

Treasury Committee

Oral evidence: [Spending Round 2019](#), HC 2643

Monday 9 September 2019

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Members present: John Mann (Chair); Mr Steve Baker; Catherine McKinnell; Wes Streeting; Alison Thewliss.

Questions 1 - 28

Witnesses

I: Robert Chote, Chairman, Office for Budget Responsibility; Professor Sir Charlie Bean, Member, Budget Responsibility Committee, Office for Budget Responsibility; Andy King, Member, Budget Responsibility Committee, Office for Budget Responsibility.

Examination of witnesses

Witnesses: Andy King, Robert Chote and Professor Sir Charlie Bean.

Q1 **Chair:** Gentlemen, can I welcome you? Can I thank you for your letter, expressing your reservations about attending, which we fully understand? I am sure you will understand our concern that there is a spending review that is not getting much parliamentary scrutiny. We issued a statement on Friday. The Chancellor has been unable to attend, which we regard as unsatisfactory. We would like very much to thank you. This session will be over by 5 pm, in order that everyone can go about their more normal business. We felt it was important always to try to hold to account the people who should be held to account, and that includes your good selves.

Robert Chote: I am sorry. I know you wanted Rihanna and you have the disappointing support act instead.

Q2 **Chair:** We have agreed to publish your letter, so that is in the public domain and people can see it. That is important. Thank you for that. Perhaps I will start with you, Mr Chote, if I may. Is the Chancellor's claim that he is meeting the fiscal rules based on any independent assessment or evaluation from you?

Robert Chote: It is based on our last published forecast, back in March, which you would only know from reading a footnote in the accompanying documentation with the spending round. The judgment they have reached is to take the headroom, in particular, against the fiscal mandate, which is probably the one of the rules they are most focusing on, to take into account the impact that the new treatment of student loans is likely to have on that, and then to say the additional spending on top of that comes within that envelope. If you were doing a fresh forecast now, a lot of other factors would come into play.

The other thing worth pointing out is that, in the documentation, the Treasury is referring specifically to the fiscal mandate and the supplementary target for the fall in the debt-to-GDP ratio, both of which are 2021 targets. It does not refer to the fiscal objective, which is a target in legislation to get the Budget balanced roughly in the middle of the 2020s. As you know, when we have appeared before you before, we have pointed out that, while this lies outside our current five-year forecasting horizon, our judgment to date has been that the Government are not obviously on course to achieve that. On that basis, any additional spending would take you further away, rather than closer to it.

Q3 **Chair:** Would you regard the 2019 forecast as sufficiently up to date and useful for assessing the Chancellor's claim?

Robert Chote: This is clearly an unusual spending announcement in a couple of respects, one of which is that it is only for one full fiscal year. Secondly, the Government have announced both the overall allocation and the allocation between Departments simultaneously. Normally, those



two things are separated and you also get a spending announcement that covers a number of years. As you know, when we do our forecast for those years that are not covered by the formal spending review, we ask the Treasury what its policy is towards the years after that. In order to produce a full forecast and a full assessment of adherence with the fiscal rules, we would expect to do that on the basis of a medium-term forecast and a statement of policy over the medium term, over those five years.

What is unusual here is that the Government have announced only one year of concrete plans, and, as it happens, two of the three legislated fiscal targets they have are specifically referring to next year, so they are able to say what they have said based on our March forecast. It is an unusual combination of a rather strange spending announcement and the coincidence that we have two rules that are one year ahead and another one that is much further on the horizon.

Q4 Chair: Does it concern you that they are using old forecasts as a justification?

Robert Chote: It does not concern me in that sense. We would not expect to have been asked to produce a forecast to accompany a one-year spending announcement. The broader issue is whether you think that whether the Government are likely to hit the fiscal mandate next year tells you a great deal about the underlying sustainability and prudence of the current fiscal policy. As we said in the *Fiscal Risks Report* that we published in July, the fiscal mandate is not a meaningful anchor for medium-term tax and spending decisions, mostly because it is just one year ahead. You need to have a fuller picture of the policy around spending in the future, and of course other tax decisions, to make a sensible judgment. Whether that particular rule is met on that particular definition is a very limited prism through which to examine the health of the public finances.

Q5 Wes Streeting: Can you outline for the Committee how borrowing in the current fiscal year has performed to date against your forecast in the spring statement?

