsuperscript{30}

28. The OECD recommends that:

“Given that promoting transparency in public finances is a key goal of IFIs, they have a special duty to act as transparently as possible. Full transparency in their work and operations provides the greatest protection of IFI independence and allows them to build credibility with the public.”\textsuperscript{31}

29. The IFAC advised committee members during their fact-finding visit to Dublin that transparency is vital. The IFAC’s reputation for independence has been built through continually challenging and criticising the Irish Government in public when necessary to do so. The experience of the Irish model suggests that the ability of
an IFI to build its credibility as an independent body necessitates the need for full transparency in relation to the challenge function.

30. Dr Armstrong suggests that “if we believe in avoiding moral hazard, we need transparency, and that requires that whoever makes the assessments can do it completely independently and can be seen to be independent.” The Royal Society of Edinburgh (RSE)’s view is that in order to secure its independence and ensure transparency of process, the Commission should carry out its assessment of the Government’s forecasts after their publication.

31. Professor MacDonald states that he “would give priority to independence, transparency and openness in the working relationship between the Commission and the Scottish Government and other public bodies.” Both Professor McGregor and Professor Peat agreed that the work of the Commission in carrying out its role of enquiry and challenge should be as transparent as possible. Professor McGregor would also like the core models used by the Scottish Government for its forecasts to be made public subject to the caveat that there may be some confidential data which could not be published. Carlo Cottarelli from the IMF states that it is important that there is transparency in the way the Commission and the Scottish Government interacts.

32. The Scottish Government believes that the approach which it has set out in the Bill:

“maximises the openness and transparency of the forecasting process - it means that a detailed account of the Scottish Government’s forecasting approach, the findings of an independent evaluation of that approach and the changes which the government has made to forecasts or assumptions in response to those findings are publicly available.”

33. However, the Bill team explained to the Committee that it was “very open to considering any ways in which we can maximise the transparency of the relationship and interactions between the Scottish Fiscal Commission and the Scottish Government.”

34. Given that the Commission has been working on a non-statutory basis since June 2014 the Committee has been able to consider the level of transparency which currently exists in its operations. The Commission’s first report provides a detailed assessment of the Scottish Government’s forecasting methods. There is little comment on the actual forecasts other than to say that they are reasonable.

35. The Scottish Government also published a paper alongside Draft Budget 2015-16 on its forecasting methodology for the devolved taxes. This paper provides details of the Scottish Government’s modelling approach and the assumptions which underpin the forecasts. Read together these provide clarity in relation to the methods and assumptions which underpin the forecasts. The Commission also provide recommendations as to how the methodology may be improved.
36. However, in neither document is there any detail of the process of enquiry and challenge and it is not made apparent that the methodology was agreed between the Commission and the Scottish Government. Neither is there any distinction made between the Commission’s role in providing a challenge function and its role in providing an evaluation of the methods and assumptions used.

37. It is also not clear at what stage of the process the challenge function stopped and the evaluation process started. For example, the Commission’s report refers to the non-domestic rates buoyancy forecast being too optimistic. The DFM subsequently announced that the Commission had considered his NDRI forecast and he had revised it down on the basis of its concerns about the buoyancy forecast. However, Professor Hughes Hallett, explained to the Committee that “we changed what we thought was an unreasonable assumption up front. We do those sorts of things at the first stage.”39 There is no mention of this in the Commission’s report. The report, therefore, appears to refer to an assumption as being too optimistic although that assumption had already been changed and the forecast already revised down.

38. Lady Rice explained in relation to the challenge meetings which the Commission has with the Scottish Government that everyone should be able to see what was “discussed, what had come to the table and the challenges that we raised.”40 The Commission have begun taking minutes of these meetings and a short summary has been published prior to the full minutes being published alongside its report on the draft budget. Professor Hughes Hallett explained that when “the minutes come out, the committee will see some thoughts and comments about what the Scottish Government might do next about a particular problem.”41

39. The DFM was asked about the need for transparency in the relations between the Scottish Government and the Commission. For example, he was asked if his forecasts were changed as a consequence of the views of the Commission whether both the initial and the final forecasts would be published. He responded that only the final forecast would be published and that he does not see the value in there being a multiplicity of forecasts.

40. He was then asked, if disagreements between the Commission and the Scottish Government are never published, how could that be considered to be transparent. He responded that what “matters is whether the Scottish budget is underpinned by a reasonable forecast” and that this “is the piece of information that the public and the parliament require.”42 He would also argue strongly against the Commission publishing the initial forecasts.

41. The Committee recommends that in order for the Commission to build its credibility as an independent body it needs to be able to challenge and criticise the Scottish Government publicly when necessary to do so. This means that it must publish any disagreements which it has with the Scottish Government and the outcome of those disagreements.
42. The Committee notes that the first external evaluation of the OBR found that it “is seen to have overcome any perception of bias in its work because of its openness” and had “demonstrated its willingness to speak out on issues that are unfavourable to the government, bolstering its independence.” The Committee recommends that the Commission adopts a similar approach.

43. The Committee recommends that the Commission’s report on the draft budget needs to provide a breakdown of the outcome of the forecasting process as set out at paragraph 25 above. This should include a clear distinction between the role of the Commission in agreeing the forecasting methodology and its role in providing an independent assessment of the methodology.

