

Richard Hughes Office for Budget Responsibility Appointment Questionnaire

Strictly Confidential until published by Treasury Committee

Personal

- 1. Do you have any business or financial connections or other commitments which might give rise to a conflict of interest in carrying out your duties as Chair of the OBR?**

No. I am currently employed as a Research Associate at the Resolution Foundation and Advisor at the International Monetary Fund. I would resign both positions immediately were I to be confirmed by Parliament as Chair of the OBR.

My wife is head of communications at a global asset management financial information firm based in London. I do not regard this to be a conflict of interest with regard to the OBR's macroeconomic and fiscal forecasting roles, given that these forecasts are done at an aggregated level in which the asset management industry is not separately identified. In the event that the Government were to consider any taxation or other policy proposal targeted on the asset management industry whose cost the OBR would be required to certify, I would recuse myself from those discussions to avoid any perception of conflict of interest.

- 2. Have you ever held any post or undertaken any activity that might cast doubt on your political impartiality?**

No.

- 3. Do you intend to serve out the full term for which you have been appointed?**

Yes.

- 4. Do you have any plans for what to do after your period of appointment at the OBR?**

No.

- 5. What other professional activities do you expect to continue / undertake in addition to your position on the OBR and how do you intend reconciling these activities with your position as OBR Chair?**

I have no plans to undertake any other professional activities during my tenure as Chair of the OBR. However, like the current Chair and other members of the Budget Responsibility Committee (BRC), I would look to continue their efforts to help other countries to establish effective independent fiscal councils and build their capacities in the areas of macroeconomic and fiscal forecasting, analysis, and policymaking, in partnership with international organisations such as the IMF, World Bank, and OECD. Given the technical nature of this work and oversight by these international institutions of which the UK is a member, I do not anticipate that they would generate any conflict with my role as OBR Chair. In addition to benefiting the countries concerned, they also bring advantages to the UK and OBR in particular in terms of enhancing our international reputation for sound fiscal governance and keeping the organisation at the cutting edge of practice in macro-fiscal forecasting and analysis. I would derive no personal financial benefit from such activities and undertake them on an expenses-only basis.

Professional competence and strategy issues

6. Please explain how your experience to date has equipped you to fulfil your responsibilities as Chairman of the OBR

I believe my twenty years working on macroeconomic and fiscal issues in national governments, international organisations, independent fiscal councils, thinktanks, and academia have equipped me with the values, skills, and knowledge required to lead the OBR into its second decade.

- During my time in the Treasury, I was the current OBR Chair's principal counterpart and played a central role in maintaining a strong, collaborative, and mutually respectful relationship between the OBR and the Treasury. I also championed greater disclosure and management of fiscal risks, including by publishing the first report on [Managing Fiscal Risks](#) in 2018, the Government's response to the OBR's first [Fiscal Risks Report](#) in 2017. This experience gave me an in-depth understanding of the economic and fiscal forecasting process, a strong appreciation for the role that an independent OBR plays in supporting the credibility of UK fiscal policymaking, and a clear understanding of the priorities for improving fiscal disclosure and management in the UK.
- During my eight years at the IMF, I led the organisation's efforts to make governments around the world more fiscally transparent, accountable, and aware of the risks they face in the wake of the global financial crisis. My time at the IMF also exposed me to the challenges of macroeconomic and fiscal forecasting and management in countries facing a range of crises including severe recessions, financial crises, civil wars, terms of trade shocks, and hyperinflation. This experience taught me about the range of good international practices in fiscal forecasting, analysis, and reporting as well as innovative approaches to understanding and forecasting the economic and fiscal impact of exceptional shocks like the coronavirus outbreak.
- Over the past year, my work at the French High Council on Public Finance (*Haut Conseil des Finances Publiques*) gave me first-hand experience of working in another independent fiscal institution (IFI) in a different institutional setting. At the Resolution Foundation, I have published research papers on the lessons from experience with fiscal rules, management of public investment, and economic and fiscal implications of coronavirus. This experience has given me an understanding of the inner workings of an IFI as well as an opportunity to speak with an independent voice on the most important economic and fiscal issues of the day.
- In all of these positions, I have been responsible for providing strategic direction and day-to-day guidance to teams of economists with the aim of producing rigorous, high-quality, and timely analysis to inform government decision-making and the public debate on live economic and fiscal issues. As such, I believe these experiences have given me the organisational leadership, management, and communications experience to lead the OBR and maintain its position as a respected, independent, and authoritative voice in economic policymaking in the UK and abroad.