Robert Chote: So far, the deficit is rising rather more quickly relative to last year than we would have anticipated back in March. As you know, the deficit has been declining for some years in a row. We said back in March that it was likely to start going up again, or to go up again in this coming year. That, in large part, reflects the additional money announced for the NHS back in June 2018 and income tax changes as well. On the months of the current fiscal year that we have so far, it has grown more quickly. The borrowing is about £6 billion higher for the year to date than it was last year. Our forecast back in March for the increase over the year as a whole is fractionally less than that, so, in that sense, it is clearly looking like more borrowing is taking place.

There is a striking difference in where that is coming from. Most of the action there is on spending and on departmental spending, which is



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growing significantly more quickly in percentage terms than we had pencilled in for the year as a whole. On the receipts side, that is broadly in line, so a little stronger overall than the full-year total, but there you also have differences between the receipts—so, income tax doing relatively well, perhaps reflecting the strength of average earnings, but some other taxes doing less well.

In particular, in the early months of the year, if you see the overshoot coming primarily from spending rather than receipts, and primarily from departmental spending, it rings a few alarm bells as to how good a guide that is as to what is going to happen over the year as a whole. Quite a lot of what is outturn data at the moment still has quite a lot of forecast content in it, clearly the forecasts the Departments have for their own spending. Historically, the Treasury is usually good at ensuring spending comes within the overall limits that it sets. The sort of overshoot that would be implied by this growth rate continuing through the full year would look quite unlikely. It is too early to judge, simply on the basis of what you have in the numbers so far, if and by how much it would overshoot the target as a whole.

Q6 Wes Streeting: Based on what is said, do you think the Chancellor's claim that he is meeting the existing fiscal rules takes into account this year's higher than forecast borrowing?

Robert Chote: No, they are explicit that it does not. They have simply taken the March 2019 forecast that we produced and done it on that basis. As I say, I presume that consists of taking out our understanding in March of what the likely impact of the new treatment of student loans would be, although there has been some new information on that since then, and then subtracting that from the headroom against the mandate.

Q7 Wes Streeting: What discussions has the OBR had with the Treasury in relation to analysis of the spending round? Is this something you would have expected to have been involved in?

Robert Chote: No, it would not be on this. As I say, if we were producing a full medium-term forecast, we would obviously be asking the Treasury for a full five-year set of numbers, some of which would be fully delineated between Departments. They obviously told us shortly before the announcement, "These are the numbers that are coming out," as a matter of courtesy, but it is not something we would scrutinise in the same way we would scrutinise DEL policy in the run-up to a forecast.

In particular, one thing we would scrutinise in a forecast is how likely it is that newly announced spending is going to get out of the door. History suggests that, when Governments announce relatively abrupt increases in spending, it sometimes proves hard to get all the spending they want done in the course of the year. Ironically, that would mean that is less of a threat on the fiscal mandate, because some of that spending may not materialise. That is normally more of an issue for capital spending than it is for resource spending, and the spending round is mostly about



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resource. Nonetheless, that is the sort of thing we would wish to look at if we were doing a full forecast, whereas here we note with interest the numbers and obviously we had a poke around at them a bit following your interest and in the letter, which I hope is of some help.

- Q8 Wes Streeting:** Finally, just for clarity, in March you forecast the Government would meet their cyclically adjusted deficit target with around £14 billion to spare, once the student loan reassessment is taken into account. Once you add up the Chancellor's spending commitments, he swallowed pretty much all of that up. Do you think the Chancellor is assuming that this year's higher than forecast borrowing will not prove to be a lasting position in that case?

Robert Chote: I do not know what they are assuming in that sense. In the documentation, they have said, "We believe this is consistent with the rules, based on the OBR's forecast back in March 2019". They have been explicit, albeit in a footnote, about that. When we do a new forecast, there will be lots of things to look at. There will be further details of the way in which the ONS is treating the student loan changes, or rather the change in the treatment of student loans. We were able to take on board the main flow implications. We did not know in March, as it had not been finalised exactly, how the sale of student loans was going to be treated. That will have some effect on measured borrowing in that year.

You would want to look at how the public finances are performing through this year, so your starting point is a year ahead of the mandate. Do we take a different view of the way in which receipts and spending are likely to grow between this year and next, which will reflect our view of what is going on in the economy and other things as well? Then there are a set of judgments to make around what difference the spending announcement itself will make, which boils down to how much of the limits will actually be spent.

