
PRESS NOTICE

Office for Budget Responsibility publishes its advice to the Chancellor on the permanent body

The Office for Budget Responsibility (OBR) has published its formal advice to the Chancellor on how the body should be established on a permanent basis.

The Terms of Reference for the interim OBR stated that it should provide advice on arrangements for establishing the body on a permanent, statutory basis. Earlier today, Alan Budd, Geoffrey Dicks and Graham Parker wrote to the Chancellor with their advice.

The advice draws on experiences of interim OBR's work for the Budget and the main recommendations are:

- the OBR should produce forecasts for the economy and public finances;
- forecasts should be produced at least twice a year and include the official Budget forecast;
- the OBR should undertake broader analysis of fiscal sustainability;
- the technical independence of the OBR should be enhanced through the transfer of analytical capacity from the Treasury to the OBR;
- the OBR should employ a mix of external recruits and Treasury secondees to produce forecasts and analysis;
- Parliament should have a role in the appointment of the members of the Budget Responsibility Committee; and
- the OBR should be located outside the Treasury building.

Sir Alan Budd, Chair of the interim Budget Responsibility Committee said:

"My advice to the Chancellor sets out my recommendations for establishing the OBR as a leading independent fiscal institution. It will inevitably take time to settle in, but I am confident that the OBR will play a substantial part in enhancing the quality of fiscal policy-making."

Notes for Editors

1. The letter of advice is available at: <http://budgetresponsibility.independent.gov.uk>
2. The Terms of Reference for the OBR are available at:
http://budgetresponsibility.independent.gov.uk/d/terms_of_reference.pdf

Media enquiries should be sent to the OBR press spokesperson:
OBRpress@hmtreasury.gsi.gov.uk

Non-media enquiries should be sent to the OBR's correspondence address:
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