

6 April 2016

**Re: FOI request sent March 17 2016**

Thank you for your request for information under the Freedom of Information Act, which we received on 17 March 2016.

You requested all correspondence between the OBR and the Treasury since November 25 2015 to date regarding:

- *the external analysis of Brexit risks and uncertainties box 3.4 on page 84 and 85 of the EFO; and*
- *the chancellor's comments in the commons on March 16 2016 where he stated: "The OBR correctly stay out of the political debate and do not assess the long term costs and benefits of EU membership. But they do say this, and I quote them directly: 'a vote to leave in the forthcoming referendum could usher in an extended period of uncertainty regarding the precise terms of the UK's future relationship with the EU. This could have negative implications for activity via business and consumer confidence and might result in greater volatility in financial and other asset markets.' Citing a number of external reports, the OBR say this: 'There appears to be a greater consensus that a vote to leave would result in a period of potentially disruptive uncertainty while the precise details of the UK's new relationship with the EU were negotiated.*

I can confirm that we hold information that falls in the scope of the first part of your request. The emails reproduced in the annex to this letter include the request from the OBR to HM Treasury to fact-check the analysis which we had produced as draft material for the *Economic and fiscal outlook*. The reply from the Treasury identified a factual error in our draft analysis. The names of staff below senior civil service grades have been redacted.

The Chairman of the OBR, Robert Chote, discussed these emails with the Treasury Select Committee at the Budget 2016 evidence session which took place on 22 March. This exchange can be found in Question 98 in the transcript of that session.<sup>1</sup>

I can also confirm that we do not hold any information in relation to the second part of your request.

Yours sincerely,

Mark Dembowicz  
**Office for Budget Responsibility**

---

<sup>1</sup> <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/treasury-committee/budget-2016/oral/30983.html>

**Email sent to HM Treasury – 08/03/2016**

As discussed, here's the draft EFO box on external analysis of 'Brexit' risks and uncertainties. Grateful if you could get back to me by close-of-play on Thursday with any factual changes to this text.

Regards,

[name redacted]

Please note this is a draft extract from our unpublished Economic and fiscal outlook. It is classified Official – Market Sensitive. This draft is being shared for factual comments in line with paragraph 23 of the OBR's Memorandum of Understanding with HMT, DWP and HMRC. Please protect all of the content carefully and please do not forward it without prior agreement. It is all subject to change prior to publication.

We would be grateful for any factual comments on the draft content and welcome points of clarification.

The OBR's non-executive members have put in place a process by which they will be monitoring observance of the MOU in our correspondence with officials. If you are unsure whether a comment would go beyond the criteria set in the MOU, please contact us so that we can advise on a case-by-case basis.

**Email sent to OBR – 10/03/2016**

Hi [name redacted],

I have a small point on Deutsche Bank's report (attached).

Post-referendum, they expect a 'Leave' vote to cause a 1% or greater average impact on annual economic growth – they assume a 3 year negotiation (i.e. a 3% impact in total). Positive impacts from substantial sterling depreciation and loose BoE policy are not predicted to offset negative impacts on investment, confidence, asset prices, trade, productivity and the risk of sovereign downgrade.

It's ahead of the referendum that they expect delayed investment to be a 'mild negative', taking ¼pp off the annualised rate of GDP growth.

Regards,

[name redacted]