

Case Reference: 201900007811

Annex A

Extract of email sent by Deputy Director of the Office of the Chief Economic Adviser on 5 June 2018.

From: Fuller S (Simon) <Simon.Fuller@gov.scot>

Sent: 05 June 2018 12:14

To: <[redacted under Section 38(1)(b)]@gov.scot>

Cc: <[redacted under Section 38(1)(b)]@gov.scot>; <[redacted under Section 38(1)(b)]@gov.scot>

Subject: RE: Spending Forecasts

EXTRACT BEGINS

Applying Growth Commission Fiscal Rule to the Scottish Government Budget

- Over the ten year period to 2019-20 the Scottish Government's budget is being cut by £2.6 billion in real terms.
- If instead we had faced a scenario where our fiscal resource budget had grown at 1% less than real GDP over this period, as suggested by the Growth Commission, then the real terms reductions that we are currently facing would have been completely reversed and it is possible that we would even have seen some modest real terms growth of around £700 million.
- Note that there would still have been individual years between 2010-11 and 2019-10 when the Scottish budget would have fallen in real terms if the Growth Commission rule was applied. But over the period as a whole it would have risen

EXTRACT ENDS