

Deputy First Minister and Cabinet Secretary for
Finance and Local Government
Leas-Phrìomh Mhinistear agus Rùnaire a' Chaibineit
airson Ionmhas agus Riaghaltas Ionadail
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Clare Haughey
Convener
Finance and Public Administration Committee
The Scottish Parliament
Edinburgh
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By email to fpa.committee@parliament.scot

19 August 2026

Dear Convener,

Thank you for your letter of 20 July 2026, seeking additional information regarding the Scottish Government's decision to not publish a Medium-Term Financial Strategy (MTFS) in 2026.

In my previous letter to you of 24 June, I explained my concerns about the risk of undermining the robust scrutiny which the MTFS should support if it was published at the wrong point in the fiscal cycle. In particular, publication in advance of the UK Autumn Budget would have required the MTFS to be based on a combination of forecasts that would not provide a sufficiently reliable or coherent picture of Scotland's medium-term fiscal position, with a risk that the analysis would be quickly overtaken.

A publication in December, alongside the 2027-28 Scottish Budget would also create risks and issues. The recent appointment of a new UK Prime Minister and Chancellor means there is now even more uncertainty surrounding future UK fiscal policy and wider spending decisions at the Autumn Budget. These could have a significant impact on the Scottish Government's funding position.

Given the short amount of time between the UK Budget and the publication of the Scottish Government's own draft Budget, there would be only limited opportunity to assess and fully reflect the implications of UK Government decisions.

My priority will be to prepare a balanced and sustainable Scottish Budget which itself will lay the ground for and set direction for the Government's medium term strategy.

The work that the Committee conducts on pre-Budget scrutiny is of the utmost importance. This will be supported by the Fiscal Update from the Scottish Fiscal Commission on the 25th August and I am grateful to the SFC for its work on this.

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It is also worth stating that since my previous correspondence, the UK Government has confirmed that the Autumn Budget will take place on 28 October 2026. I will therefore shortly be writing to the Committee on the timing of the 2027-28 Scottish Budget.

More broadly, I remain committed to working constructively with the Committee on future fiscal publications, including the next MTFS. I hope this update is helpful to the Committee at this time.



JENNY GILRUTH

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