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Treasury Select Committee
House of Commons
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Robert Chote
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Dear Andrew

**THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE OBR, HM TREASURY, DWP AND HMRC**

As you know, following the recent changes to the remit of the Office for Budget Responsibility, approved by Parliament in its October 2015 vote on the Charter for Budget Responsibility, we are revising the Memorandum of Understanding between the OBR, HM Treasury, the Department for Work and Pensions and HM Revenue and Customs. In addition to incorporating specific changes related to the revisions to the Charter, this gives all the signatories a chance to 'spring clean' the document in the light of our collective experience working with the initial version over the last five years.

We had hoped to complete the revisions by the end of this month, as foreshadowed in the Ramsden Review. Partly as a result of the additional work created for departments by the Brexit vote, this has not proved possible and we are now aiming to do so around the turn of the year.

However, the Committee has expressed particular interest in what the MoU has to say about pre-release access to drafts and final versions of OBR publications. That section of the revised MoU has been agreed and I attach it as an annex to this letter. It sets out more detail on how the sharing of our draft documents works in practice, the purpose of sharing the information, who should be able to see the information at each stage and the mechanism for overseeing who has access to it. This section of the revised MoU will take effect for the forthcoming Autumn Statement forecast.

Please let me know if you have any questions.

*Best regards,
Robert*

Robert Chote
Chairman

Annex

Pre-release access to reports

The OBR will provide the Treasury, DWP and HMRC as relevant with pre-release access to some or all of the content of its reports (listed in paragraphs 2.2 and 2.4 [of the draft revised MOU]) under specific circumstances. This will be for one of three reasons:

- 24-hour pre-release process for all final OBR reports, consistent with arrangements for data releases from the Office for National Statistics (ONS);
- exceptional pre-release process at the OBR's discretion, for draft OBR reports that are relevant to another Government publication or announcement; or
- fact-checking, subject to conditions set by the OBR, for elements of draft OBR reports where it chooses to seek the views of officials on that draft content.

24-hour pre-release access

The OBR will provide copies of its final reports to the Treasury 24 hours in advance of publication, consistent with the pre-release arrangements for data releases from the ONS. The OBR will provide copies of the relevant sections of these reports to DWP and HMRC on the same basis. That will include providing the full Welfare trends report to DWP.

Once reports have been provided to the Treasury, DWP or HMRC, it will be for those departments to determine which Ministers, special advisors and officials needs to see them and to ensure that none of their content is released before the OBR has published them. Upon request, departments will provide the OBR with a named list of Ministers, special advisors and officials that received the 24-hour pre-release copy of its reports.

Exceptional pre-release access

In line with the ONS arrangements, the Treasury may request exceptional pre-release access to earlier draft materials from OBR reports, which will be provided at the discretion of the OBR. Material provided on this basis will be restricted to a named list of Ministers, special advisors and/or officials. The OBR will publish the list of individuals that received the material, with the names of junior officials withheld. The Treasury, DWP and HMRC will ensure that none of the content of the draft reports is released or briefed to the media or other outside persons before the OBR has published them.

The most likely circumstances in which the OBR would grant such access is at Budgets and Autumn Statements, where early access to the OBR's *Economic and fiscal outlook* (EFO) is necessary to ensure the accuracy and relevance of the Treasury's Budget or Autumn Statement document and the Chancellor's accompanying statement to Parliament. In this instance, the OBR will provide draft EFO material a number of days in advance of it being finalised (typically on the Friday before a Wednesday statement). It is important to emphasise that the OBR will continue working on the report over subsequent days, so the final report may well differ considerably from that provided on

exceptional pre-release. Hence the OBR also providing 24-hour pre-release of the final version.

Fact-checking process

Consistent with the Charter, the OBR may share material from its draft reports at an earlier stage if it requires factual comments on the presentation of analysis or forecasts that have been produced with the assistance of officials from the Treasury, DWP or HMRC. The OBR will determine which officials are given sight of its draft material for fact-checking. It will be at the OBR's discretion to allow departments to share the information more widely if officials believe that others within the department would be better placed to provide factual comments on a given issue. Information shared for fact-checking purposes will also be subject to confidentiality arrangements.

