

The OBR and access to information

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Outline

- OBR's structure and remit
- Statutory entitlement to information
- What information do we need?
- Our agreement with departments
- Access to information in practice

Structure of the OBR

- 'Crown non-departmental public body'
- 'Arms-length body' within Treasury Group
- Accountable to ministers *and* Parliament
- 3 person 'Budget Responsibility Committee' plus 18 staff who are civil servants
- Structure, role, rights and responsibilities set out in legislation – the *Budget Responsibility and National Audit Act 2011*

Role of the OBR: four tasks

- Produce five-year forecasts for the economy and public finances, instead of the Treasury
- Assess whether the Government is on course to meet its fiscal rules on existing policy
- Publicly scrutinise the Government's costing of its tax and spending policy measures
- Assess long-term fiscal sustainability and the health of the public sector balance sheet

But the OBR does not...

- Comment on the desirability of specific tax or spending measures
- Tell the government what fiscal targets it should adopt or whether to try to hit them
- Assess the implications of alternative policy paths and measures
- Give general economic policy advice

Our statutory right to information

- **The *Budget Responsibility and National Audit Act* says:**
 - The Office has a right of access (at any reasonable time) to all Government information which it may reasonably require for the purpose of the performance of its duty.
 - The Office is entitled to require from any person holding or accountable for any Government information any assistance or explanation which the Office reasonably think necessary for that purpose.
 - This Section is subject to any enactment or rule of law which operates to prohibit or restrict the disclosure of information or the giving of any assistance or explanation

Information for macro forecasting

- **Macro forecasts based on publicly available information**
 - Most data from Office for National Statistics (ONS), plus private sector surveys, financial market data etc
 - We can request circa 48 hours pre-release access to some ONS data close to our forecast deadlines.
- **But also some access to non-published analysis**
 - Treasury share their analysis of new data plus 'focus groups'
 - We see the unpublished detail of the Bank of England's forecasts and attend some of their regular staff meetings.
 - This is helpful, but not essential
- **Macroeconomic model shared with Treasury**
 - But we have the right to 'go it alone'

Information for fiscal forecasting

- The OBR originates the official fiscal forecast rather than simply scrutinising the Government's forecast. So we do not need to unearth any hidden assumptions – they are ours to begin with.
- But we are a small body and cannot do all the work ourselves. We give our macro forecasts to departments (mostly to HM Revenue & Customs and the Department for Work & Pensions) and they provide us with detailed forecasts for particular tax and spending streams, under our direction. We then compile these into forecasts for the fiscal aggregates
- So we need access to departments' analytical resources as well as information they hold. We need to understand the methodology in individual models and approve any changes

Information for policy costings

- The Treasury tells us confidentially what measures it plans to introduce in the Budget, so we can incorporate our estimate of their impact in our forecasts on the day of the statement
- HMRC and DWP (typically) estimate the cost or revenue raised by each measure. We discuss and propose amendments
- The Government publishes its own preferred costing estimates and we say publicly whether we agree or disagree that they are reasonable and central – or whether we were not given enough time or information to make a proper judgement

Our rights and responsibilities

- We and the Government both have a responsibility to provide each other with the information we need to do our jobs
- Our rights and responsibilities are set down in detail in a published Memorandum of Understanding (MoU) between us, the Treasury, HMRC and DWP
- Similar relationships are assumed in the case of other relevant departments eg the Debt Management Office and those responsible for local government, environment etc
- We also use analysis by the Government Actuary's Department. But, uniquely, they demand payment. So we don't use them as much as we otherwise might.

Excerpts from the MoU 1

- The OBR has a statutory right to full and timely access to all Government information relevant to its analysis. The Treasury, DWP and HMRC will provide any information, and assistance to understand it, as requested by the OBR. This does not include confidential taxpayer and benefit claimant information.
- The OBR will have full access to the Treasury's macroeconomic models and other Government forecasting and analytical models, and freedom to develop its own versions of these as it so chooses, within the limits governing access to confidential information, including confidential taxpayer and benefit claimant information. The Treasury, DWP and HMRC will provide necessary assistance to allow the OBR to appropriately scrutinise these models.

Excerpts from the MoU 2

- The Government will have full and timely access to information from the OBR, and assistance to understand it, as the Government regards reasonable and necessary in consultation with the OBR to fulfil its policymaking responsibilities.
- In particular, the OBR will provide the Government with timely access to the forecast information necessary to reach policy decisions ahead of fiscal events

[Ahead of each fiscal event we agree a timetable for the exchange of information. For example, we agree when we will provide draft forecasts and a date after which we will not guarantee to certify a policy costing.]

Excerpts from the MoU 3

- The OBR and the Treasury, DWP and HMRC will as far as possible ensure that shared information is **objective and of necessary quality** for each body to meet its responsibilities satisfactorily:
 - Officials from the Treasury, DWP and HMRC must attend challenge meetings as required by the OBR's Budget Responsibility Committee to explain their forecasts and analysis. All final judgements and assumptions used in forecasts and other analysis will be decided by the OBR's Budget Responsibility Committee through this challenge process.
 - Outside of forecasting periods, the OBR, the Treasury, DWP and HMRC are expected to meet regularly to scrutinise and challenge material policy and forecasting assumptions.
 - The OBR, the Treasury, DWP and HMRC will support staff to provide information that is objective and of necessary quality, and this will be reflected through performance management processes. Ultimate responsibility for these matters will reside with the Chair of the OBR and respective Permanent Secretaries.

Access in practice

- So far no disputes over access to information or analytical resources.
- Information exchange works well. Time pressures inevitable.
- Only one occasion when we have said that we did not get enough information to ratify a costing – not deliberate evasion
- Important always to have some former Treasury/government insiders on staff so we know what there is to ask for
- In a decentralised model, important to emphasise to different teams that they should report any pressure from Government
- Formal mechanisms exist for resolving disputes, but ultimately the ability to appeal to the public and/or parliament is key

More information

- Copies of our governing legislation, memoranda of understanding etc can be found here:

<http://budgetresponsibility.independent.gov.uk/independence/legislation-and-related-material/>