

Minutes of the Office for Budget Responsibility Oversight Board and Audit Committee

20 December 2022

Oversight Board

Attending

Members: Sir Christopher Kelly, Bronwyn Curtis, Richard Hughes, David Miles, Andy King.

Staff: Steve Farrington (Chief of Staff), Laura Gardiner (Deputy Chief of Staff), Mark Dembowicz (Head of Strategy, Operations and Communications).

Procedures

The Board reviewed the minutes from the last meeting and cleared them for publication.

Interactions with Government

The Board discussed the timings, processes and pressures from the fast-moving political situation in the summer and autumn. The redeployment of work priorities, and staff remaining ready to produce a forecast at short notice and over an unusually long period of time, required nimble and flexible management of staff and processes. Once the OBR had been commissioned to complete a forecast, the changes to the timetable required further flexibility and re-prioritisation. The Board discussed the resource constraints and mitigations that were put in place to ensure that the OBR was ready to deliver in challenging circumstances.

External engagement

The Board discussed the OBR's external engagement strategy following the publication of the November forecast, which included events with a range of think tanks including the Resolution Foundation, the National Institute for Economic and Social Research (NIESR), the Institute for Government (IfG), the Centre for Policy Studies and Policy Exchange.

The OBR had also appeared before the Scottish Finance Committee and appeared at an event with the Fraser of Allander Institute and held meeting with the Scottish Fiscal Commission and the Deputy First Minister and Acting Finance Minister, John Swinney.

The Board also discussed the OBR's digital engagement performance.

Appointments, staffing and office management

The Board discussed upcoming end dates for members, including Sir Chris Kelly, whose second term ends in July, and Andy King, whose first term ends in August.

The Board also discussed staff moves and vacancies, recruitment processes, diversity and inclusion reporting (where the Board agreed to include diversity targets in the upcoming annual report) and the annual staff survey.

The Board discussed a **summary of the OBR's recent outputs**, reviews of the forecast process, OBR budget, management issues and priorities. In relation to our outputs, the following issues were discussed:

- On 30 June we published the 2021-22 Annual report and accounts.
- On 7 July we published our first *Fiscal risks and sustainability* report, which combines our two biennial reports on the long-term sustainability of the public finances and fiscal risks facing the UK. This report provided our first fully updated assessment of the long-term sustainability of the public finances since 2018, alongside chapters on heightened geopolitical tensions and higher energy prices.
- On 17 November we published our latest *Economic and fiscal outlook (EFO)*. This was much shorter than usual, at 63 pages, due to the evolving circumstances and changing deadlines throughout the forecast process, coupled with the relatively short notice of the final publication date. We are now taking the opportunity to review its overall size and structure including in light of feedback from stakeholders.
- Alongside the *EFO*, we published a briefing paper explaining in more detail our approach to forecasting potential output, and in particular the incorporation of the potential supply side impacts of the Government's policy measures.
- On 13 December we published our latest *Welsh taxes outlook*.
- We have continued to publish our regular monthly commentary on the public finances immediately after the ONS data release.

Risk register

The Board discussed updates that had been made since the previous meeting and agreed some changes and mitigations, including in relation to staffing, forecast process, analytical issues, publications and IT.

Finance (HMT and OBR finance staff attended this item)

The Board discussed developments in the budget for this year and the main pressures within the budget, in the context of analytical, staffing and technology challenges that we face for both the current year and in the future.

Audit Committee

Attendees: Sir Chris Kelly, Bronwyn Curtis, Richard Hughes, Laura Gardiner, Steve Farrington, Mark Dembowicz, OBR business manager, HM Treasury finance and Government Internal Audit Agency officials.

Internal audit plan for 2021-22: The GIAA presented draft Terms of Reference for two audits to be undertaken before the end of the financial year.