7. What direct experience do you have of carrying out economic and fiscal forecasting?

I have been involved in economic and fiscal forecasting and analysis for most of my career. This included as:

- Head of the 2007 Comprehensive Spending Review in HM Treasury from 2005 to 2007. This involved setting three-year spending plans for all 25 main central government departments over the 2008-09 to 2010-11 period.
- Economist, Deputy Division Chief, and Division Chief in the Fiscal Affairs Department of the IMF between 2008-2016. As a staff economist in IMF surveillance missions to Zimbabwe in 2009, I produced the first forecast of the countries' public finances post-hyperinflation. As the head of IMF technical assistance missions to Greece, Ireland, Portugal, Iceland, and other countries hit hardest by the global financial crisis, I evaluated their credibility of the fiscal reforms underpinning their IMF-supported adjustment programmes.
- Advisor to the French administration on two separate occasions. During this time, I advised the Budget Directorate of the French Finance Ministry on multi-year budget planning from 2007 to 2008 and helped the independent High Council on Public Finances (*Haut Conseil des Finances Publiques*) to scrutinise the French Government's macroeconomic and fiscal forecast from 2019 to 2020.
- Director of the Fiscal Group and Acting Chief Economist in HM Treasury from 2016 to 2019. During this time, I chaired the Treasury's Fiscal Strategy Group which oversaw the internal macro-fiscal scenario planning leading up to Budgets and Spring Statements and was the current Chair of the OBR's principal interlocutor in the Treasury. It also co-chaired the inter-departmental consortium of government chief economists which conducted the Government's post-Referendum analysis of the long-term impact of alternative EU exit scenarios for the UK economy and public finances.
- Research Associate at the Resolution Foundation from 2019 to 2020. During this time, I helped to establish the Foundation's Macroeconomic Policy Unit, build its macroeconomic and fiscal forecasting capacity, and co-authored a number of papers which made use of that capacity on fiscal rules, public investment, and the macroeconomic and fiscal implications of coronavirus.

8. What experience do you have in leadership and providing strategic direction?

I have spent much of my career in senior leadership roles inside and outside of government.

- As Deputy Director and Head of the 2007 Comprehensive Spending Review I was responsible for the team overseeing the inter-departmental process of allocating over £600 billion of public expenditure between competing Government priorities over the subsequent 3 financial years.
- As Division Chief in the IMF, I was responsible for around 50 staff based in Washington DC and as resident advisors in countries around the world working on public financial management issues. In the fluid environment of the global financial crisis and its aftermath, I set priorities for the research, capacity-building, and IMF programme-support activities of a division covering Europe, Anglophone Africa, the Middle East and Central Asia. I also led numerous IMF missions to a range of

advanced, emerging market, and developing countries, often in the periods of extraordinary economic and political turmoil.

- As Director of the Fiscal Group and Acting Chief Economist in HM Treasury, I was responsible for the work around 50-100 staff working across 3-6 teams. Amongst other things, this involved leading the Treasury's input into the cross-Whitehall analysis of the economic and fiscal impact of the UK's exit from the European Union. I also chaired the Fiscal Strategy Group which coordinated the department's advice to ministers on the fiscal outlook and appropriate fiscal policy stance. I also championed the Treasury's effort to improve disclosure and management of fiscal risks and the public sector balance sheet.

