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Finance and Public Administration Committee
The Scottish Parliament
Edinburgh
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By email to fpa.committee@parliament.scot

24 June 2026

Dear Convener,

Firstly, I would like to reiterate my congratulations on your new role. I was pleased to have our introductory meeting on 18 June and I look forward to working with you to support the Committee's important work in scrutinising the public finances.

When we met last week, we discussed the Government's proposals for the Medium-Term Financial Strategy (MTFS) and, as agreed, I am writing to provide the Committee with a formal written update.

I have carefully considered the available options for publishing the MTFS this year. In practice, producing an MTFS that meaningfully informs pre-Budget scrutiny would require publication in September.

Publishing at that point in the fiscal cycle would mean basing our medium-term assessment on forecasts which would not provide a reliable picture of Scotland's fiscal position. While the Scottish Fiscal Commission (SFC) could update its forecasts for publication, the corresponding Office for Budget Responsibility (OBR) forecasts used to calculate block grant adjustments would still be those published in March 2026. Those OBR forecasts are now dated, not least because they were produced before the recent Iran conflict and will, in any case, be superseded at the UK Budget in the autumn.

This would create a mismatch between the SFC and OBR forecasts underpinning the analysis. As a result, the estimated net tax and social security position would be misleading, because the two sides of the calculation would be based on very different fiscal assumptions and different points in time. Publishing the MTFS would therefore risk presenting a medium-term outlook that was both quickly overtaken and insufficiently robust for meaningful scrutiny.

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On balance, I have concluded that publishing an MTFFS at this stage would not provide as clear or robust a basis for scrutiny as intended. On that basis, I can confirm that no MTFFS will be published in 2026.

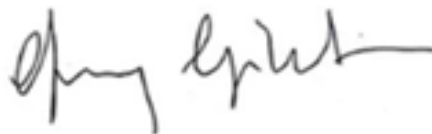
I recognise the importance of ensuring that Parliament has timely and relevant information to support pre-Budget scrutiny. To support this, I intend to deliver a fiscal statement to Parliament in September, aligned with the Programme for Government, setting out the current fiscal context and the key issues and choices facing the Scottish Budget. As you know, the Scottish Fiscal Commission will also be publishing their Fiscal Update on 25 August ahead of my intended statement which will further support parliamentary scrutiny.

I intend that my statement will build on the wide-ranging suite of fiscal information the Scottish Government published earlier this year, including the 2026-27 Scottish Budget, Scottish Spending Review, Portfolio Efficiency and Reform Plans, Infrastructure Delivery Pipeline and Draft Infrastructure Strategy, alongside a whole range of supporting data and analysis. Taken together, this reflects our continued commitment to openness and will help provide up-to-date context to inform the Committee's work before and during the Budget process. The Committee's work will of course also be supported by the SFC, through the August Fiscal Update and the forecasts that will be published alongside the 2027-28 Budget.

I am keen that we take a collaborative approach to planning ahead, and to ensuring that the fiscal cycle and supporting publications best serve the needs of the Committee, Parliament and the public. This would include consideration of the most appropriate timing for the next Medium-Term Financial Strategy. My officials would be happy to engage with the Committee as we consider how these arrangements can develop over the course of the parliamentary session.

I am copying this letter to the Scottish Fiscal Commission for information.

Yours sincerely,



JENNY GILRUTH

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