



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

Dame Meg Hillier MP
Chair of the Treasury Committee
House of Commons
Palace of Westminster
London
SW1A 0AA

22nd January 2026

Dear Dame Meg,

CHANGES TO OBR LEGISLATION

Thank you for your letter of 13 January regarding changes to OBR legislation.

At Budget 2025, the government strengthened the fiscal framework to deliver on its commitment to hold one major fiscal event per year, supporting the economy with greater policy certainty. Responding to recommendations made by the IMF, the government set out that it would legislate to ensure the OBR assesses performance against the fiscal rules once a year at the Budget.

I can confirm that the government will deliver this commitment by amending the Budget Responsibility and National Audit Act 2011, the underlying primary legislation that sets out the requirement for two fiscal rules assessments per financial year, through Clause 251 of the Finance (No. 2) Bill 2025-26. As you will be aware, this is currently passing through Parliament – it is currently at Committee Stage and is expected to receive Royal Assent by the end of the financial year. We will be updating the Charter for Budget Responsibility to reflect these changes in due course.

Yours sincerely,

RT HON RACHEL REEVES MP
Chancellor of the Exchequer