9. What experience do you have in expanding and increasing the diversity of an organisation?

Throughout my career as a manager in both the IMF and the Treasury, I have been committed to creating a diverse, inclusive, and welcoming environment for people from all genders, ethnicities, sexual orientations, and socio-economic backgrounds. During my time as Division Chief at the IMF, I significantly increased the proportion of staff from under-represented regions in my Division, taking it from one of the least diverse to most diverse Technical Assistance Divisions in the Fiscal Affairs Department in terms of national origin. During my time as Director of the Fiscal Group in the Treasury, staff from a BAME background accounted for between 20 and 30 percent of total staff (compared with a Core Treasury average of 17 percent), and I improved both the gender balance and ethnic minority representation among the senior leadership team. In both cases, my approach has been to be proactive in reaching out to underrepresented groups in recruitment, inclusive in encouraging participation and contributions from everyone, and vigilant in identifying and tackling any overt or unconscious bias or discrimination in the organisations I lead.

10. How would you respond to external pressures to change the nature or scope of the OBR's work?

In responding to this question, I would distinguish between three types of external pressure to change the nature or scope of the OBR's work.

- First, there may be external pressures on the OBR to stray into activities beyond its legal mandate as set by Parliament in the Budget Responsibility and National Audit Act (BRNA) and Charter for Budget Responsibility (Charter). In such cases, I would refuse to engage in such activities and refer their advocates to the Treasury and Parliament as the institutions responsible for defining that mandate to see if there is appetite to extend it in that direction.
- Second, there may be external pressures on the OBR to engage in new activities which clearly fall within its mandate but would need to be prioritised against the institution's other activities within a limited resource envelope. If the BRC considered the proposed new activity worth pursuing, I would consider what resources it would require and consult with the OBR's stakeholders, in particular HM Treasury and the Treasury Committee, as to whether they saw merit in this additional activity and how it might be resourced, including through deprioritisation of other activities. If there was a broad consensus in favour of the additional activity and resources available to pursue it, I would do it.

- Third, there may be external pressures for the OBR to scale back or cease activities which are material to the fulfilment of its mandate. In those areas, I would refuse. If the pressure came from the Government itself, I would also bring it to the attention of the Treasury Committee and the public as an attempt to compromise the independence of the OBR and fulfilment of its legal obligations under the BRNA and Charter.

11. Which of your publications or papers are of most relevance to your future work on the OBR?

During my time at the IMF, I authored or co-authored on number of research and policy papers on fiscal policy and management including:

- [Fiscal Transparency, Accountability, and Risk](#) in August 2010 which led to the overhaul of the IMF's [Fiscal Transparency Code](#) and surveillance activities in the wake of the global financial crisis.
- [Four Chancellors Facing Challenges](#) (with Toni Ahnert and Keiko Takahashi), a chapter in the book [Chipping Away at Public Debt](#) (edited by Paolo Mauro) in January 2012 which considered the lessons from four attempts to plan and deliver large fiscal consolidations in the UK over the past four decades.
- [Making Public Investment More Efficient](#) in June 2015 which looked at how governments could get a better return from their public investment budgets and launched a new IMF diagnostic tool for evaluating the strength of infrastructure governance (the [Public Investment Management Assessment](#)) across IMF member countries.
- [Analyzing and Managing Fiscal Risks](#) in June 2016 which evaluated the main sources of shocks to countries' public finances over the past quarter century and made a series of recommendations for improving fiscal risk analysis and management, including the publication of fiscal stress tests. This paper help to inform the content of the OBR's first [Fiscal Risks Report](#) in July 2017.

