

Baroness Sarah Hogg, Non-Executive Chair
Dame Susan Rice, Non-Executive Member
OBR Oversight Board

Richard Hughes
Chair
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Dear Sarah and Susan,

Third External Review of the Office for Budget Responsibility (OBR)

We warmly welcome the findings and recommendations of the Third External Review of the OBR led by Laura van Geest which was published today.¹ Laura brings the expertise and insight that comes from over two decades in the field of economic and fiscal forecasting and policymaking and seven years leading the Netherlands Bureau for Economic Policy Analysis (CPB), one of the oldest and most respected independent fiscal institutions in the world.

The report's findings and recommendations provide a valuable roadmap for the work of the OBR over the next five years:

- A number of the Review's recommendations to ensure the OBR's **independence** have already been reflected in the revised Charter for Budget Responsibility, approved by Parliament on 29 January, which commits the Treasury to providing the OBR with un-ringfenced, three-year rolling budget and recognises the OBR's enhanced role in scrutinising the Government's plans for departmental expenditure limits and the risks around them.
- The Review's recommendations for further strengthening the OBR's analytical **infrastructure** go with the grain of our recent efforts to enhance the transparency around our forecast for potential output, our analysis of the supply-side effects of policy changes, and the methods we use to cost individual tax and spending measures in our *Economic and fiscal outlooks*.
- And the Review's recommendations on **impact** offer welcome food for thought on how we can continue to enhance the way we communicate the uncertainty around, risk to, and sustainability of the public finances, building on the growing interest from policymakers, Parliamentarians, and the public in our *Fiscal risks and sustainability* reports.

We will be publishing a detailed implementation plan in response to the Review in the summer. In the meantime, we would like to thank Laura and her team of Johannes Hers, Sebastian Barnes, David Clinton, and Matthew Bunny for their excellent work on this review.

Yours Sincerely,



Richard Hughes
Chair

¹ <https://obr.uk/about-the-obr/external-reviews/>