

Rt. Hon. Kit Malthouse MP House of Commons London SW1A 0AA Richard Hughes
Chair

102 Petty France London SW1H 9AJ obr.uk

9 October 2024

Dear Mr. Malthouse,

Thank you for your e-mail of 9 September (first attachment) regarding my <u>29 July letter</u> to the Clerk of the Treasury Select Committee of the House of Commons.

I can assure you that at no point was there pressure on me or the OBR to undertake, or not undertake, our own independent review of the preparation of the departmental expenditure limits for the March 2024 *Economic and fiscal outlook*. The decision to initiate the review was entirely that of the OBR. The OBR received a draft of the Treasury's 29 July document shortly before its publication, in line with standing arrangements for exchange of information under the published Memorandum of Understanding between the OBR and Treasury. And the decision to write to the Treasury Select Committee, the contents of the letter, and the timing of its publication were entirely my own.

In responses to the specific questions in your email:

- 1. Did anyone working at the Treasury, or connected with the Chancellor, suggest the idea of this letter to you at any stage? No.
- 2. How much co-ordination was there between you, your office, the communications staff at the OBR and staff at the Treasury as to the timing of the release of the letter? None.
- 3. In your meeting with the Chancellor on July 28th, was your letter discussed and if so, in what terms? The subject of the 28 July meeting, 'To discuss departmental spending forecast', was provided in the OBR most recent Log of substantive contact which was published on the OBR website on 19 September. In line with the Memorandum of Understanding between the OBR and the Treasury on handling external request for information (paragraph 4.20), the OBR does not comment on the details of its discussions with Treasury Ministers or officials.
- **4.** Was a draft of your letter shared with the Treasury prior to publication, and if so when and with whom? In line with the Memorandum of Understanding between the OBR and Treasury on pre-release access to information (paragraphs 4.6-4.13), the letter was shared with the Treasury on Friday 26 July.
- 5. Did you make any alterations to your letter in the light of comments or discussions with anyone at the Treasury? In line with the Memorandum of Understanding between the OBR and Treasury on handling external request for information (paragraph 4.20), the OBR does not comment on the details of its discussions with Treasury Ministers or officials.
- 6. When did you personally first see a draft of "Fixing the Foundations"? As stated in the OBR's response to your 2 August Freedom of Information request (second attachment), I first saw a draft of the Treasury's 29 July document on Thursday 25 July.

We will publish a copy of this letter on our website at the earliest opportunity.

Yours Sincerely,

Richard Hughes

Chair



First attachment: 9 September email from Kit Malthouse MP to OBR Chair

Dear Mr Hughes

I have received a letter from your Freedom of Information Unit (reference FOI02082024 dates 29th August) which raises a number of questions to which I would appreciate your personal responses. I attach a copy of the letter for your convenience.

The FOI response indicates that you decided to write an open letter to the Treasury Select Committee on the same day that the government published the document "Fixing the Foundations." My questions are as follows:

- 1. Did anyone working at the Treasury, or connected with the Chancellor, suggest the idea of this letter to you at any stage?
- 2. How much co-ordination was there between you, your office, the communications staff at the OBR and staff at the Treasury as to the timing of the release of the letter?
- 3. In your meeting with the Chancellor on July 28th, was your letter discussed and if so, in what terms?
- 4. Was a draft of your letter shared with the Treasury prior to publication, and if so when and with whom?
- 5. Did you make any alterations to your letter in the light of comments or discussions with anyone at the Treasury?
- 6. When did you personally first see a draft of "Fixing the Foundations"?

I appreciate that clear answers to these questions rely upon your personal integrity, and I hope you can see that transparency in these matters is in the public interest.

I am grateful for your attention.

Best wishes,

[Signed]

Kit Malthouse MP



Second attachment: 29 August OBR response to Kit Malthouse MP Freedom of Information request

Dear Kit.

Re: Letter to Treasury Select Committee - 29 July 2024

Thank you for your request for information under the Freedom of Information Act, which we received on 2 August 2024. You asked the OBR's Chair, Richard Hughes:

I write in relation to the letter you sent to the Clerk of the Treasury Select Committee on 29th July 2024, concerning the document published by the government on the same day entitled "Fixing the Foundations". You copied the letter widely and it has raised a number of questions.

I would be grateful if you could please provide the following information. If it is helpful, please treat this letter as a Freedom of Information request (FOI).