During my time at HM Treasury, I played a lead role in the production of a number of Government publications on macroeconomic and fiscal issues including:

- [Managing Fiscal Risks](#) in July 2018 which was the Government's first response to the OBR's first [Fiscal Risks Report](#) from July 2017.
- Guidance on a new [Contingent Liability Approval Framework](#) designed to improve the disclosure, analysis, and management of government guarantees and other contingent liabilities.
- A Memorandum of Understanding on the new [Financial Relationship between HM Treasury and the Bank of England](#) from June 2018 which established a new capital, income, and information-sharing framework between the Treasury and the Bank, taking account of the Bank's expanded responsibilities and instruments following the global financial crisis.
- [Getting Smart about Intellectual Property and Intangible Assets](#) in October 2018 which looked at how the public sector could get a better economic, social, and financial return on its £150 billion of knowledge assets.

- [EU Exit: Long-term Economic Analysis](#) in November 2018 which analysed the economic and fiscal implications of alternative EU exit scenarios.

During my time at the Resolution Foundation, I authored and co-authored a number of papers on a range of recent economic and fiscal issues including:

- [Dealing with 'No Deal': The Economic Policy Response to a 'No Deal' Brexit](#) (with Jack Leslie, Cara Pacitti, and James Smith) in September 2019
- [Seeking Public Value: The Case for Balance Sheet Targeting in Fiscal Policy](#) in September 2019
- [Britannia Waives the Rules?: Lessons from UK and International Experience with Fiscal Rules](#) (with Jack Leslie and Cara Pacitti) in October 2019
- [Totally \(Net\) Worth It: The Next Generation of UK Fiscal Rules](#) (with Jack Leslie, Cara Pacitti, and James Smith) in October 2019
- [Euston, We Have a Problem: Is Britain Ready for an Infrastructure Revolution?](#) (with Andrew Bailey, Lindsay Judge, and Cara Pacitti) in March 2020
- [A Budget Action Plan: The Economic Response to the Coronavirus](#) (with Torsten Bell, Laura Gardener, James Smith, and Tony Yates) in March 2020
- [Doing What It Takes: Protecting Firms and Families from the Economic Impact of Coronavirus](#) (with Resolution Foundation Colleagues) in March 2020
- [Safeguarding Governments' Financial Health during Coronavirus: What Can Policymakers Learn from Past Outbreaks?](#) in March 2020
- [Doing More of What It Takes: Next Steps in the Economic Response to Coronavirus](#) (with Jack Leslie, Charlie McCurdy, Cara Pacitti, James Smith, and Daniel Tomlinson) in April 2020.

12. What will be your priorities as Chair of the OBR? If you were to apply for reappointment to the OBR at the end of your term, what criteria should be used to assess your individual record as OBR Chair?

If confirmed by Parliament as Chair of the OBR, my priorities would be the following:

- Helping the Government, Parliament, and the public to understand the range of potential scenarios for the impact of the coronavirus outbreak on the economy and public finances and supporting an effective policy response which is robust to all of those scenarios.
- Analysing the longer-term implications of the coronavirus outbreak and wider structural trends including demographic change, productivity performance, climate change, and changes in financial markets and global trading relationships for the performance of the UK economy and sustainability of the public finances.
- Keeping the OBR and the UK at the forefront of international best practice in macroeconomic and fiscal forecasting, transparency, and governance.

- Ensuring the OBR remains a welcoming, inclusive, and rewarding place to work for people from all genders, ethnic backgrounds, sexual orientations, and socio-economic backgrounds.
- Supporting a vibrant community of macroeconomic and fiscal forecasters and analysts in the UK in order both to improve the quality of the OBR's forecasts and analysis and to foster wider public understanding and debate of economic and fiscal issues.

The criteria I would propose to assess my record against these objectives would be:

- Whether the OBR's range of forecast scenarios provided a credible and transparent basis for the government's economic and fiscal policy response to coronavirus and a reasonable predictor of economic and fiscal developments, based on what could be reasonably known at the time and compared with the performance of other domestic and international forecasters.
- Whether the OBR's analysis has supported and informed public discussion and policy development concerning how to ensure long-term fiscal sustainability in the light of the coronavirus outbreak and wider structural trends highlighted above based on surveys of media coverage and stakeholder feedback from the OBR's next external evaluation.
- Whether the OBR has made a material contribution to increasing fiscal transparency in the UK based on international benchmarking studies and the OBR's next external evaluation.
- Whether the OBR's Annual Reports show that it has made further progress in ensuring that its staff complement is representative of the diversity of UK society and staff survey results indicate that the organisation remains a motivating and rewarding place to work.
- Whether the OBR has made further improvements in the accessibility of its forecasts and analysis and engaged in a wider range of effective outreach activities according to surveys of key stakeholders, including in the context of the next external evaluation.

