

(by e-mail)

03 September 2018
Our ref: FOI06082018

102 Petty France
London SW1H 9AJ

obr.uk

Dear

Re: Freedom of Information Request.

Thank you for your request for information under the Freedom of Information Act, which we received on 6 August 2018.

You requested the following:

1. Details of any contingency plans you have for differing Brexit scenarios.
2. Details of any impact assessments or scenarios you have run around the subject of Brexit.
3. Copies of any studies or reports within your organisation on the subject of Brexit.

For the first part of your request, we do not hold information on this. The OBR is required by legislation to produce its forecasts based on current Government policy, and not to look at alternative policy scenarios. Since the referendum, we have based our forecasts on broad-brush assumptions that are set out in each *Economic and fiscal outlook (EFO)*. These have not changed since we first adopted them in our November 2016 forecast.

For the second part of your request, we hold information that falls within scope but it is already in the public domain. In our November 2016 *EFO*, the first that we published after the EU referendum, we incorporated a provisional estimate of the impact of the vote to leave the EU. In the absence of a meaningful basis on which to predict the precise outcome of the negotiations, this was based on a series of broad-brush assumptions about the economic and fiscal impact of Brexit.

Our November 2016 *EFO* can be found here: <http://obr.uk/efo/economic-and-fiscal-outlook-november-2016/> You may be particularly interested in Annex B, which split the revisions to our fiscal forecast between March and November 2016 into those related to the Brexit vote and other factors, and the boxes that discussed how potential output might be affected (<http://obr.uk/box/possible-effects-on-potential-output-of-the-uk-leaving-the-eu/>) and on the possible scope of the forthcoming negotiations (<http://obr.uk/box/external-views-on-the-possible-scope-of-brexit-negotiations/>).

Since then, we have also published further detail on our baseline forecast for UK contributions to the EU on a 'no-referendum counterfactual' basis (see Annex B of our November 2017 *EFO*: <http://obr.uk/efo/economic-fiscal-outlook-november-2017/>) and an estimate of the prospective financial settlement with the EU (see Annex B of our March 2018 *EFO*: <http://obr.uk/efo/economic-fiscal-outlook-march-2018/>).

In relation to your third question, we can confirm that we hold information that falls within scope of your request. Much of this material is already in the public domain having been published by other organisations and used to inform our forecast judgements and more general understanding of the Brexit process and approaches to modelling possible outcomes. These include:

- Brexit –an economy-wide Impact Assessment looking into trade, immigration, and Foreign Direct Investment (Jafari and Britz, 2017) <https://www.gtap.agecon.purdue.edu/resources/download/8405.pdf>
- How might lower EU migration affect the UK economy after Brexit? (PWC UK Economic Outlook, 2017) <https://www.pwc.co.uk/economic-services/ukey/ukey-nov17-migration.pdf>
- Brexit and the Impact of Immigration on the UK (Wadsworth et al, 2016) <http://cep.lse.ac.uk/pubs/download/brexit05.pdf>
- The Economic Impact of Brexit-induced Reductions in Migration (Jonathan Portes and Giuseppe Forte, 2016) <https://www.niesr.ac.uk/sites/default/files/publications/The%20Economic%20Impact%20of%20Brexit-induced%20Reductions%20in%20Migration%20-%20Dec%2016.pdf>
- Macroeconomic Determinants of International Migration to the UK (Giuseppe Forte and Jonathan Portes, 2017) <http://ftp.iza.org/dp10802.pdf>
- Immigration and the UK economy (Jonathan Wadsworth, 2017) <http://cep.lse.ac.uk/pubs/download/ea039.pdf>
- Cross Whitehall Briefing (2018) <https://www.parliament.uk/documents/commons-committees/Exiting-the-European-Union/17-19/Cross-Whitehall-briefing/EU-Exit-Analysis-Cross-Whitehall-Briefing.pdf>
- Alternative Brexit Economic Analysis (Bootle et al, 2018) <https://www.economistsforfreetrade.com/wp-content/uploads/2018/03/Alternative-Brexit-Economic-Analysis-Final-2-Mar-18.pdf>
- Preparing for Brexit (Cambridge Econometrics, 2018) <http://www.camecon.com/wp-content/uploads/2018/01/Preparing-for-Brexit.pdf>
- Global value chains, trade shocks and jobs: an application to Brexit (Center for Economic Studies, 2017) https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3052259
- Brexit Trade Impacts: Alternative Scenarios (Ciuriak et al, 2017) <https://www.gtap.agecon.purdue.edu/resources/download/8782.pdf>
- Brexit through the Lens of New Quantitative Trade Theory (Felbermayr et al, 2018) https://editorialexpress.com/cgi-bin/conference/download.cgi?db_name=MWITSpring2018&paper_id=63
- The Costs and Benefits of Leaving the EU: Trade Effects (Dhingra et al, 2017) <http://eprints.lse.ac.uk/83612/1/dp1478.pdf>
- Assessing the economic impact of Brexit: background report (Rabobank, 2017) <https://economics.rabobank.com/publications/2017/october/assessing-economic-impact-brexit-background-report/>

