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Robert Chote
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Office for Budget Responsibility
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31 March 2016

Dear Robert,

**Office for Budget Responsibility Delegation of Financial Responsibilities
2016/17 to 2020/21**

This letter sets out the formal delegation for the Office for Budget Responsibility for 2016/17 through to 2020/21 effective from 1st April 2016. This letter is to be read alongside the OBR's Framework Document. The Framework Document was updated by HM Treasury and agreed with the OBR in May 2014, setting out the broad guidance and management framework within which the OBR operates.

As part of your role as Accounting Officer you will continue to seek to optimise the efficiency and effectiveness of the OBR and HM Treasury in accordance with your responsibilities to Parliament set out in *Managing Public Money*.

Setting a multi-annual funding commitment supports the OBR's independence and ability to manage its resources effectively in the medium term. This approach for independent fiscal institutions is consistent with international best practice, strengthening institutional independence through delegated budgetary autonomy.

As Spending Review 2015 only agreed departmental settlements up to 2019/20, this delegation comprises a commitment for the years 2016/17 through to 2019/20, with an indicative settlement for the year 2020/21.

Additional funding has been allocated within this settlement to enable the organisation to deliver the recommendations of the HM Treasury review of the OBR led by Dave Ramsden which reported in September 2015¹.

We are aware that the OBR will move to new premises at some point during 2016/17. We expect the OBR to meet the costs of relocation insofar as is possible, but accept that it may be necessary for the Treasury to fund some additional costs, particularly if the OBR is required to pay rent on more than one property for an extended period of time.

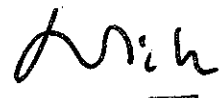
In line with the previous settlement arrangements, for any spending (or income) outside the limits specified in this letter, the OBR will prepare a business case that HM Treasury will consider. Should any new policy proposals (or new information relating to existing policies) emerge which have a significant impact or potential significant impact on the Company's resources, they should be promptly communicated to HM Treasury Group Director of Finance and Commercial, **before** any commitments are made to or by Ministers or to third parties.

In-year monitoring of OBR budgets will be undertaken and you will receive further information on this process shortly.

As set out in legislation, the OBR has complete discretion in the performance of its statutory duties and a duty to do so efficiently and cost effectively. Within this budgetary delegation, and in line with the budgetary authority provided for by a multi-year settlement, the OBR has maximum discretion over the use of its resources. No further restrictions to the delegated authority provided to the OBR are specified beyond those required by guidance applying across government and the framework for the proper, regular and efficient use of public funds.

Please take time to review the contents of this delegation letter and formally acknowledge to me the delegations given by close on 15 April 2016. Thank you once again for your input.

Yours



N I Macpherson

¹

http://budgetresponsibility.org.uk/docs/dlm_uploads/HM_Treasury_review_of_the_OBR_03092015.pdf

ANNEX A | Budget Allocation

	2016/17	2017/18	2018/19	2019/20	2020/21
Admin Expenditure	2,667,000	2,693,000	2,720,000	2,747,000	2,775,000
Admin Income					
Net Admin	2,667,000	2,693,000	2,720,000	2,747,000	2,775,000
Net Programme					
Net Capital					
AME					

ANNEX B | Delegation framework and responsibilities**BUDGET HOLDER RESPONSIBILITIES**

As a budget holder, you are responsible for living within budget and achieving value for money.

You are responsible for ensuring that all spend is in accordance with the principles of Managing Public Money:
<https://www.gov.uk/government/publications/managing-public-money>

Routine expenditure should be incurred and authorised following the OBR framework document. There are certain types of expenditure that are non-routine and are subject to additional Cabinet Office/Efficiency & Reform Group Spending Controls and transparency requirements. The approval process for such expenditure must comply with the Crown Commercial Service (CCS: formerly Treasury Group commercial) guidance. This guidance may be updated from time to time.

The following is a list of expenditure types that are subject to controls:

- Advertising, marketing and communications
- Strategic supplier management
- Commercial models

- ICT
- Digital service delivery
- External recruitment
- Consultancy, and Legal services
- Redundancy and compensation
- Any novel and/or contentious spend

Any expenditure over which you have uncertainty about should be discussed with HMT Head of Finance in the Business and CCS. Guidance and forms for approval of spend resulting from these discussions can be obtained from HMT Head of Finance in the Business or CCS.

The list above could be varied over time, but any amendments to the list or updates to the guidance, in so far as they affect OBR expenditure, will be developed in conjunction with you.

GOVERNMENT TRANSPARENCY AGENDA

All opportunities with an estimated value £10k+ (excl VAT) must be advertised on the Cabinet Office Portal: Contracts Finder (www.contractsfinder.businesslink.gov.uk).

The Crown Commercial Service will coordinate publication on behalf of the Department.

If you delegate authority to approve spend below these amounts, you need to ensure that the person is competent and the delegation is documented (if in any doubt, please speak to Group Finance).

Suppliers should not start work until a valid contract and purchase order is in place. You should actively monitor when goods and services are received and ensure that Invoices received in respect of these are duly authorised to enable the department meet its prompt payment target of 3 days as directed by Ministers.

You (or a delegate) are required to engage with HMT Finance during monthly forecasting exercises to ensure that Finance are kept up to date with your planned expenditure over the course of the financial year.

You are also responsible for ensuring that operational/policy proposals which will impact on HMT's resources/balance sheet (including things that are novel or contentious) are signed off by the appropriate routes (who will clear with Treasury Officer of Accounts where that is appropriate) before submitting advice to the Permanent Secretary or Ministers.

CORPORATE RESPONSIBILITIES

Your corporate responsibilities are defined by:

- The OBR Framework Document
- Your Accounting Officer appointment letter (and any subsequent supplementary letters)
- Managing Public Money