44. The Committee recommends that where there are changes made to the Scottish Government forecasts on the basis of the views of the Commission then both the original and the revised forecast need to be published.

45. The Committee recognises that the working practices of the Commission are still being developed and recommends that as it becomes more adequately resourced it improves the transparency of its work.

46. The Committee welcomes the commitment of the Commission to publish the full minutes of the challenge meetings with the Scottish Government as an annexe to its report on the draft budget. The Committee will consider these minutes as part of its scrutiny of the draft budget.

47. The Committee recommends that the Scottish Government should provide a written response to the recommendations made by the Commission within four weeks of the publication of the draft budget.

FORECASTING

48. The Committee recommended in its report on Proposals for a Scottish Fiscal Commission that the Commission’s remit should include the option to develop its own forecasting methods and analytical capacity in order to provide a benchmark set of projections. The Scottish Government stated in its response that it “does not expect that the Commission would need to develop its own forecasting methods or to have its own analytical capacity in order to provide a benchmark set of projections.”

49. The Committee subsequently recommended in its report on Scotland’s Fiscal Framework that the Commission should be able to carry out its own forecasts and that the draft Commission Bill should be amended accordingly. The Scottish Government responded that it was not persuaded that the Commission “should prepare the official forecasts for the devolved taxes” but it “remains open to the
Commission to prepare alternative forecasts or assumptions to support its scrutiny of the government's forecasts."\(^{48}\)

50. The Bill team explained that “we have not shut down in any way the Commission’s ability to produce its own alternative forecasts” and that it “will be empowered both through legislative powers and the resources that will be allocated to them as set out in the financial memorandum.”\(^{49}\) However, when asked whether resources had been allocated to allow the Commission to carry out its own forecasts, the Bill team responded that “we have not specifically addressed the alternative forecast issue in our interactions with the commission on the financial memorandum.”\(^{50}\)

51. The Bill team was subsequently asked whether there may need to be a significant increase in the Commission’s budget if it were to do substantial forecasting. The Bill team responded that “without being able to specify exactly what the commission might want to do, it is difficult to give a precise figure.”\(^{51}\) The Financial Memorandum (FM) states that these estimates have been prepared in consultation with the non-statutory Commission and are “intended to provide a collective understanding” of its likely resourcing requirements.\(^{52}\) It is not clear why the issue of alternative forecasts was not specifically addressed in developing a “collective understanding” of resource requirements.

52. A majority of witnesses were of the view that the Commission should do its own forecasts with some strongly of the view that it should produce the official forecasts. The RSE’s view is that “until a body undertakes its own forecasting, it does not get a feel for how the data are working and for the key parameters that matter most in the forecast being derived.”\(^{53}\) Dr Armstrong told the Committee that “I do not see how it is possible to make a judgement on reasonableness without starting from the base of going through the numbers.”\(^{54}\) His view is that the OBR model is “perfect for what is required.”\(^{55}\) The Scottish Property Federation suggests that if the Commission “is only able to verify Scottish Ministers’ assessments then it may be difficult to convince the wider world that it is truly an independent body.”

53. Professor McGregor and Professor Swales point out that international practice suggests that if fiscal bodies “do not provide their own forecasts they typically have access to sufficiently detailed independent forecasts.” The Commission should, therefore, produce its own forecasts for comparative purposes but it “would seem sensible perhaps to aim gradually to build internal forecasting/analytical capability.” Professor MacDonald prefers a similar evolutionary approach. The Commission should initially use the Scottish Government’s forecasting model rather than seeking to develop its own model but as its role evolves it should take on the responsibility for producing the official forecasts.

54. The Canadian parliamentary budget officer states that if the Commission produces its own forecasts, this will allow the parliament to challenge the assumptions underlying the Scottish Government forecasts. His view is that even if the
Commission “is not mandated to provide independent forecasts, it needs to have the capacity and resources to produce its own alternative forecasts.”

55. Ian Lienert suggests that “it would be helpful for the SFC to build up in-house macroeconomic and fiscal forecasting expertise” and that the “SFC’s forecasts would be for the purpose of benchmarking” the Scottish Government’s forecasts. He points out that unlike other IFIs the Commission will not have the option of comparing the official forecasts with those of another forecaster. It should be for the Commission to decide whether or not to publish the benchmark forecasts.

56. Carlo Cottarelli from the IMF suggests that while the Commission may carry out its own forecasts “these do not need to be necessarily presented. One may even argue that it may be damaging to have a different set of point forecasts (rather than a range) as this may be seen as an alternative set to the official forecasts.”

57. Dr Cuthbert highlights the need for an independent risk assessment of the Scottish Government’s forecasts but this does not necessarily require the Commission to carry out its own forecasts. Neither the Chartered Institute for Taxation (CIfT) nor ICAS believe that there is a need for the Commission to produce its own forecasts. ICAS suggest that this would be a duplication of work while the CIfT suggest the Commission could explore whether there are other alternative forecasts which it could use in its work.