13. What do you see as the key challenges facing the OBR over the next five years?

The key challenges facing the OBR in its efforts to continue to fulfil its mandate and deliver on the above priorities include:

- Coping with the unprecedented uncertainty about the near-term economic and fiscal outlook and disruption to established relationships between key macroeconomic determinants and fiscal outcomes in the wake of the coronavirus outbreak.
- Managing the disruption to the OBR and Treasury's established ways of working which are designed to bring together an up-to-date view of economic and fiscal prospects with a complete account of the costs of the government's policy measures at two fixed points in the financial year.
- Understanding the scope and complexity of the government's policy response to the coronavirus outbreak, which includes a range of novel tax, spending, and balance

sheet transactions undertaken by the Treasury, Bank of England, and other Government departments and agencies.

- Safeguarding the OBR's independence in its second decade of operation in the face of extraordinary economic and fiscal pressures and fading memories of the reasons for its establishment.
- Maintaining an appropriate degree of focus on long-term fiscal sustainability in the presence of an understandable focus on near-term economic and fiscal developments.

14. The OBR has a number of regular publications. How effective are these publications, and where would you like to see improvements?

One of the OBR's most important contributions to fiscal governance over the last decade has been a significant increase in transparency about the economic and fiscal position, outlook, risks, and sustainability in the UK. Much of this improvement is thanks to the consistently high quality of and continuous improvement in the OBR's regular publications. As documented in Kevin Page's [External Review of the OBR](#) in September 2014, the OBR has delivered a marked improvements in fiscal openness compared to the volume, quality, and consistency of information published by the Treasury prior to 2010. The IMF's [Fiscal Transparency Evaluation](#) of the UK in November 2016 also found that the UK scored very highly on fiscal openness relative to other countries who had undergone these evaluations, due in no small part to the contribution of the OBR in the preceding six years. The subsequent publication of the first [Fiscal Risks Report](#) by the OBR in July 2017 and [Managing Fiscal Risks](#) by HM Treasury in July 2018 addressed one of the key recommendations of that evaluation and has further improved the degree of fiscal transparency in the UK.

Despite the OBR's important contribution to improving fiscal disclosure over the past decade, the UK has nonetheless been steadily falling down the international league tables in the area of budget transparency in recent years. According to the International Budget Partnership's [Open Budget Survey](#), the UK has gone from being ranked among the top three countries in their 2008, 2010, and 2012 surveys to tenth in their 2017 survey and nineteenth out of 119 in their 2019 survey. The UK's declining position in international fiscal transparency rankings partly reflects the cessation of publication of information previously provided by HM Treasury including a Citizen's Budget (previously known in the UK as the 'Budget Leaflet') and indicators of the non-financial performance of government departments (previously known in the UK as 'Public Service Agreements'). However, it also reflects a number of areas where improvements in international standards and practices in fiscal disclosure have outpaced developments here in the UK.

With regard to how the OBR can contribute to returning the UK to the vanguard of international fiscal transparency practice, I would highlight three areas where I believe further improvements could be made in the content of its outputs:

1. Analysis and disclosure of fiscal risks:

OBR's biennial [Fiscal Risks Report](#) (FRR) provides a detailed account of the range of potential shocks to the public finances over the medium and long-term. The FRR also incorporates an innovative fiscal stress test which illustrates the combined fiscal impact of a shock to the macroeconomy together with the realisation of a number of specific fiscal risks over the five-year forecast horizon. First published in 2017, the FRR was recognised as the most

comprehensive report of its kind and was described by the IMF in a July 2017 article on [Stressing the Public Finances](#) as 'raising the bar on the assessment and quantification of fiscal risk to a new level that other countries should look to meet.' The publication of the FRR has been part of a wider trend of enhanced disclosure and management of fiscal risks across advanced and emerging market governments in the wake of the global financial crisis.

