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Dear Chancellor,

The Budget Responsibility Bill

Thank you for your letter regarding the *Budget Responsibility Bill* being introduced to Parliament this week.

As I said in my testimony before the House of Commons Treasury Committee in November 2022, it is a good principle of fiscal policymaking that major fiscal decisions should be based upon, and presented alongside, an up-to-date view of the economic and fiscal outlook.¹

The Bill commits the Government to upholding this principle for all fiscally significant measures, except for those taken in response to emergencies and which are intended to have a temporary effect. In doing so, it would help to address a lacuna in the 2011 *Budget Responsibility and National Audit Act* and serve to strengthen the legal foundations for fiscal management.

I look forward to hearing stakeholders' views on the Government's proposed approach to operationalising this principle through its proposed revisions to the *Charter for Budget Responsibility*, in particular regarding the definitions of fiscally significant measures, emergencies, and temporary effects.

Yours Sincerely,



Richard Hughes
Chair

¹ [House of Commons, Treasury Committee, Oral evidence: Autumn 2022 Fiscal Events, HC 740](#)