



House of Commons  
Treasury Committee

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# The appointment of Professor David Miles to the Budget Responsibility Committee of the Office for Budget Responsibility

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**Ninth Report of Session 2021–22**

*Report, together with formal minutes relating  
to the report*

*Ordered by the House of Commons  
to be printed 15 December 2021*

## The Treasury Committee

The Treasury Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of HM Treasury, HM Revenue and Customs and associated public bodies.

### Current Membership

[Mel Stride MP](#) (Chair) (*Conservative, Central Devon*)

[Rushanara Ali MP](#) (*Labour, Bethnal Green and Bow*)

[Harriett Baldwin MP](#) (*Conservative, West Worcestershire*)

[Anthony Browne MP](#) (*Conservative, South Cambridgeshire*)

[Gareth Davies MP](#) (*Conservative, Grantham and Stamford*)

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[Alison Thewliss MP](#) (*Scottish National Party, Glasgow Central*)

### Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the internet via [www.parliament.uk](http://www.parliament.uk).

### Publication

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Committee reports are published on the Committee's website at [www.parliament.uk/treascom/](http://www.parliament.uk/treascom/) and in print by Order of the House.

### Committee staff

The current staff of the Committee are Rachel Edwards (on secondment from the Bank of England), Kenneth Fox (Clerk), Dan Lee (Senior Economist), Adam McGee (Senior Media and Communications Officer), Aruni Muthumala (Senior Economist), Moyo Oyelade (on secondment from the Bank of England), Charlotte Swift (Second Clerk), Sam Upton (on secondment from the Financial Conduct Authority), Tony Verran (on secondment from HM Revenue & Customs), Adam Wales (Chief Policy Adviser), Maciej Wenerski (Committee Operations Manager), Jesse Williams (Committee Operations Officer), and Marcus Wilton (Senior Economist).

### Contacts

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You can follow the Committee on Twitter using [@commonstreasury](https://twitter.com/commonstreasury).

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## Introduction

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1. On 3 December 2021, the Treasury announced that Professor David Miles CBE was its preferred candidate for appointment to the Budget Responsibility Committee (BRC) of the Office for Budget Responsibility (OBR). The appointment would be for a term of five years, to begin once the post becomes vacant following the expiry of Sir Charles Bean's term on 1 January 2022.<sup>1</sup>
2. The OBR is established under the Budget Responsibility and National Audit Act 2011 to examine and report on the sustainability of the public finances. Its leadership consists of three members of the Budget Responsibility Committee, who are responsible for the OBR's core functions and the judgements reached in its macroeconomic and fiscal forecasts.
3. Under the Act, the Treasury Committee must consent to any proposal from the Chancellor of the Exchequer to appoint or dismiss a BRC member. Members are appointed for a period of five years and can be reappointed on one occasion.
4. In this Report, we have considered the suitability of Professor Miles for his appointment as a member of the Budget Responsibility Committee against two criteria—personal independence and appropriate professional competence—in line with the practice of previous Treasury Committees.
5. We took evidence from Professor Miles on 15 December 2021. He provided a full CV and answered our questionnaire prior to giving oral evidence. The Committee thanks him for his evidence, which is published on the Committee's webpages.

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1 [Gov.uk, Professor David Miles nominated for appointment to the Office for Budget Responsibility](https://www.gov.uk/government/news/professor-david-miles-nominated-for-appointment-to-the-office-for-budget-responsibility), 3 December 2021

# 1 The appointment of Professor David Miles

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## Background on Professor David Miles

6. Professor Miles is a Professor of Financial Economics at Imperial College London and a member of the Commission of the Irish Central Bank. Previously, he was a member of the Monetary Policy Committee at the Bank of England from May 2009 to September 2015. Between 2004 and 2009, he was the Chief UK Economist at Morgan Stanley, and a Board Member and Non-Executive Director at the Financial Services Authority. Professor Miles has published numerous articles in academic journals as well as reports commissioned by the Government.

## Our evidence

7. In oral evidence, we questioned Professor Miles about his personal suitability for the post, the outlook for the economy, and challenges facing the OBR. Topics covered during the session included:

- the outlook for inflation, and whether it will be transitory;
- the current state of the labour market;
- the potential economic impact of the Omicron Covid variant;
- the likelihood of significant increases in interest rates next year;
- how Professor Miles will manage his time given his commitments;
- how Professor Miles will manage potential conflicts arising from his other commitments, especially given his access to sensitive information;
- Professor Miles's view of how the OBR currently functions;
- the challenges facing the OBR;
- lessons to be learnt from OBR forecasts made in Spring 2020;
- long-term fiscal sustainability;
- the level of participation of women in economics;
- the OBR's macroeconomic forecast, including uncertainties around the forecast;
- the long-term impact of Covid and Brexit;
- the impact of pressure on supply chains;
- levers for improving productivity;
- the sensitivity of the cost of servicing government debt in the face of interest rate changes; and

- Professor Miles's thoughts on the Government's analysis of lock-downs.

8. The Committee noted the various commitments that Professor Miles made in relation to his time commitments, potential conflicts and other interests, and notes that these are important.