As the coronavirus outbreak has clearly illustrated, new and unanticipated shocks to the public finances can be very large and materialise in between biennial FRRs. Yet, despite considerable uncertainty about the medium-term fiscal outlook, especially at present, fiscal policymaking and discussion still tends to focus on the OBR's central forecast. Discussion of key forecast risks in the biannual *Economic and Fiscal Outlook* has, to date, been relatively brief and qualitative (8 paragraphs in the March 2020 EFO). Quantitative alternative macro-fiscal scenarios are only presented at the end of the document (the last 10 paragraphs of the March 2020 EFO), are disconnected from the aforementioned discussion of risks, and separately model the fiscal impact of changes in selected forecast judgements. Moreover, estimated confidence intervals around the OBR's central forecast of key economic and fiscal aggregates are based on historic forecast errors which are unlikely to capture the current degree of uncertainty around the macroeconomic and fiscal outlook in the wake of a once-in-a-century (or more) shock like coronavirus.

I therefore believe there is a case for the EFOs themselves to provide a more detailed and quantitative analysis of the risks around the OBR's central forecast. This analysis could take the form of integrated alternative five-year scenarios for key macroeconomic and fiscal aggregates. In the context of the coronavirus outbreak, this analysis could include an 'upside' scenario in which faster than expected progress is made in eradicating the virus (e.g. through the development of a proven vaccine or effective treatment) and a 'downside' scenario in which a second wave of transmission requires the reimposition of strict social distancing requirements either nationally or locally. These scenarios are likely to provide a more realistic estimate of the range of uncertainty around the economic and fiscal outlook than estimates of historical forecast errors which, due to data availability, only reflect the comparatively stable period of the last two to three decades. They would also provide a more informative basis on which to judge the resilience of the government's fiscal policy settings to a range of potential paths for the epidemic.

2. Forecasting of the public sector balance sheet:

In the UK, as in most countries, fiscal policymaking has focused almost exclusively on government's financial *flows* (revenue, expenditure, and borrowing) with the only *stock* that enters the discussion being debt. However, the UK government, like most other countries, has extensive holdings of financial assets (such as loans and equities), non-financial assets (such land, buildings, and infrastructure), non-debt liabilities (such as unfunded public sector pensions), and contingent liabilities (such as government-guaranteed loans to businesses).

The UK was a pioneer in *ex post* reporting of comprehensive public sector balance sheet data, in the form of [Whole of Government Accounts](#) first published in 2013. However, the provision of *real-time* and *forecast* information about the evolution of public sector assets and liabilities has only improved more recently with the publication of monthly statistical data on the public sector's financial balance sheet (covering financial assets and liabilities) in Autumn 2016 and entire balance sheet in Autumn 2019. The OBR have made an important contribution to understanding of public sector balance sheet developments first in their analysis of the historical evolution of the public sector balance sheet and net worth in their

[Fiscal Sustainability Reports](#) and [Fiscal Risks Reports](#). However, their analysis of the *future* evolution of the public sector balance sheet has been limited to producing a five-year forecast of the public sector *financial* balance sheet (summarised in public sector net financial liabilities) starting in the [November 2016 Economic and Fiscal Outlook](#).