- Q9 Wes Streeting:** As a final question, the OBR was designed to bring some transparency to Government decision making. You have made a number of references to the Government's use of footnotes in reference to your figures. Do you think in future the Treasury ought to be clearer and give better signposting to its assumptions, for the sake of clarity and public understanding of how the Government are doing their sums?

Robert Chote: Not everyone is an assiduous reader of footnotes, but then you can clog up your text very easily by making all those things clear. The key point is that if you are looking at the underlying health of the public finances and the difference that Government policy decisions are making, we do not know when it is going to be, but when we get to a Budget forecast, presuming it accompanies a Budget, there will be more news on spending and potentially more news on tax. That is the point at which the public would wisely focus on the wider picture.

Wes Streeting: We will have our magnifying glasses ready.



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Chair: Mr Chote, this Committee would not have asked you to come in at such short notice if we regarded you as a mere footnote. We regard you as significant.

Robert Chote: Thank you.

Chair: You can rest assured of that.

Q10 **Alison Thewliss:** I have a question for Professor Bean, if that is okay. Without prejudicing your economic and fiscal outlook for the autumn, can you outline for the Committee how you feel the economy has performed so far relative to the March forecast? Are there any particular areas you are going to be looking at?

Professor Sir Charlie Bean: Growth over the first half of this year has been a little softer than we expected back in March. It has also been more erratic, so stronger in the first quarter and then contraction in the second quarter. Today's monthly GDP release is probably a bit of upside news, it should be said. It was stronger than most people expected. It is highly unlikely that the third quarter will show another contraction like the second quarter, which was affected by unusual circumstances around the original Brexit date. In addition, we know that a lot of the car manufacturers brought forward their closures from August—the normal summer shutdown—to April. That will lead to a bounce in the production figures for manufacturing in August, when they come out. I would be surprised if the third quarter number is not something like 0.3% or even 0.4% growth.

The underlying scenario compared to March is a bit weaker. We have had a bit of downside news on the first half of the year. If you look at forward-looking indicators, certainly the rest of the world looks a bit softer. The trade wars between China and the US seem to be dragging on global growth. We know eurozone growth has been disappointing and the ECB is contemplating adding some further stimulus this week. Some of the domestic business surveys have been on the soft side too. Overall it is slightly negative news, but it does not look hugely different from what we had in March, which was basically mediocre growth. That is the way to describe it.

Q11 **Alison Thewliss:** To pick up on the mediocre growth you mentioned, on the same day as the ONS released data showing the UK's output had contracted by 0.2% in the second quarter, the Chancellor described the economy as fundamentally strong, citing high employment, high regional growth, the national debt falling as a percentage of GDP. Given what you have just said, would you agree with the Chancellor in his assessment?

Professor Sir Charlie Bean: The key thing that has been disappointing for a long time, really since the financial crisis, is the weakness of productivity growth. It is difficult to describe the fundamentals of an economy as being strong if overall productivity growth remains weak, because that is the ultimate determinant of living standards. That is the fly in the ointment. The labour market has performed well.



Unemployment is at historically very low levels—the sort of unemployment that when I started my career, back in the 1970s, would have been low anyway. That has clearly been a good aspect. The flipside, given that overall growth has been pretty moderate at best since the financial crisis, is this very weak productivity growth. If we want to see living standards rise, it is really key that we find a way of getting that growth up.

Q12 Catherine McKinnell: I was going to ask you about no-deal planning and the *Fiscal Risks Report* that you produced in July. That presented the fiscal risks associated with leaving the European Union without a deal, borrowing being £30 billion higher in that scenario from 2020 than it was in the March forecast and the Government's debt target being missed. Does this spending round change that outlook in any way?

Robert Chote: I would not say so particularly. The way we approached this in the *Fiscal Risks Report* was not to make our best assessment of what the economic circumstances were likely to be in the case of no deal, but rather to take what is actually the more benign of two scenarios that had been set out earlier on by the International Monetary Fund as an overall picture of the depth and persistence of an economic downturn that might result, in its view, from a no-deal outcome. We then filled in some bits of that scenario with elements we need in order to work out the likely fiscal implications of that and, in the end, produce something that was consistent with that particular scenario. That was really to illustrate that there are many forms that a no-deal Brexit could take, in terms of the way in which the economy behaves and in which the short-term implications for supply and demand in the economy would unfold.

On that basis, even under a relatively benign outcome, you have, as I say, about £30 billion a year of additional borrowing there. In terms of the way in which all this fits into the policy mix, if you have additional spending being announced for next year, that would depend on what other spending announcements are made, presumably at the time of a Budget after maybe there has been an exit of one description or another, and what the Bank of England does as well. It does not seem to me that big picture would be hugely affected by a one-year spending round.