## Conclusion

**9. We are satisfied that Professor David Miles has the appropriate professional competence and personal independence to carry out his role, and we consent to him being appointed as a member of the Budget Responsibility Committee of the Office for Budget Responsibility. We wish him every success in his role.**

## The Treasury's process for OBR appointments

10. Previous Treasury Committees have expressed concerns at the timing of announcements by the Treasury of candidates to the Budget Responsibility Committee. The view of previous Committees has been that there should be four and a half months between a nomination to the BRC and their intended start date, in the absence of exceptional circumstances.<sup>2</sup>

11. The Treasury has, in the past, managed to provide such an interval between announcing a candidate and their expected start date, as was the case with the appointment of Sir Charles Bean.<sup>3</sup> Yet the nomination of Andy King in 2018 was made just two months—and six sitting weeks—before the intended departure of his predecessor.<sup>4</sup> The announcement of Professor Miles as a candidate for appointment to the Budget Responsibility Committee was made on 3 December 2021.<sup>5</sup> Given that Sir Charles Bean's term of office is due to expire on 1 January 2022,<sup>6</sup> the Committee has been given less than one month to undertake its statutory responsibilities; and that month includes the Christmas and New Year holiday period.

**12. This Committee reaffirms the position of its predecessors that proposed appointments to the Budget Responsibility Committee should be announced four and a half months before the appointment is taken up. The nomination of Professor Miles with less than one month to go until he was intended to take up the role is unacceptable, especially given the Christmas recess. The lack of proper notice risked the Budget Responsibility Committee being left without a member if this Committee had not consented to the appointment of Professor Miles. In its response to this Report, the Treasury should set out its reasons for the late notification of this appointment, and how it intends to prevent such a situation arising in the future.**

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2 Treasury Committee, First Report of Session 2015–16, [Re-appointment of Robert Chote as Chair of the Office for Budget Responsibility](#), HC 459, para 7; Treasury Committee, Seventh Report of Session 2015–16, [Reviewing the Office for Budget Responsibility](#), HC 514, para 13; Treasury Committee, Eighteenth Report of Session 2017–19, [Appointment of Andy King to the Budget Responsibility Committee of the OBR](#), HC 1340, para 9

3 Treasury Committee, Seventh Report of Session 2016–17, [Appointment of Professor Sir Charles Bean to the Budget Responsibility Committee](#), HC 642, para 8

4 Treasury Committee, Eighteenth Report of Session 2017–19, [Appointment of Andy King to the Budget Responsibility Committee of the OBR](#), HC 1340, para 9

5 Gov.uk, [Professor David Miles nominated for appointment to the Office for Budget Responsibility](#), 3 December 2021

6 HM Treasury, Letter from Tom Scholar to Sir Charles Bean, RE Appointment as Member of Office for Budget Responsibility and of the Budget Responsibility Committee, 18 December 2016 (available for download on OBR website)

# Formal minutes

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Wednesday 15 December 2021

## Members present

Mel Stride, in the Chair

Harriett Baldwin

Gareth Davies

Kevin Hollinrake

Draft Report (*The appointment of Professor David Miles to the Budget Responsibility Committee of the Office for Budget Responsibility*) proposed by the Chair, brought up and read.

*Ordered*, That the Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 12 read and agreed to.

*Resolved*, That the Report be the Ninth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned until Wednesday 12 January 2022 at 2pm



## Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Wednesday 15 December 2021

**Professor David Miles CBE**, HM Treasury's preferred candidate for appointment to the Budget Responsibility Committee of the Office for Budget Responsibility.

## Published written evidence

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The following written evidence was received and can be viewed on the [inquiry page](#) of the Committee's website.

- 1 Professor David Miles's CV ([ADM0002](#))
- 2 Professor David Miles's appointment hearing questionnaire ([ADM0001](#))

## List of Reports from the Committee during the current Parliamentary session

All publications from the Committee are available on the [publications page](#) of the Committee's website.

### Session 2021–22

Number	Title	Reference
1st	Tax after coronavirus: the Government's response	HC 144
2nd	The appointment of Tanya Castell to the Prudential Regulation Committee	HC 308
3rd	The appointment of Carolyn Wilkins to the Financial Policy Committee	HC 307
4th	The Financial Conduct Authority's Regulation of London Capital & Finance plc	HC 149
5th	The Future Framework for Regulation of Financial Services	HC 147
6th	Lessons from Greensill Capital	HC 151
7th	Appointment of Sarah Breen to the Financial Policy Committee	HC 571
8th	The appointment of Dr Catherine L. Mann to the Monetary Policy Committee	HC 572
1st Special	Net Zero and the Future of Green Finance: Responses to the Committee's Thirteenth Report of Session 2019–21	HC 576
2nd Special	The Financial Conduct Authority's Regulation of London Capital & Finance plc: responses to the Committee's Fourth Report of Session 2021–22	HC 700
3rd Special	Tax after coronavirus: response to the Committee's First Report of Session 2021–22	HC 701
4th Special	The Future Framework for Regulation of Financial Services: Responses to the Committee's Fifth Report	HC 709
5th Special	Lessons from Greensill Capital: Responses to the Committee's Sixth Report of Session 2021–22	HC 723