Irish Fiscal Advisory Council

58. Robert Chote highlights the experience of the IFAC which “suggests that, with time, the Commission will pretty much end up having to do a forecast of its own in order to be able to critique the forecast that it looks at from the Government.” His view is that the Commission should have the resources to do that if they wish.

59. During the Committee’s fact-finding visit to Dublin, Members heard that the IFAC soon realised that in order to endorse the official macro-economic forecasts, it would need to produce its own forecasts as a benchmark. The IFAC’s approach to endorsement focuses on whether the macroeconomic forecasts are within a range of appropriate forecasts. This “endorseable range” is informed by benchmark projections prepared by the Council’s secretariat. It involves a full-scale forecasting exercise and the development of a range of forecasting tools.

60. The benchmark projections are based around a “suite of models” approach. The models used include some based on the equations used by the Department of Finance and some developed by the IFAC’s Secretariat. The preparation of the benchmark projections also involves discussion and input from other forecasters including the Irish central bank, the Economic and Social Research Institute, the European Commission and the IMF.

61. The IFAC’s examination of the official forecasts includes comparing them to the benchmark projections and the endorseable range as well as assessing the consistency of the overall set of projections. They state that while their
benchmark projections may differ from the official forecasts they could still be endorseable:

“either because (i) the differences are sufficiently small to be within the endorseable range, or (ii) if the Department of Finance provides convincing reasons for forecasts further from the benchmark projections.”

62. In order “to provide an independent analysis of, and to effectively challenge the Department of Finance forecasts, the benchmark projections are completed before the Council engages in in-depth endorsement meetings with the Department of Finance.” These projections are not shared with the Department of Finance who advised that sharing forecasts in advance could lead to errors in forecasts not being picked up. It also ensures that the Department of Finance doesn’t inadvertently tailor its own forecasts to ensure they receive endorsement from the IFAC. However, the benchmark forecasts are published in the Council’s fiscal assessment report.

63. The Commission states in its submission that “it should develop its own forecasting methods and analytical tools and its capacity over time” but it does not propose to produce the official forecasts. Lady Rice explained that we “see ourselves as assessors and as the body that scrutinises what Government produces.” This role would include “engaging in forecasting as an exercise” and, therefore, one “of the tools in our toolbox should be the ability to produce forecasts, possibly for some taxes at certain points in time and for some other elements.” Professor Hughes Hallett’s view is that “being asked to do the official forecasts would seriously compromise our independence.”

64. The DFM confirmed to the Committee that Section 2(3) of the Bill would allow the Commission to prepare and publish alternative forecasts if it chooses to do so. He does not believe that the Bill needs to be amended to make this explicit. However, as noted at paragraphs 39 and 40 above he believes that only one forecast should be published and he would argue strongly against the Commission publishing another forecast. He explained to the Committee:

“What is the point of having a variety of forecasts when the budget has to depend on a particular number? Which number do I settle on? My view is that I should settle on the number that the Fiscal Commission, established by statute, says is the number.”

65. The DFM was also questioned on the views of Dr Armstrong and Dr Lisenkova who suggested in their written evidence that “given the uncertainty around any forecast the threshold reasonableness is too low or ‘unreasonable’ is too high.” Dr Armstrong elaborated that “it is too difficult to say that something is unreasonable, because that is quite a strong requirement.” The DFM responded that he would be willing to consider a higher threshold “but if we were to go up from ‘reasonable’ to ‘precise’ or ‘definite’...it would be very difficult for anyone to sign up to that.”
66. The Committee believes that the critical issue in relation to forecasting is the credibility of the Commission as an independent body and that it is seen to be independent. The model being proposed in the Bill depends on a high level of behind-the-scenes interaction between the Commission and the Scottish Government. This includes reaching an agreement on the robustness of the Scottish Governments methods prior to the production of the forecasts.

67. While the Committee agrees that this provides some assurance in relation to the quality of the Scottish Government forecasts, this way of working raises a number of questions regarding the independence of the Commission or at least the perception of its independence.

68. The Committee recognises that there needs to be some interaction between the Commission and the Scottish Government. However, in the other models which we have looked at this is primarily to share technical information. It is not to seek agreement on methods or to test numbers and propositions. It is not clear to the Committee how this role can be combined with the Commission’s role as an independent assessor.

69. The Committee, therefore, recommends that, in order to ensure that the Commission is seen to be independent, it should produce the official forecasts. The Committee believes that giving the Commission ownership of the forecasts in this way addresses many of the concerns we have raised in the previous section of this report on independence. If the Commission does not produce the official forecasts then these concerns could remain.¹

70. The Committee reiterates its previous recommendation that the official forecasts should cover a five year period.

GOVERNANCE

71. A number of governance issues were raised by witnesses and these are discussed below. The Committee recommended in its report on proposals for a Scottish Fiscal Commission that:

> “all members of the SFC are appointed by Ministers under the provisions of the Public Bodies and Public Appointments etc. (Scotland) Act 2003 but that the appointments should be subject to the consent of the Parliament on the recommendation of the Finance Committee. The Finance Committee should also have the option to hold a pre-appointment hearing and will be required to report to the parliament”⁶⁷; and

¹ John Mason MSP dissented from this paragraph.
“under existing constitutional arrangements there should be 3 part-time members of the SFC appointed for normally no more than 5 years for a single term whose appointment cannot be terminated without the consent of the Parliament on the recommendation of the Finance Committee. The initial terms should be staggered to ensure some continuity within the SFC and the appointment process should always be separate from the political cycle.”