- Trade effects of Brexit for the Netherlands (CPB Netherlands, 2016) <https://www.cpb.nl/sites/default/files/omnidownload/CPB-Background-Document-June-2016-Trade-effects-of-brexit-for-the-netherlands.pdf>
- HM Treasury analysis: the long-term economic impact of EU membership and the alternatives (2016) https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/517415/treasury_analysis_economic_impact_of_eu_membership_web.pdf
- The long-term economic impact of leaving the EU (NIESR, 2016) <https://www.niesr.ac.uk/sites/default/files/publications/National%20Insitute%20Economic%20Review-2016-Ebell-121-38.pdf>
- The Economic Consequences of Brexit: A Taxing Decision (OECD, 2016) <https://www.oecd.org/eco/The-Economic-consequences-of-Brexit-27-april-2016.pdf>
- What if...? The Consequences, challenges & opportunities facing Britain outside EU (Open Europe, 2015) <https://openeurope.org.uk/intelligence/britain-and-the-eu/what-if-there-were-a-brexit/>
- Leaving the EU: Implications for the UK economy (PWC, 2016) <https://www.pwc.co.uk/economic-services/assets/leaving-the-eu-implications-for-the-uk-economy.pdf>
- Long-term impact of Brexit on the EU (IMF, 2018) <https://www.imf.org/en/Publications/CR/Issues/2018/07/18/Euro-Area-Policies-Selected-Issues-46097>
- Brexit: food prices and availability (House of Lords European Union Committee, 2018) <https://publications.parliament.uk/pa/ld201719/ldselect/ldeucom/129/129.pdf>
- Will Brexit raise the cost of living (Clarke et al, 2017) <http://blogs.sussex.ac.uk/uktpo/files/2017/11/Will-Brexit-Raise-the-Cost-of-Living.pdf>
- The Customs Union, tariff reductions and consumer prices (IFS, 2018) <https://www.ifs.org.uk/uploads/publications/bns/BN225.pdf>
- Global Britain: Priorities for trade beyond the European Union (Open Europe, 2017) https://2ihmoy1d3v7630ar9h2rsglp-wpengine.netdna-ssl.com/wp-content/uploads/2017/04/170424_Global-Britain-paper-FULL-VERSION-WITHOUT-EMBARGO.pdf
- Freedom to flourish: UK regulatory autonomy, recognition, and a productive economy (IEA, 2018) <https://iea.org.uk/publications/freedom-to-flourish/>

We hold other material that we consider to be exempt from release under Section 36 of the Freedom of Information Act. This provides an exemption for information where, in the reasonable opinion of a qualified person (in this case Robert Chote, Chairman of the OBR), release would be likely to inhibit the free and frank provision of advice, or exchange of views for the purposes of deliberation.

The Chairman of the OBR has considered the balance of public interest in disclosure of this information and has judged that disclosure would undermine the private space needed to freely discuss and develop the OBR's forecasts, and that release would be likely to inhibit engagement in such discussions in the future.

You might also find relevant the letter that Robert Chote sent to the Treasury Select Committee in April 2018 regarding the incorporation of the Government's prospective exit agreement with the EU in the OBR forecast: http://obr.uk/docs/dlm_uploads/TSC_Withdrawal_Agreement_April_2018.pdf

I hope this information is useful to you. If you have any other queries about this letter, please send them to our enquiries inbox at obr.enquiries@obr.uk.

Yours sincerely

Freedom of Information Unit
Office for Budget Responsibility

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Your right to complain under the Freedom of Information Act 2000

If you are not happy with this reply, you may request a review by writing to OBR Enquiries, Office for Budget Responsibility, 14T, 102 Petty France, London SW1H 9AJ or by email to obr.enquiries@obr.uk.

Any review request must be made within 2 months of the date of this letter.

It would assist our review if you set out which aspects of the reply concern you and why you are dissatisfied.

If you are not content with the outcome your complaint, you may apply directly to the Information Commissioner for a decision. Generally, the ICO cannot make a decision unless you have exhausted the complaints procedure

provided by the OBR. The Information Commissioner can be contacted at:
The Information Commissioner's Office, Wycliffe House, Water Lane,
Wilmslow, Cheshire SK9 5AF.