

Ian Blackford MP  
SNP Westminster Leader

Alison Thewliss MP  
SNP Shadow Chancellor

House of Commons  
London  
SW1A 0AA

29 September 2022

**Richard Hughes**  
*Chair*

102 Petty France  
London SW1H 9AJ

obr.uk

**RE: Urgent OBR update**

Dear Ian and Alison,

Thank you very much for your letter and appreciation of the role of the OBR.

As we set out in our letter to the Chair of the Treasury Committee on 26 August, we took steps over the summer to prepare a forecast to coincide with the election of the new Prime Minister and any subsequent fiscal policy announcements. We sent a draft economic and fiscal forecast to the new Chancellor on 6 September, his first day in office. We offered, at the time, to update that forecast to take account of subsequent data and to reflect the economic and fiscal impact of any policies the Government announced in time for it to be published alongside the ‘fiscal event’ planned for later in the month.

In the event, we were not commissioned to produce an updated forecast alongside the Chancellor’s Growth Plan on 23 September, although we would have been in a position to do so to a standard that satisfied the legal requirements of the *Charter for Budget Responsibility* enacted by Parliament.<sup>1</sup> While we have full autonomy over the content of the economic and fiscal forecast and a legal obligation to publish two forecasts in each financial year, the *Charter* states that it is for the Chancellor to decide the date of publication for our forecast, given that it would normally coincide with the publication of policy announcements.

As you will be aware, the Chancellor has now commissioned us to publish a forecast on 23 November to accompany his Medium-Term Fiscal Plan. As highlighted in your letter, this forecast will incorporate the impact of the latest movements in financial markets, including their impact on mortgage costs, imports and the wider economic outlook. We will also update our medium-term forecast for the public finances as usual, including taking account of the Government’s recent policy announcements and subsequent market response. We will also, as required by the *Budget Responsibility and National Audit Act*, assess the likelihood that the Government will meet its legislated fiscal targets and any other fiscal objectives articulated by Government ministers.

As the forecast is scheduled to be published in 8 weeks’ time, this will allow us to transmit several (usually three) iterations of the economic and fiscal outlook to the Chancellor to inform his fiscal policy decisions. However, as set out in my letter to Treasury Committee in August, this process has been truncated where circumstances required. We will be sending the next

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<sup>1</sup> Paragraph 4.22 of [https://obr.uk/docs/dlm\\_uploads/Charter\\_for\\_Budget\\_Responsibility\\_FINAL.pdf](https://obr.uk/docs/dlm_uploads/Charter_for_Budget_Responsibility_FINAL.pdf)

iteration of our draft forecast to the Chancellor on Friday 7 October, which will include our initial assessment of the latest data, Government's latest policy announcements, and initial market reactions on the economy and public finances.<sup>2</sup> Given the heightened degree of public interest in the forecast process on this occasion, and in response to the recommendations of our Non-Executive Members' recent review of the forecast process,<sup>3</sup> we will be publishing the timetable for the remaining stages of the forecast process once it has been agreed with the Treasury and other government stakeholders.

I am copying this letter to the Chancellor of the Exchequer and the Chair of the Treasury Committee.

Warmest regards,



Richard Hughes  
**Chair**

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<sup>2</sup> The ONS has granted us pre-release access to the September Quarterly National Accounts Release for this purpose:  
<https://www.ons.gov.uk/news/statementsandletters/exchangeoflettersbetweentheofficeforbudgetresponsibilityandonsforexceptionalprereleaseaccessto-economic-statistics>

<sup>3</sup> [https://obr.uk//docs/dlm\\_uploads/Non-executive-review-into-October-2021-Budget-timetable-and-cover-letter.pdf](https://obr.uk//docs/dlm_uploads/Non-executive-review-into-October-2021-Budget-timetable-and-cover-letter.pdf)