72. The Scottish Government responded that it “agrees with these recommendations, which it believes will contribute to the independence of the SFC and therefore its credibility and authority” and that the Bill when introduced “should reflect the Committee’s recommendations on appointments processes and periods.”

Appointments

73. The Bill provides for members of the Commission to be appointed under the provisions of the Public Bodies and Public Appointments etc. (Scotland) Act 2003. Scottish Ministers are to appoint the members subject to parliamentary approval and may remove a member from office only under specified conditions and with the approval of the Parliament. The Commission states in its written submission that “the proposed appointment and removal procedures are adequate for ensuring the independence of Commission members.”

74. Ian Lienert suggests that there are various options for involving non-government and non-parliament institutions in the appointment process for Commission members. He recommends that consideration should be given to providing a requirement in the Bill for a selection panel who would provide a short-list of candidates for consideration by Scottish Ministers.

75. ICAS raised concerns in their written submission that the appointment process “still provides the opportunity for ministers to put forward their nominations and hence the perceptions of independence may be compromised.” Its view is that the parliament or the commission should make the appointments.

76. Carlo Cottarelli from the IMF states in written evidence that the “involvement of the Government in the appointment of Commission members should in my view be avoided (although it is not unusual in some fiscal councils). The significant ministerial involvement currently envisaged by the legislation seems excessive.” Audit Scotland suggests that it “may increase the public perception of independence further if the members of the Commission were appointed by Parliament with the agreement of Ministers.”

77. The Bill team was questioned by the Committee about the level of ministerial involvement in the appointment process. They responded that:

“The key elements are that ministerial appointments are all regulated by the Commissioner for Ethical Standards in Public Life in Scotland and that the appointments process will be subject to the code of practice for ministerial
appointments to public bodies in Scotland, which will provide safeguards about the process and about there being a fair and open competition and will ensure that appointments are made on merit.\textsuperscript{70}

78. The Bill team also pointed out that there is in effect a veto for the Parliament as Section 11(3) of the Bill provides for the need for parliamentary approval before an appointment can be made.

79. The DFM was asked by the Committee why the Parliament could not appoint the Commission members without the involvement of Ministers. He responded that we have to have confidence that the individuals being proposed “have the necessary capability to perform a function that is absolutely material to the budget process.”\textsuperscript{71}

80. The Committee agrees with the appointment process provided for in the Bill.

Number of members

81. The Bill provides for a membership of between 3 and 5 including the Chair. Ian Lienert’s view is that 3 Members is adequate to fulfil the Commission’s current mandate but that as the functions increase five members may be required although two of these could be non-executive. He recommends that the Bill could be amended to include provision for two non-executive members.

82. The Commission’s framework document states that the Scottish Government: “will carefully consider all representations from the Commission on the appropriate number of members to serve on the Commission at any one time, having due regard to the workload of the Commission. The Scottish Government shall notify the Scottish Parliament of the outcome of its consideration of any such representations.”\textsuperscript{72}

83. The Committee recommends that if the Scottish Government wishes to alter the size of the membership of the Commission as allowed for in the Bill, this needs to be agreed by the Parliament having first been considered by the Finance Committee. The Bill should be amended accordingly.

Term lengths and the number of terms

84. The Bill provides for each member of the Commission to be appointed for one fixed term but it does not specify term lengths. The Scottish Government’s consultation on the Bill proposed a term length of no longer than five years and the Commission website indicates that members are appointed for fixed terms of between three and five years but this is not reflected in the Bill.
85. OECD principle 2.3 states that the terms lengths and number of terms “should be clearly specified in legislation” and each term “should optimally be independent of the electoral cycle.” Ian Lienert states that section 13 of the Bill is “inconsistent with this principle, as term lengths are not specified” which could result in membership terms “being linked with the parliamentary electoral cycle.” He recommends that the Bill should be amended to include an unequivocal position on term length.

86. There was a general view among witnesses that the length of term of office should be included in the Bill and that the cycle of appointments should be independent of the electoral cycle. The OECD points out that in almost all IFIs there are clearly defined term lengths for members. In order to be aligned with the OECD principles they recommend that the Bill should be amended to include the term length of Commission members. The Bill team was questioned as to why the Bill does not include the lengths of appointment for Commission members. They responded that this is “consistent with the practice elsewhere in Scottish legislation” but that Ministers would be willing to look at the findings of the Committee’s stage 1 report.

87. The OECD also points out that a number of IFIs allow the reappointment of members and that this can be particularly important in smaller countries and may provide increased long-term stability for the Commission. The majority of witnesses agreed that the Bill should include provision for the possibility of a second term of office. However, Carlo Cottarelli from the IMF suggests that it “would be preferable to have only one term, to ensure full independence, but the term should be sufficiently long to ensure continuity.”

