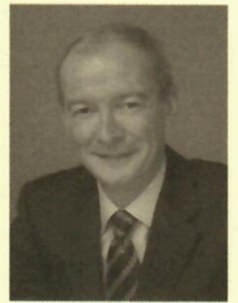




HOUSE OF COMMONS
LONDON SW1A 0AA



Our Ref: PM28307

27 May 2022

Dear Richard,

Yesterday, on the 26th May 2022, the Chancellor of the Exchequer made a statement to the House of Commons in which he announced a package of support to households and a new levy on the profits of North Sea oil and gas production.

The fiscal implications of these announcements were mentioned in his statement and also in accompanying documents published by HM Treasury. These suggest that, combined with previous announcements, support will cost £37bn within the 2022/23 financial year, and the levy will raise £5bn in receipts within that same year.

The Labour party welcomes these announcements, but notes that these are significant sums, of the order of magnitude that would normally be announced within a budget and accompanied by new economic and fiscal forecasts.

The Office for Budget Responsibility (OBR) was established in order to provide authoritative and independent economic and fiscal projections.

While the OBR should not be expected to respond to every government announcement that may have fiscal implications, I believe that the scale of the announcements yesterday warrants an independent assessment.

With that in mind, I would like to ask you whether it is possible for you to provide an assessment of the impact of yesterday's announcements on:

- Public sector expenditure
- Public sector receipts
- Public sector net borrowing
- Gross domestic product
- Investment

In each of the years of the forecast horizon.

In addition, as is normal with fiscal events, will you work with HM Treasury to certify and publish full costings for each policy decision announced?

Such an assessment would greatly aid the public debate on the economic impact of these significant measures.

Kind regards,

Rt Hon Pat McFadden MP
Wolverhampton South East