Professor Sir Charlie Bean: It is worth saying that the scenario we analysed had some countercyclical monetary response built in, that Bank rate was cut as the economy slowed and a margin of spare capacity opened up. We also assumed the term funding scheme was rolled over, but we did not assume any discretionary fiscal action. The automatic stabilisers were allowed to operate through the tax spending, but there was no additional element. It is not our role to say what an appropriate fiscal response would be but, in the event of that sort of downturn, and with Bank rate pretty near to its effective floor, you might well want to ascribe a role for some discretionary fiscal impulse. In that sense, the fiscal action that has been taken would be consistent with that.

Q13 Catherine McKinnell: In terms of the Government's willingness to ease



fiscal policy in the event that there was a no-deal exit from the European Union and we did see more challenging times to come, with in an increase in the £30 billion for starters, would you expect to see the Government using fiscal policy in that way to ease the economy based on the, I guess, unusual financial event we have seen? I appreciate you have not had the opportunity to assess that in the normal way, but has it changed the assumptions that you will be looking at, in terms of how the Government are likely to respond to that no-deal exit scenario? What kind of fiscal stimulus can you expect?

Robert Chote: We will wait to hear from the Government what policy they wish to announce at the time they ask us to make a forecast. Of course, at this stage we do not know whether that would come before or after we know what the outcome is going to be. Clearly, this announcement has come before we or anybody else know whether there is going to be a deal or a no-deal outcome.

If you look back at some of the remarks that were made during the course of the leadership election, they seemed to be pointing—and again we said in the *Fiscal Risks Report*—in the direction of a fiscal loosening, come what may: more spending, various areas in which the Government wished to spend more, ideas for where taxes could be reduced. It remains to be seen what that actually turns into.

The Government may then also have a choice to make about—in addition to their medium-term desire for how big they want the state to be, et cetera, what they want the tax ratio to look like—whether they want to announce any additional particular measures to deal with the short-term adjustment that a disruptive exit might provide. As Charlie said, one response to that is that you might have additional support. Often, if you are dealing with a short-term economic shock of that sort, the traditional idea is that you produce a fiscal response that is timely, relatively targeted and temporary.

Whether they decide to do anything on top of that, I suspect that, in reaching those sorts of decisions, they will also be paying close attention to and talking to the Bank of England about what it thinks is appropriate at that point. If the Government thought it was appropriate to give the economy additional stimulus at that point but the Bank did not, or was less confident, you could end up with them offsetting each other to some degree. There is that issue of how monetary policy might respond in there as well. I do not know how clear they will be about how they think the Bank of England is likely to respond to different sorts of fiscal policy decisions.

Q14 **Catherine McKinnell:** I know that is helpful and I appreciate there are a fair amount of unknowns in all of this at this stage. I guess for the members of the public, who may have concerns about these issues, it is just helpful to get an indication from you about what fiscal stimulus you think the Government are certainly giving indications in this recent event they may be willing to engage in or pursue, and whether that would have



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an impact upon the increase in borrowing projection that you have already made, in terms of a no-deal Brexit scenario.

Robert Chote: It is not our job to guess what they might do. It is to take on board what their stated policy is at the time they ask us to do a forecast, which may or may not be the same point at which they decide to do what they want to do on that.

Catherine McKinnell: Yes, I appreciate that.

Robert Chote: Then you have the issue of how monetary policy responds to that afterwards.

Q15 **Catherine McKinnell:** In the *Fiscal Risks Report*, you also stated that significant risks regarding “post-Brexit replacement expenditure remain”. It would be helpful if you could just clarify which items of post-Brexit replacement expenditure are most at risk of being significantly greater as you currently envisage.

Andy King: The carefully named post-Brexit replacement expenditure—

Catherine McKinnell: Some would say confusingly named.

Andy King—is the best way we could come up with for dealing with there not actually being a statement of what will replace things like farm support through the common agricultural policy. We knew, on the basis of the previous withdrawal agreement, et cetera, the profile that EU contributions would take and the divorce bill afterwards. There were a number of statements about things like farm support, science support, those kinds of things, where it was clear that the Government would continue some form of spending, but not precisely how much. Our forecast essentially assumes that the same amount will be spent by the UK Government that was previously spent net by the EU. We do not know precisely what the costs of those things will be. The largest of them is farm support, so in a sense that would be the largest of the uncertainties.