88. Section 24 of the Bill allows for the current non-statutory members to form the first non-statutory Commission, serving to the conclusion of their current appointment terms. The terms of the current members are as follows:

- Lady Susan Rice CBE (Chair) 1 July 2014 to 30 June 2018;
- Professor Andrew Hughes Hallett 1 July 2014 to 30 June 2017;
- Professor Campbell Leith 1 July 2014 to 30 June 2019.

89. The Commission supports the provision within the Bill for a single non-renewable term but believe that the term of office should be stated in the Bill and that individual terms should be staggered. Lady Rice further explained to the Committee that the Commission “discussed the possibility of having two terms as long as there was a process for renewal, or possibly a break of two years and then a return that was not necessarily guaranteed.” Overall, the Commission could be persuaded in different directions on whether it should be one or two terms of office.

90. The DFM’s view is that “it would be better for the Commission members never to be dependent on a minister for reappointment” but he also understands “the view that giving people a couple of terms would allow for a build-up of expertise.” He also pointed out that the code of practice for ministerial appointments to public
bodies states that “no individual should hold public office for longer than eight years.”

91. The Committee recommends that the Bill is amended to include term lengths which are staggered and should be independent of the electoral cycle.

92. The Committee also recommends that the Bill should be amended to provide for the option of two consecutive terms, each of which should be no more than five years.

Access to information

93. The Bill provides the Commission with a “right of access at reasonable times to any relevant information” that it “may reasonably require.” Ian Lienert argues that the use of the words ‘at reasonable times’ and ‘reasonably’, “risks giving the Scottish Government too much discretion on deciding what information to provide and when to provide it” and it may be preferable to remove these words from section 7 of the Bill. At the same time he acknowledges that the Scottish Government cannot instantaneously provide information. He suggests including a provision within the Bill which requires the Commission to indicate the information which it requires on a regular and automatic basis and that the details can be set out in the memorandum of understanding with the Scottish Government.

94. The Bill team stated that “we have presented what we consider to be a very robust right of access to information for the commission.” They explained that the inclusion of the words ‘reasonably’ and ‘at reasonable times’ is consistent with the powers of other public bodies such as Revenue Scotland. However, the Commission state in its written submission that the right of access to the information it requires is essential and “it would have no objection if this wording were made more robust.”

95. The DFM’s view is that when you look at sections 7(1)(a) and (b) of the Bill together “I think that we can see a strong foundation for the Commission to be able to get the information that it requires.”

96. The Committee is content with the use of the words ‘reasonable’ and ‘reasonably’ in Section 7 of the Bill.

UK institutions

97. A number of witnesses pointed out that in order to fulfil its mandate the Commission will need direct access to information from UK institutions including HM Revenue and Customs (HMRC) and the OBR. However, the Bill is silent on this issue and there is no mention of it in the accompanying documents.
98. The Scottish Government stated in its consultation on the draft Commission Bill that:

"it may be necessary for the Scottish and UK Governments to agree powers for the Commission and the OBR to share information with each other to support their respective functions. This would consist of aggregate data, and not information relating to individuals. The two bodies already work together on a non-statutory basis. The Scottish Government believes that there may be benefit in providing a statutory power enabling them to do so."\(^{82}\)

99. Although one of the functions of the Commission is to assess the Scottish Government forecasts for the Scottish rate of income tax (SRIT) there is no provision within the Bill for the Commission to have direct access to HMRC data. The Committee has previously recommended that in relation to the forecasting of income from SRIT that the Commission will require a "right of access to all HMRC information and analytical capacity which it may reasonably require for the performance of its duty."\(^{83}\) This should be set out in a Memorandum of Understanding between HMRC and the Commission. The Scottish Government responded that where required it "will seek the agreement of the UK Government to the Commission having access to all information and analysis it needs to undertake the work required by Scottish Ministers."\(^{84}\)

100. The Committee subsequently asked Scottish Government officials during its inquiry on the fiscal framework whether they and the Commission would have access to HMRC data on SRIT. The Scottish Government responded that they "are still discussing with HMRC precisely which data on income tax we can get access to."\(^{85}\) The Committee requested regular updates on the progress of these discussions.

101. The Commission states in its written submission in relation to the right of access to information that over time their "goal would be to have a deeper relationship with the OBR and HMRC." Robert Chote pointed out that the OBR has to respect taxpayer confidentiality and it does not have access to all of the HMRC data.\(^{86}\) This will equally apply to the Commission if it is allowed access to HMRC data.

102. Ian Lienert argues that Scottish Ministers should be encouraged to urge the UK to provide a legal basis for the Commission to access essential information held by UK agencies and that indirect access whereby the request has to go through the Scottish Government would be unsatisfactory.

103. The Committee recommends that a right of access for the Commission to relevant information held by UK agencies should be provided for on a statutory basis.
104. The Committee recommends that a memorandum of understanding between the Commission and HMRC and between the Commission and the OBR are agreed and published.

### ADDITIONAL FUNCTIONS

105. While the Bill is intended to reflect the existing legislative competence of the Scottish Parliament, the Scottish Government expects the functions of the Commission to “develop substantially to take account of the new fiscal powers to be devolved under the Scotland Bill currently proceeding through parliament and any further future devolution.”