- 1. In your letter you refer to being made aware of the financial pressures published in the government document "Fixing the Foundations" (FTF) in a meeting with the Treasury in the week prior to publication. Can you please provide the time and day of this meeting, any minutes that were taken and the attendees.
- 2. Please also provide any emails or electronic communications in relation to this meeting and the FTF document either before the meeting took place or subsequently.
- 3. When did you first see a draft of the FTF document and were you consulted on its contents? If so, when were you consulted and by whom?
- 4. Can you please provide the time and day that the first draft of your letter was provided to you for consideration. If it is helpful, please provide all emails and electronic communication in relation to the drafting and contents of this letter both within your organisation and externally with HM Treasury.
- 5. Please confirm the time and date of any meetings or telephone calls between you and the Chancellor of the Exchequer and/or the Permanent Secretary to the Treasury with regard to this matter. Perhaps you could outline the contents of each call, or if you made a notes of the discussions, please feel free to provide them also.
- 6. Whose suggestion was it to write the letter?
- 7. Finally, if any communications in this matter, including Whatsapp messages and similar, have been deleted, I would be grateful for confirmation that this was done in line with OBR policy, and the time and date of any deletions.

I can confirm that we hold information in relation to your request.

The information that is held that is not exempt from release is as follows:

- Question 1: The Budget Responsibility Committee (BRC) and OBR officials first met with HM Treasury officials on the content of the *Fixing the Foundations* document on 23 July 2024.
- Question 3: HM Treasury officials first shared a draft of the *Fixing the Foundations* document for fact-checking purposes with the BRC and OBR officials on 25 July 2024.
- Question 4: Richard Hughes, Chair of the OBR, prepared a draft of the letter he sent to the Clerk of the Treasury Select Committee himself following the initial meeting with HM Treasury officials mentioned above.
- Question 5: Richard Hughes met virtually with the Chancellor and Treasury officials on 28 July 2024 to discuss departmental spending.
- Question 6: Richard Hughes decided to write the letter to the Clerk of the Treasury Select Committee.
- Question 7: We are not aware of any communications in relation to this matter having been deleted.

The information that is held that is exempt from release is as follows:

- Question 1: The names of OBR and HM Treasury officials attending the meeting on 23 July.
- Question 2: Electronic communications in relation to the meeting on 23 July, and the *Fixing the Foundations* document, between HM Treasury and OBR officials.



• Question 4: Electronic communications in relation to the drafting of Richard Hughes's letter.

With the exception of the above answers to these questions, our judgment is that this information is exempt from release under Section 36 of the Freedom of Information Act. This provides an exemption for information where, in the reasonable opinion of a qualified person (in this case Richard Hughes, Chair of the OBR), release would be likely to inhibit the free and frank provision of advice, exchange of views for the purposes of deliberation or prejudice the effective conduct of public affairs.

Your questions fall into two categories: communications, names of officials attending and records of meetings between the OBR and HM Treasury officials, or the Chancellor of the Exchequer, in relation to the *Fixing the Foundations* document; and communications between OBR officials and the OBR Chair.

In relation to **communications between the OBR and HM Treasury**: The OBR and the Government rely on free and frank exchange of information, in order for the OBR to provide independent and authoritative analysis of the public finances. This includes information relating to the formulation of government policy, which the *Fixing the Foundations* document contained.

We note that the *Fixing the Foundations* document has been published, as has Richard Hughes's letter sent on the same day, which states that the OBR will complete a review of the March 2024 departmental spending forecast prior to 30 October 2024. This review will be published, and will include relevant details of interactions between the OBR and HM Treasury in the run-up to the Chancellor's statement on 29 July. Our judgement is that publishing any further details of communications and meetings between the OBR and HM Treasury in the run up to 29 July would likely inhibit the space for free and frank exchange of information between the OBR and the Government in future.

In relation to **communications between OBR officials and the OBR chair**: The OBR relies on free and frank discussion between its officials and the BRC to fulfil its duties. Similar to the above, our judgement is that publishing the details of advice provided to the BRC by officials, or the details of when and how drafts of letters or documents subsequently published were iterated, would likely inhibit the provision of advice to the BRC, and the exchange of views for the purposes of deliberation, in future.

Given the exemption being applied, we have considered the public interest in favour of disclosing this information and the public interest in favour of withholding it. The arguments in favour of disclosing rest on transparency and accountability, in order to promote public understanding of the OBR's work and safeguard the OBR's independence.

The arguments in favour of withholding this information relate to the OBR and HM Treasury having space and time to deliberate and reach appropriate decisions away from public view. The information we are withholding relates to electronic communications sharing and fact-checking an HM Treasury document that has since been published; electronic communications within the OBR iterating drafts of a letter that has since been published; the names of OBR and HM Treasury officials attending meetings. We consider the need to protect the space for preparing and producing documents within the OBR and HM Treasury to outweigh the public interest in disclosing the requested information.

If you have any other queries about this letter, please send them to our enquiries inbox at obr.enquiries@obr.uk.

Yours sincerely

Freedom of Information Unit
Office for Budget Responsibility