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Right Hon George Osborne MP  
HM Treasury  
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*Dear Chancellor*

**HM Treasury review of the Office for Budget Responsibility**

Thank you very much for your letter regarding the Treasury's Review of the Office for Budget Responsibility, led by Sir Dave Ramsden.

The Review is an extremely thoughtful assessment of our first five years in operation and makes a number of very sensible recommendations about the strengthening of our current capacity. I also welcome the suggestion that we should publish a regular Fiscal Risks Statement and that we should have greater flexibility in fulfilling our duty to report on fiscal sustainability.

As I have discussed with the Review team, implementing the Government's recommendations properly will require a substantial increase in the staffing and resources of the OBR. I welcome your commitment to finance these ambitious proposals adequately and I look forward to discussing the details with your officials and with the non-executive members of the OBR.

As regards the recommendations that we should not undertake the costing of Opposition policies or distributional analysis, as some stakeholders have proposed we should, I have always said that our remit is for Parliament to decide and that we should be very wary of any change that did not command enthusiastic cross-party support.

Both proposals have their attractions - in promoting better policy and a more informed public debate. But the former would involve significant logistical challenges (for the civil service and political parties, as much as for us) and would risk embroiling us in greater political controversy. The latter would largely duplicate work carried out already by the Institute for Fiscal Studies. So I am very happy not to take on these responsibilities at this time, but am equally happy to revisit them in future should Parliament wish us to do so.

*Best regards,*  


**Robert Chote**  
**Chairman**