106. The Committee previously recommended that the draft Bill should be amended to widen the functions of the Commission to include assessing the performance of the government against its fiscal rules and an assessment of the long-term sustainability of the public finances. The Scottish Government responded that it recognised that this may be desirable but that the Parliament “does not yet have competence to legislate for additional functions for the Commission to reflect the further fiscal powers recommended for devolution by Smith.”

107. The Scottish Government sought views on the following future functions for the Commission in its consultation on the draft Bill:

- Assessment of the Scottish Government’s fiscal rules agreed with the UK Government;
- Assessment of forecasts of receipts from income tax (to reflect all non-savings, non-dividend income paid by Scottish taxpayers);
- Assessment of the methodology for assigning VAT receipts to the Scottish budget and forecasts made under that methodology;
- Assessment of forecasts of welfare expenditure - this would involve assessing the forecasting models developed by the Scottish Government and the economic and demographic assumptions underpinning those models; and
- Assessment of the mechanisms for adjusting the block grant.

108. The Scottish Government’s summary of responses stated that respondents “generally agreed with the proposed functions and that there could be benefits in expanding these but there was no clear consensus on what the additional functions should be.”

109. There was a broad agreement among the Committee’s witnesses that the Bill should be amended to widen the functions of the Commission to include responsibility for assessing the sustainability of the public finances including adherence to fiscal rules. The RSE have consistently raised concerns about the short-term nature of the budget process and “we very much agree with the
Committee that looking at performance against fiscal targets and critically assessing the long-term sustainability of the public finances should be a substantial element of the SFC’s role.” They suggest that the Scottish Government should publish a medium-term budget framework alongside the annual draft budget.

110. Carlo Cottarelli of the IMF’s view is that “it is common practice for fiscal councils to have responsibilities that go beyond the assessment of forecasts and, definitely, assessing the adherence of fiscal rules is often part of those responsibilities.” It would be preferable that the Bill is amended “to ensure that the SFC has a clear remit to do so.”

111. The Canadian parliamentary budget officer states that he is:

- “of the opinion that a charter for budget responsibility framed around the Organisation for Economic Co-operation and Development’s (OECD) best practices for budget transparency would be useful and that the SFC could ensure the Government’s adherence to the charter.”

112. Ian Lienert recommends that the Committee should urge the Scottish Government to publish a medium-term fiscal strategy including a medium-term budget framework alongside the annual draft budget. The Scottish Government should also be encouraged to publish a “comprehensive analysis of medium-term fiscal risks, including those from PFIs.” The Commission could then “assess their realism and comment on key components, including the basis of the adjustments which, along with borrowing, determine the total resources available for spending in Scotland.”

113. He also notes that in other countries such as Ireland, the legislation establishing the IFI also established the wider fiscal framework including fiscal rules. He points out that it would be possible to amend the Bill to include a few generally worded phrases relating to the wider fiscal framework. However, he highlights the need to resolve institutional weaknesses in inter-governmental relations across the UK prior to extending the mandate of the Commission.

114. The Commission states in its written submission that it:

- “believes it should have responsibility for assessing the Scottish Government’s forecasts on the sustainability of Scotland’s public finances, such as adherence to fiscal rules as an example, and it would welcome the Bill being amended now to anticipate this additional responsibility when it arises.”

115. Professor Hughes Hallett suggests that the Bill should be amended to make explicit that the Commission has a role in carrying out sensitivity analysis and in assessing fiscal sustainability. Professor Campbell Leith’s view is “one of the main objectives of creating a fiscal commission is to ensure fiscal sustainability. The raison d’être of a fiscal commission is exactly that.”
116. However, the DFM takes a different view. He does not support widening the Commission’s remit to include assessing adherence to fiscal rules and the sustainability of the public finances which he believes is a role for the Finance Committee and the Parliament. His view is that the role of the Commission “is properly defined as that of focusing on the estimation of the Government’s taxation forecasts and reporting accordingly.”

117. The Committee notes the recommendation of the Smith Commission that the Parliament “should seek to expand and strengthen the independent scrutiny of Scotland’s public finances in recognition of the additional variability and uncertainty that further tax and spending devolution will introduce into the budgeting process.”

118. The Committee believes that there is currently a lack of institutional capacity within Scotland providing independent scrutiny of the public finances and that the Commission provides a substantial opportunity to help fill that gap. At the same time the Committee would also expect that as further financial powers are devolved there would be an increase in the level of institutional capacity providing independent scrutiny of the public finances.

119. The Committee, therefore, reiterates our own view and the view of many of our witnesses that the Bill should be amended to widen the functions of the Commission to include assessing the performance of the Government against its fiscal rules and an assessment of the long-term sustainability of the public finances.

FINANCIAL MEMORANDUM

120. The FM estimates recurring costs of £850,000 per annum from 2017-18. This reflects the statutory functions of the Commission provided for in the Bill and does not include “the additional costs associated with any future expansion of the Commission’s functions.” Rather, the Commission’s remit as set out in the Bill “is designed to reflect and be proportionate to the fiscal powers that are devolved to the Scottish Parliament under the Scotland Act 2012.”