Q16 **Catherine McKinnell:** You are not necessarily assuming that the figure, in terms of the UK’s subscriptions to the EU, would translate directly into the post-Brexit replacement expenditure.

Andy King: It is an available amount when contributions stop being made. The announcements that have been made are not sufficiently concrete for us to cost them and put them, bottom up, into the forecast, but are sufficiently concrete that it would be misleading if we just showed that as reducing borrowing.

Q17 **Catherine McKinnell:** Okay. The projection at the moment is that it is likely to increase borrowing by £30 billion.

Robert Chote: We are basically assuming that it is a wash. It is a fiscally neutral assumption: any money that is saved on contributions to the EU is essentially spent on something else. It might be spent on, as Andy said, the sort of things he has talked about, which are things the EU currently spends money on here. It could be spent on other things as



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well, but for the time being we have assumed the proceeds of any reduction in the contributions are not devoted to deficit reduction.

Andy King: It is unrelated to the £30 billion.

Q18 **Chair:** Can I check up in your letter to us under what circumstances, Mr Chote, you might be unable to produce a Budget forecast?

Robert Chote: Clearly, if it was at very, very short notice. In order to produce a forecast, we have to come up with a view of what is going to happen to the economy and then to go through a series of iterations with, in particular, Revenue and Customs.

Q19 **Chair:** Is time the one restriction?

Robert Chote: Yes.

Q20 **Chair:** How much time?

Robert Chote: It is very hard to be precise about that until you see exactly how much you know at what point. As we have done in the past, if we do not have the full 10 weeks' notice, we can manage, in some respects, with that. It often will depend on what other things those Departments that we rely upon are committing to. You will not know exactly how severe that time constraint is until you know at what time it is hitting you.

Q21 **Chair:** You are saying that basically something approaching that 10 weeks would always be needed.

Robert Chote: There is some room, if you needed to, to not have a document of, for example, the usual length and depth.

Q22 **Chair:** There must be an absolute minimum in order to do anything. We are talking, what, four weeks? Six weeks?

Robert Chote: We do not have a timescale for that. It would depend on the nature of the decisions when you got there.

Q23 **Chair:** I understand that. Presumably we are talking more than four to six weeks in any circumstance.

Robert Chote: It would depend also on how quickly the Government could tell us what the policies were under those circumstances. The answer is that we would try to do the best we can, and that might mean something that is not the product you are used to seeing in normal circumstances. It does obviously come, at the limit, to a point at which you just say, "We cannot produce anything useful on that basis." At the end of the day, there is nothing to stop the Government, as we saw last week, announcing tax and spending decisions without having a forecast. That is not a requirement.

Q24 **Mr Baker:** Thank you for coming. I will just put on the record my fervent hope that one day Treasury Ministers are as enthusiastic and responsive



about coming before the Committee. What assessment have you made of the impact of the spending review on the UK's long-term debt projections?

Robert Chote: Of this spending round?

Mr Baker: Yes.

Robert Chote: We have not. That would need to come with a full forecast, not least because you basically need to have the spending numbers for the subsequent four years. We have said that, if you just take the mechanical effect of the announcement that was made last week, it changes the change in the debt-to-GDP ratio, which is the second fiscal target, by about 0.6 percentage points. In terms of the big picture, that is a medium-term story, for which you need medium-term policies.

Q25 **Mr Baker:** Last time we discussed the long-term debt projections, out a generation, I was minded that we might rename the report the fiscal unsustainability report. If I recall correctly, I raised the throwaway, if I may say so, line in the report that these debt projections would never happen because policy would have to change. You are nodding, for the record. At what point will you produce the next *Fiscal Sustainability Report*? Can you give us some flavour of how these very small current proportionate changes in spending compared to GDP will be amplified in those long-term projections?

Robert Chote: We normally produce the *Fiscal Sustainability Report*, the long-term projections, and the *Fiscal Risks Report* now in alternating years. Normally, you would expect to do that in July, just before Parliament rises next year, having done the risks report this year. In terms of the impact of the spending round and spending review announcements, one important determinant of the long-term profile is the jumping-off point at the end of the medium-term forecast. When we do a 50-year projection, we take our most recent five-year forecast and run it off that, rather than starting at year zero. If you have a looser fiscal position at the end of your five-year forecast, that translates into the longer-term picture.

