

Rt Hon Priti Patel MP  
House of Commons  
SW1A 0AA

10 December 2024

**Richard Hughes**  
*Chair*

102 Petty France  
London SW1H 9AJ

obr.uk

Dear Priti,

Thank you for your request for information on behalf of your constituent.

The £22 billion figure your constituent refers to is not a figure that the OBR has estimated. It relates to the Chancellor's speech on 29 July 2024 and the document published by HM Treasury on the same day: *Fixing the foundations: public spending audit 2024-25*.<sup>1</sup> This document states: "The audit carried out by the Treasury shows that the forecast overspend on departmental spending is expected to be £21.9 billion above the resource departmental expenditure limit (RDEL) totals set by the Treasury at Spring Budget 2024." It contains the details of how the Treasury arrived at this figure.

On the same day the Chair of the OBR sent a letter to the Clerk of the Treasury Select Committee initiating a review into the preparation of the DEL forecast in the OBR's March 2024 *Economic and fiscal outlook*.<sup>2</sup> This review has concluded and was published alongside the *Economic and fiscal outlook* on 30 October.<sup>3</sup> The review found that, in the run-up to the March 2024 Budget, the Treasury had information about £9.5 billion of net pressures on departments' budgets in 2024-25 which it did not share with us. It made ten recommendations aimed at enhancing the credibility and transparency of the process for forecasting DEL which were reflected in the preparation of our latest EFO.

A detailed breakdown of the OBR's forecasts for the public finances used in our March *Economic and fiscal outlook* is provided in that EFO and the supplementary tables accompanying it.<sup>4</sup> In relation to the lines of public expenditure covered in *Fixing the foundations*, as set out in the DEL section of our *Forecasts in depth* page<sup>5</sup> of our website, we do not produce the departmental spending forecast bottom-up via forecast models, but look at Treasury plans for resource and capital departmental spending totals and apply judgements about levels of underspending against these. As such, our March forecast did not contain estimates for the expenditure lines referenced in *Fixing the foundations*.

If you have any other queries about this letter, please send them to our enquiries inbox at [obr.enquiries@obr.uk](mailto:obr.enquiries@obr.uk).

Warmest regards,



Richard Hughes  
Chair

<sup>1</sup> <https://www.gov.uk/government/publications/fixing-the-foundations-public-spending-audit-2024-25>

<sup>2</sup> <https://obr.uk/download/letter-from-richard-hughes-to-the-treasury-select-committee-on-the-obr-review-of-the-march-2024-forecast-for-departmental-expenditure-limits/?tmstv=1723930384>

<sup>3</sup> <https://obr.uk/review-of-the-march-2024-forecast-for-departmental-expenditure-limits/>

<sup>4</sup> <https://obr.uk/efo/economic-and-fiscal-outlook-march-2024/>

<sup>5</sup> <https://obr.uk/forecasts-in-depth/tax-by-tax-spend-by-spend/departmental-expenditure-limits/>