However, as UK governments increasingly talk about and make fiscal policy in ways that encompass and affect both assets and liabilities, I think there is a need for the OBR to go further by providing a more regular, comprehensive, and detailed forecast of public sector balance sheet. The importance of the public sector balance sheet as an instrument of policy first became apparent in the wake of the 2008 financial crisis when UK public sector assets trebled and liabilities more than doubled as the result of the Treasury's efforts to rescue the financial sector at the height of the crisis and the Bank of England's attempts to rekindle economic growth in its aftermath. The public sector balance sheet once again became the focus of fiscal policy during the 2019 General Election campaign during which all three main political parties committed to a set of fiscal rules which allowed them to borrow to invest in public sector infrastructure and other assets. Most recently, in the wake of the coronavirus outbreak, the Treasury and Bank of England have once again made extensive use of their balance sheets to support business activity during lockdown through government-guaranteed lending (in the form of Coronavirus Business Interruption Loans and Bounce Back Loans), direct convertible lending (in the form of the Future Fund), and asset purchases (through the Covid Commercial Financing Facility).

Given the growing use of the public sector balance sheet as a tool of UK fiscal policy, I believe the biannual EFO should include a comprehensive and detailed forecast of the whole public sector balance sheet and an estimate of the evolution of public sector net worth. This should include an account of the impact of major policy decisions, including asset sales, new lending, impairments, write-offs, and called guarantees on net worth. Doing so would help to address an important lacuna in UK fiscal disclosure and enable Parliament and the public to hold the government to account for policy decisions that have important implications for near-term government liquidity and long-run fiscal sustainability.

3. Greater use of alternative media

The OBR's legal obligations and analytical outputs rightly focus on the production of five high quality and accessible written documents (the two [Economic and Fiscal Outlooks](#), [Forecast Evaluation Report](#), [Fiscal Sustainability Report](#), [Fiscal Risks Report](#), and [Welfare Trends Report](#)). These documents not only provide a comprehensive summary of economic and fiscal developments, trends, and risks, but also serve as a detailed technical record of the methods, data, and assumptions underpinning the official macroeconomic and fiscal forecast and government policy decisions. The OBR also publishes detailed supplementary information alongside each EFO, including the data required by the devolved administrations to prepare their own budgets. The OBR has also made increasing use of alternative media to expand the reach of its work and public understanding of economic and fiscal issues through a growing array of explainers, briefing notes, working papers and databases on its website.

However, with a growing emphasis on social media, open data, and interactive content, all public institutions need to continue to innovate and adapt the ways in which they communicate to the changing ways in which people gather and assimilate information. According to a July 2019 Ofcom report on [News Consumption in the UK](#), half of the UK public now get their news from social rather than print media, television, or radio. A December 2016 International Budget Partnership survey of 176 civil society organisations across 70

countries on [How Does Civil Society Use Budget Information?](#) found that only around half of them relied upon the actual budget document to get the information they needed about the public finances. As highlighted in the OECD's September 2018 [Open Government Data Report](#), a growing number of government financial bodies around the world are making use of videos, data visualisation tools, and interactive media to aid understanding of where public money is raised and spent.

I believe the OBR can go further in improving the nature, volume, and accessibility of information available beyond its 5 legally mandated publications. This includes through greater use of video explainers, interactive charts, data visualisation tools, and social media. Such an increase in the variety, interactivity, and accessibility of information produced by the OBR should not come at the expense of the transparency of information provided to Parliament and the public in the OBR's main publications.

15. How do you think the OBR stands internationally?

I believe the OBR has quickly established itself as one of the most highly regarded independent fiscal institutions (IFIs) in the world, a view which has been echoed by a number of independent evaluations. A 2017 OECD survey on [Measuring Independent Fiscal Institutions' Independence](#) ranked the OBR first among 26 IFIs across advanced economies with full marks out of 100 against its Index of IFI Independence. A July 2017 survey of [Independent Financial Institutions in EU Member States](#) conducted by the European Commission of the legal, human, and financial resources of IFIs among the 28 EU Member States found that the OBR consistently ranked among the top three on these measures of institutional strength. In its July 2016 [Fiscal Transparency Evaluation of the UK](#) the IMF gave the OBR its highest 'advanced' rating against the IMF Fiscal Transparency Code's section on 'independent evaluation of economic and fiscal forecasts' and said that the depth and breadth of economic and fiscal analysis published by the OBR in the *Economic and Fiscal Outlook* 'can be considered as best-practice, and could be used as a benchmark by other advanced countries.'