121. The Policy Memorandum states that the Parliament’s tax-raising powers will remain modest even following the implementation of the Smith Commission proposals. The remit has, therefore, “been designed to be proportionate to the current fiscal powers of the Scottish Parliament, but to provide a basis for expanding the Commission’s functions as these powers expand.”

122. Ian Lienert suggests that the estimates within the FM “are generous relative to comparable small IFIs elsewhere.” Table 1 below provides a comparison with the Swedish and Irish models although it should be noted that they have much wider mandates than the relatively limited remit initially proposed for the Commission.
### Table 1

<table>
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<tr>
<th></th>
<th>Number of members</th>
<th>Number of staff</th>
<th>Staffing costs</th>
<th>Member costs</th>
<th>Annual Budget</th>
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<tbody>
<tr>
<td>IFAC (2014)</td>
<td>5</td>
<td>5</td>
<td>360,000 euros</td>
<td>97,000 euros incl. expenses</td>
<td>800,000 euros maximum</td>
</tr>
<tr>
<td>SFPC</td>
<td>6</td>
<td>5</td>
<td>500,000 euros</td>
<td>100,000 euros</td>
<td>1 million euros</td>
</tr>
<tr>
<td>SFC (2017 - 18)</td>
<td>3</td>
<td>6</td>
<td>£345,000</td>
<td>£112,000</td>
<td>£850,000 maximum</td>
</tr>
</tbody>
</table>

### Irish Fiscal Advisory Council

123. The figures provided above for the IFAC are taken from its annual report for 2014. The budget for the Council is capped at 800,000 euros linked to inflation. The actual spend in 2013 was 480,941 euros and 604,756 euros in 2014. The Council initially had 3 staff. Since the endorsement function was added to its remit the Council has hired an additional economist and two research assistants bringing the secretariat to six. One staff member works specifically on short and medium term macroeconomic forecasting. Given the small size of the secretariat, all staff (except the administrator) contributes to the production of IFAC’s macroeconomic forecasts as part of the process of carrying out the Council’s endorsement function.

124. Council members are either paid a fee or compensation is paid to Council members’ full time-employers for the time spent on IFAC work. Fees are comparable with other non-commercial state-sponsored bodies. The 2014 annual accounts show expenditure of 65,317 euros for Council fees and expenses and 31,720 euros was paid to other public bodies. The main time commitment for Members is to participate in a full meeting of the Council once per month. An ex Council Member has advised the Committee that in addition to these monthly meetings there is around two days a month needed to read and provide comments on draft papers prepared by the secretariat. There are also two parliamentary appearances per year and two meetings with Irish Government officials in relation to the endorsement function.

### Swedish Fiscal Policy Council

125. The annual budget for the SFPC is slightly less than 10 million kronor which is around 1 million euros. The Council has five staff which includes a head of agency, two senior economists, one junior economist and an administrator. The Council does not do any forecasting. The main forecasting institution is the National Institute of Economic Research (NIER) which has approximately 60 employees. The Council relies on their forecasts and at times it commissions specified analyses from the NIER.
126. Staff costs are around 60% of the total budget but this includes remuneration for Members who are paid a fixed monthly amount. The Chairman receives 180,000 kronor per year which is around 19,000 euros. The vice chairman receives 127,000 kronor per year which is around 14,000 euros and regular members receive 110,000 kronor which is around 12,000 euros. The cost for the Council is higher since this includes employer fees. As with the IFAC the main time commitment for Members is to participate in a full day meeting once per month.

127. From the above we can see that the estimated costs for Members of the Commission are much higher than for the Irish and Swedish Councils despite having fewer Members and a much smaller remit. The estimate of 1.5 days per week for Commission Members would appear to be greater than the time commitment for Swedish and Irish Council Members. It is not clear why this is the case given the relative size of its remit compared to the Swedish and Irish models.

128. Ian Lienert suggests that it is questionable whether more than three members of the Commission would be needed even with an increased remit. However, he suggests that as the Commission becomes more established then consideration could be given to “recruiting two non-executive members who would provide oversight” of the three executive members.

**Staffing**

129. The FM states that estimated staff costs are based on “a team of six full time equivalent staff providing governance, strategic, operational and technical support to members in discharging the Commission’s functions.” The Scottish Government’s view is that this is the total staffing resource which the Commission is likely to require in carrying out its functions as set out in the Bill and that it does not include the likely staffing resource to support an expansion of the Commission’s role following the enactment of the Scotland Bill 2015.

130. Given the Commission’s relatively limited mandate, Ian Lienert questions why six full time staff are required. He points out that while the proposed staffing levels are broadly similar to Ireland and Sweden these councils have considerably wider mandates. At the same time he also recognises that given the lack of other forecasting bodies in Scotland there will be a need for the Commission to develop a strong in-house forecasting expertise. He suggests that a “pragmatic way forward may be to recruit, say 3 staff in addition to the existing secretary, and see whether there is a need for further staff.” Robert Chote on the other hand states that:

> “The resources that are needed to do the job properly may be rather larger than some people who have not engaged in the process think, so I suspect that the Scottish Government has made quite a good judgement on that rather than an excessively generous one.”

