



# OECD REVIEW

UK OFFICE FOR BUDGET RESPONSIBILITY

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# CONTENTS

1. Background

2. Review findings

3. Recommendations



# BACKGROUND



# Background to the Review

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## UK OBR required to have external review every five years

### Team

- OECD Secretariat
- Peers formerly of the US CBO, the Slovak CBR
- UK expert from Institute of Government



### Stakeholders consulted

- UK Government, UK Parliament, Scottish Fiscal Commission, ONS, UK Stats Office, Bank of England, EC, IMF, IFS, NIESR, Resolution Foundation, BlackRock, media...

### Basis

- *OECD Principles for IFIs include principle on external evaluation*
- *Evaluation framework developed to support this*





# REVIEW FINDINGS

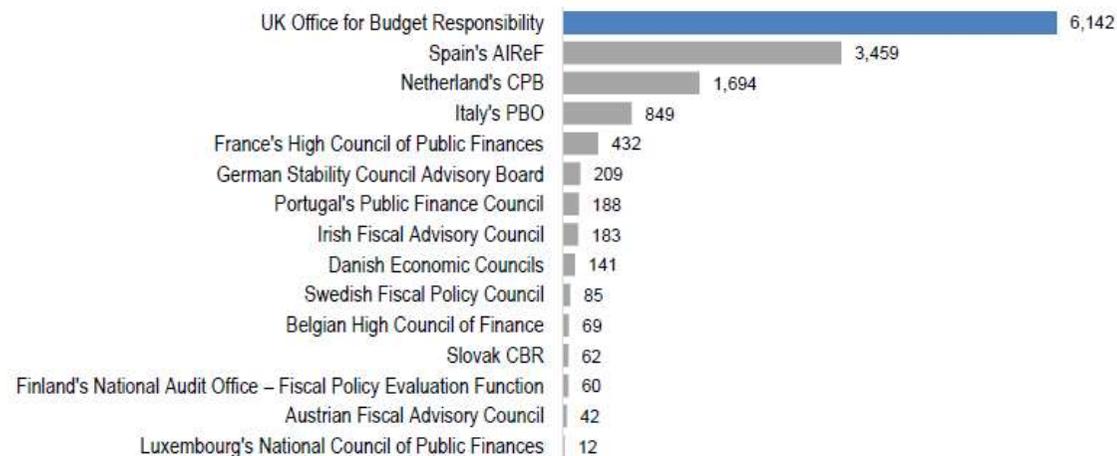


## Key areas where the UK OBR has had impact

- Reduced bias in forecasts
- Added value in terms of budget transparency
- Enriched fiscal policy debate, leveraging significant media presence



### Average annual media mentions for EU IFIs (2012-2018)



Source: Factiva search of over 3800 European media sources in (Claeys, 2019<sup>[33]</sup>).



# Ongoing and potential risks for the OBR



1. Exceptional circumstances



2. Mission creep



3. Change in leadership and staff turnover



4. Greater hostility or indifference to independent scrutiny by government



# RECOMMENDATIONS



# Key recommendations

## 1. Update Charter for Budget Responsibility

- Clarify how the OBR should proceed if the Chancellor does not commission two forecasts during the financial year or if there is no budget in that period.





# Key recommendations

## 2. Resources

- Temporary resources provided for Brexit analysis should be made permanent to ease resourcing pressures and remove the appearance of a potential source of Treasury leverage.





# Key recommendations

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## 3. Outside engagement

- The OBR should do more to engage with the community of macroeconomic and fiscal experts outside government
- It should seek to build interest in fiscal issues, in part to help to develop a broader pipeline of future staff.



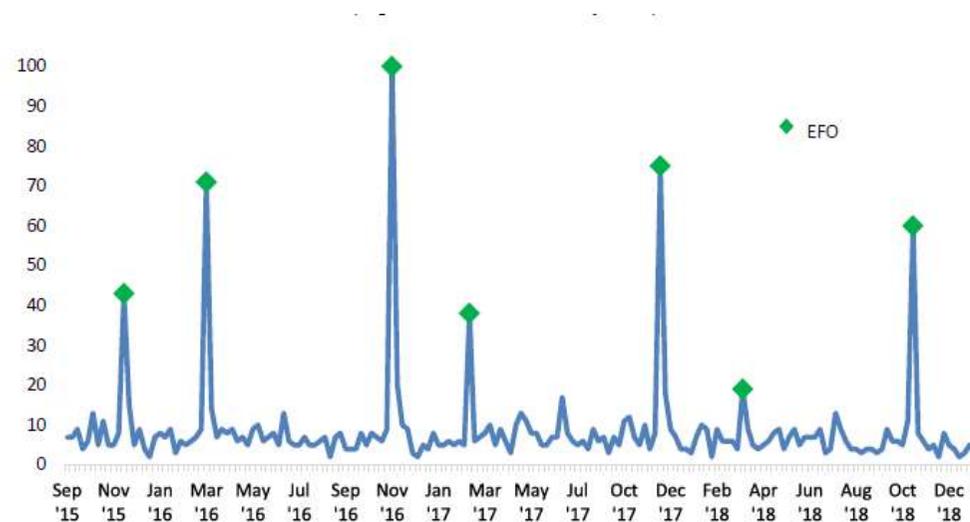


# Key recommendations

## 4. Raise interest in broader OBR reports

- The OBR should explore how to broaden engagement with their reports outside of the EFOs.
- There is also scope to engage further with the UK Parliament's TSC and to enhance awareness of the OBR's role and encourage greater use and understanding of the OBR's outputs by a wider group of parliamentarians.

Weekly Google searches for “Office for Budget Responsibility” in the UK  
(September 2015 – January 2019)



*Note:* Numbers expressed in percent of the maximum number of Google hits over the period.

*Source:* Authors based on (Debrun, 2019[35])



# THANK YOU

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