I believe this relative success is attributable to several key factors:

- A strong legal foundation which combines a clearly defined set of duties with operational independence and discretion concerning how the OBR satisfies that mandate.
- A respected leadership team in the Chair and other members of the BRC, high quality staff, and a strong culture of objectivity, transparency, and rigour.
- Consistent external support for the OBR's role and work from HM Treasury, the Treasury Committee, political parties, the media, think tanks, and international stakeholders.
- A commitment within the OBR to learning, innovation, and continuous improvement in its methods and outputs.

If confirmed as its Chair, I would commit myself to keeping the OBR at the vanguard of best practice among the growing number of IFIs around the world.

16. The Treasury Committee has been told in the past that the Treasury no longer carries out economic modelling of policies, as this is done by the OBR. Do you think it is appropriate

for the OBR to do all of the Treasury's policy economic modelling, or should this competence remain with the Treasury?

While the OBR is designated as the UK's official economic and fiscal forecaster, the Treasury retains the capacity to prepare its own economic and fiscal projections. I believe the retention of this capacity is vital both to support the policymaking process within the Treasury between official forecasts and as a valuable source of challenge and improvement to the OBR's own economic and fiscal modelling.

17. Do you think the OBR should be given additional powers, such as assessing political parties' manifesto commitments, or alternative opposition policies?

If confirmed as Chair, it would be my responsibility to fulfil that mandate given to the OBR by Parliament in the BRNA and Charter, subject to the resources made available to do so. Were Parliament to amend these legal instruments to give the OBR these additional responsibilities, I would, of course, do my utmost to fulfil them to the same standard of independence, rigour, and transparency that has characterised the OBR's work in the areas covered by its current mandate. Doing so, however, would have significant resource implications for the institution, especially as the OBR does not currently generate its own policy costings, but certifies those produced by the responsible government departments.

With regard to my personal view on this question, the OBR already has one of the broadest mandates of any independent fiscal institution (IFI) in the world according to benchmarking studies carried out by the [IMF European Commission](#), and [OECD](#). Fulfilling its current mandate in the context of all of the disruptions and uncertainties created by the coronavirus outbreak already represents a major challenge for the institution at present. Moreover, while several other IFIs do play a role in costing election platforms or policy proposals of opposition parties, these activities are often undertaken by parliamentary budget offices accountable exclusively to the legislature and in different constitutional and institutional contexts than in the UK. Specifically, in other countries, legislators often have greater powers to initiate new tax or spending measures and are less well supported by parliamentary and civil society bodies which can provide analysis of fiscal issues.

In the current UK context, I therefore think that the risks of extending the OBR's legal mandate to including costing of election manifestos or opposition policy proposals would outweigh the benefits. Opposition MPs in the UK Parliament have limited rights of initiative over tax and expenditure policies relative to their counterparts in other countries. They are also well supported by the House of Commons Scrutiny Unit and Clerks of the Treasury Committee in evaluating and proposing amendments to the Government's tax and spending proposals. Moreover, during election campaigns, the Institute for Fiscal Studies and other domestic think tanks already provide comprehensive evaluations of each major parties' election manifestos which go beyond just costing the measures but also comment on their distributional impact and other relevant features. Finally, as noted in the September 2014 [External Review of the OBR](#), making the OBR more dependent on the legislature could jeopardise its vital operational links with the executive and embroil it in controversies over the merits of particular policy proposals. This would put at risk one of the central achievements of the OBR in its first decade of operation which was the efficient production of unbiased economic and fiscal forecast on which the Government bases its budget strategy and policies.

Please return to Treasury Committee by 30 June 2020

When returning this questionnaire, please submit an up to date copy of your CV suitable for publication.