131. It is not clear though whether the proposed staffing resource is based on the Commission carrying out its own forecasts or whether more staff would be required if this were the case. The IFAC secretariat has doubled in size from three
to six since it began its own forecasting operation following the introduction of the endorsement function. Ian Lienert suggests that it will take time to “build up a strong forecasting capacity within the Commission” but nonetheless such capacity is urgently needed.\(^\text{107}\) The Commission should begin to recruit as soon as possible staff with strong analytical skills and prior forecasting experience.

132. The Commission states in its submission that the resources provided within the FM are suitable for the work which it is currently required to do but as the remit of the Commission expands, the “resources available to it will need to grow prudently to support the additional work.”

133. In response to the suggestion that the proposed budget in the FM may appear generous compared to Sweden and Ireland, Lady Rice responded:

> “The budget is not there to be spent; it is there to allow us to grow and develop as we see fit....We would not go out and hire four full-time economists just because that was allowed by the budget; rather, we would hire one. We might in the future, if we felt that we needed another or as new taxes come in, decide to add to that.”\(^\text{108}\)

134. In response to the same question the DFM stated that the proposed budget was formulated in discussion with the Commission and that this can be reviewed if necessary “to see whether the resources that we have put in place are actually required to fulfil the Commission’s functions.”\(^\text{109}\)

135. The Committee recommends that the resources of the Commission should be proportionate to its relatively limited remit and does not anticipate that the full budget will be required on the basis of the functions proposed in the Bill. However, this will need to be reviewed if the Commission is required to produce the official forecasts.

CONCLUSION

136. The Committee welcomes the establishment of the Commission on a statutory basis and believes that it has an important role in providing independent scrutiny of the public finances in Scotland. The Committee believes that it is critical that the Commission is not only independent but seen to be independent and, therefore, that is why we recommend that it should have responsibility for producing the official forecasts.\(^\text{11}\)

\(^\text{11}\) John Mason MSP dissented from this recommendation.
137. The Committee agrees with the recommendation of the Smith Commission that there is a need to strengthen the independent scrutiny of Scotland’s public finances and that the SFC provides a substantial opportunity to do so. That is why we recommend that the Bill should be amended to allow the Commission to assess the long-term sustainability of the public finances including the performance of the Scottish Government against its fiscal rules.

138. The Committee supports the general principles of the Bill.
ANNEXES

ANNEXE A: REPORTS FROM OTHER COMMITTEES

Delegated Powers and Law Reform Committee
The Delegated Powers and Law Reform Committee’s report to the Finance Committee on the Scottish Fiscal Commission Bill is available at:
63rd Report, 2015 (Session 4): Scottish Fiscal Commission Bill at Stage 1

ANNEXE B: INDEX OF ORAL EVIDENCE SESSIONS

Please note that all oral evidence and associated written evidence is published electronically only, and can be accessed via the Finance Committee’s webpages at: http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/29822.aspx

26th Meeting, Wednesday 28 October 2015
Sean Neil, Acting Deputy Director of Finance, Alison Cumming, Head of Tax Policy, and John St Clair, Senior Principal Legal Officer, Scottish Government.

27th Meeting, Wednesday 04 November 2015
Robert Chote, Chairman, Office for Budget Responsibility (by videoconference); Professor Ronald MacDonald, Professor of Macroeconomics and International Finance, University of Glasgow; Dr Jim Cuthbert; Mark Taylor, Assistant Director, Audit Services Group, Audit Scotland.

29th Meeting, Wednesday 18 November 2015
Charlotte Barbour, Head of Taxation, The Institute of Chartered Accountants of Scotland; John Cullinane, Tax Policy Director, The Chartered Institute of Taxation; Alan Bermingham, Policy and Technical Manager, Chartered Institute of Public Finance and Accountancy; Professor Jeremy Peat, Fellow, Royal Society of Edinburgh; Dr Angus Armstrong, Director of Macroeconomic Research, National Institute of Economic and Social Research; Chris Stewart, Chairman, Scottish Property Federation; Professor Peter McGregor, University of Strathclyde.

30th Meeting, Wednesday 25 November 2015
Lady Susan Rice C.B.E, Chair, Professor Andrew Hughes Hallett, and Professor Campbell Leith, Scottish Fiscal Commission.

31st Meeting, Wednesday 02 December 2015
John Swinney, Cabinet Secretary for Finance, Constitution and Economy, John St Clair, Senior Principal Legal Officer, and Alison Cumming, Head of Tax Policy, Scottish Government.
ANNEXE C: INDEX OF WRITTEN EVIDENCE

Written submissions—

- Audit Scotland (168KB pdf)
- Andrew Wilson (78KB pdf)
- CIOT (230KB pdf)
- Dr Lisenkova and Dr Armstrong (808KB pdf)
- ICAS (236KB pdf)
- IMF (147KB pdf)
- Jim Cuthbert (358KB pdf)
- OECD (1.05MB pdf)
- Parliamentary Budget Officer (Canada) (70KB pdf)
- Professor Ronald MacDonald (319KB pdf)
- Professor Peter McGregor and Professor Kim Swales (316KB pdf)
- RSE (283KB pdf)
- Scottish Property Federation (163KB pdf)