



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon Mel Stride MP  
Chair of the Treasury Select Committee  
House of Commons, Committee Office, London SW1A 0AA

26 August 2022

Dear Mel,

### Potential emergency Budget

Thank you for your letter of 23 August regarding preparations by the OBR for a forecast following the conclusion of the Conservative leadership election.

The Charter for Budget Responsibility states that the Treasury should provide reasonable notice of the date of a forecast. The MoU between the Treasury and the OBR sets out that in the absence of exceptional circumstances, least 10 weeks' notice of the chosen date will be provided.

The decision on the date of the forecast is a government one, made by the Chancellor in consultation with the Prime Minister. Given the results of the leadership election will not be announced until 5 September, I do not think it is appropriate to set the date for a forecast now.

In light of the possibility that a forecast might be required, the Treasury agreed with the OBR that they should begin the preparatory work for a forecast from 29 July. The OBR have said that this would enable them to provide a forecast in September, should one be requested.

In exceptional circumstances, Governments can take emergency measures, notifying Parliament in the usual way, and account for any fiscal implications of those measures in the next published forecasts – as the Government did in May.

In any eventuality, the Budget Responsibility and National Audit Act 2011 requires the government to produce a Budget Report and financial statement each financial year and the OBR to produce two economic and fiscal forecasts each financial year.

Kind regards,

A handwritten signature in black ink, appearing to read 'N. Zahawi'.

RT HON NADHIM ZAHAWI MP