In terms of the longer-term picture, many of the factors that lead to that projected unsustainability you refer to are not the consequence of short-term spending decisions. They are longer-term issues like the non-demographic cost pressures in health, the impact of the ageing population on both health and social care and pension expenditure. Those are the long-term drivers. A more generous medium-term spending settlement, other things equal, will mean you start that year 5 to year 50 projection in a weaker position, which has an impact.

Andy King: The composition of the spending round will not have such dramatic effects on an FSR projection as the health announcement last



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summer, assuming it runs to the end of five years, all else equal. Health and pensions are not a massive part of the spending round extra money.

Mr Baker: Thank you very much for those very full answers. It is very much appreciated.

Q26 **Chair:** Can I finish by asking about regional policy and regional data, and your regional data or the possibility of it? There have been improvements recently in regional data. Considering the importance the Committee puts on current disparities in the regions, even if the data is somewhat more data than you would normally use, it would appear to be quite an imperative for you to begin to incorporate regional data into some of your publications, such as your economic and fiscal outlook. Would you tend to agree with me, Mr Chote?

Robert Chote: In the job that Parliament has given us of focusing on the outlook for the public finances at a UK-wide level, albeit with some specific responsibilities for the devolved Administrations, regional data is not likely to be that helpful to us. More broadly speaking, as I think we wrote to you some while ago, the interest and the importance of spatial and geographical considerations in policy design is great. Whether the level of the 12 NUTS 1 regions is the most helpful level at which to contribute to the sorts of things you are interested in is debatable, partly because, in England for example, those regions are the consequences of the organisation of Government offices, not necessarily the geographical way of dividing up the country you would choose if you were interested in their economies.

Q27 **Chair:** I know that very well. If we were going to have any such regional analysis, would you not be by far and away the best body to produce it?

Robert Chote: That is very kind of you to say. It would take us away from the core mandate you have given us of focusing on the public finances in that way.

Q28 **Chair:** Or would extend and expand it.

Robert Chote: Or would extend and expand it. There is a question mark about how useful regional GDP data are to adding to the useful knowledge base for policy setting and delivering the outcomes for different people in the country. Even in Wales, where you have a Government and it is a nation, the north of Wales is more closely linked economically to north-west England and south Wales is more closely linked to south-west England. Whether knowing what is going on in the Welsh economy, which is actually three economies to some degree, is as helpful as it could be is not clear.

In terms of whether things have improved, Charlie, would you say they have improved?

Professor Sir Charlie Bean: The data in this area leaves a lot to be desired. Frankly, to get adequate regional data requires unlocking



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administrative data. If you are going to get regional data at a fairly fine level of disaggregation, the ONS would need very big surveys. The ONS is trying to exploit administrative data more effectively, courtesy of the Digital Economy Act. I would hope that, further down the road, that may lead to better regional statistics. That is a necessary step and your inquiry can usefully add to the pressure to improve the regional information. If you want to do regional policy analysis, you need a good evidence base.

Chair: That would be a good point to say thank you. Who knows what will be further down the road for the Committee? After the Queen's Speech will there be an election? We have no idea, but we now know we will be proroguing for five weeks. I will not be coming back to this Committee. I wanted to finish by thanking, first of all, the Committee staff, some of whom have been around as long as I have on this Committee, which is quite a while. It should be put on the record, because my observation is valid, over quite a number of Parliaments, that the quality of the staff we have is second to none, which is why this is the primary Committee in Parliament. That allows us, sometimes competently, sometimes less so, to hold people to account on behalf of Parliament. That should be recognised as it is factually the case.

Secondly, the quality of the witnesses and their ability and desire to interact with us is of course fundamental. In relation to the OBR, I think I have missed one session since your existence began, but I have been to all the rest. The existence of the OBR and the quality of what you have provided to this Committee in sessions, without question, has altered the behaviour of political parties in the context of them thinking of spending and indeed bringing economics in. It is quite a hidden success, but it is a major success. Before the OBR, un-costed spending plans were 10 a penny. People pretended they were not, but they were 10 a penny. All politicians now are very wary of that.

The role of the OBR and the way you have been very open in this Committee is quite fundamental. That is a significant, important and rather unnoticed achievement. Perhaps then politicians veer towards restating their policies in a range of different ways more than they would, but that is politicians for you. Thank you for what you have done and thank you for coming here at such short notice. It is important that this Committee holds to account everybody it needs to hold to account, whether they like it or not, being politicians, or be it those in important positions such as you. I wish you all the very best after the Prorogation. Thank you for coming today.