

Non-executive member of the Office for Budget Responsibility Candidate pack

Overview

The OBR was created in 2010 to provide independent and authoritative analysis of the UK's public finances. The Budget Responsibility and National Audit Act 2011 and the Charter for Budget Responsibility set out the legal requirements of the office, but it has complete discretion over how to deliver its core objectives.

The OBR is led by the Chairman, Robert Chote, along with the two other members of the Budget Responsibility Committee (BRC), Professor Sir Charlie Bean and Graham Parker CBE. The Oversight Board consists of the BRC plus two non-executive members and is currently chaired by Sir Chris Kelly.

We are seeking candidates to replace Lord Burns, who was appointed as Chair of OFCOM in December 2017.

Non-executive members are nominated by the OBR and appointed by the Chancellor of the Exchequer.

The OBR has 27 civil service staff, led by the Chief of Staff, Andy King, and is located in 102 Petty France. It has a budget of around £2.7 million a year.

Role profile

This role requires excellent judgement, undisputed integrity and proven independence, combined with outstanding communication and interpersonal skills. Candidates will be expected to have a deep understanding of the role and functions of the OBR and be able to demonstrate that they have experience of providing strategic leadership in an organisation at a very senior level.

The non-executive members of the OBR do not need to have technical economic or fiscal expertise, and are not appointed in the capacity of technical experts. The successful candidate will bring experience and skills that will complement those of the expert BRC, to contribute to the successful leadership of the OBR as part of the Oversight Board.

The successful candidate must be able to demonstrate the experience, skills and personal characteristics necessary to perform the roles, including:

- A demonstrable track record of strategic leadership of an organisation at the highest level in the public sector, business, financial markets, a policymaking environment or academia. Experience relevant to the environment in which the OBR operates would be an advantage.
- Excellent judgement, undisputed integrity and proven independence, with the ability to maintain discretion and engender trust in staff, peers and stakeholders, including Parliament and the Chancellor. This includes the proactive and assiduous management of any actual or potential conflicts of interest.
- A strong awareness of contemporary best practice of governance issues and an ability to apply strategic insights and input for the benefit of the OBR on a range of issues.
- A deep understanding of the role and function of the OBR and a full appreciation of the wider environment and policy context in which the OBR operates, and the challenges it faces.
- Outstanding communication and interpersonal skills with an ability to communicate with complete credibility to all audiences, a proven inclination to work in a constructive way and sufficient authority to command the respect of fellow OBR members.

It would also be desirable to have recent financial experience relevant to managing a small public sector organisation such as the OBR, with this being particularly relevant to contributing to the Audit Committee functions of the OBR.

About the Office for Budget Responsibility (OBR)

We have five main roles:

1. Economic and fiscal forecasting

We produce detailed five-year forecasts for the economy and public finances twice a year. The forecasts accompany the Budget and Spring Statement. They incorporate the impact of any tax and spending measures announced in those statements by the Chancellor.

The detailed forecasts are set out in the [Economic and fiscal outlook \(EFO\)](#). Our annual [Forecast evaluation report \(FER\)](#), published each autumn, examines how they compare to subsequent outturns and draws lessons for future forecasts.

2. Evaluating performance against targets

We use our public finance forecasts to judge the Government's performance against its fiscal targets and target for welfare spending. In January 2017 the Government set itself two new medium-term fiscal targets: first, for the structural deficit (cyclically adjusted public sector net borrowing) to be below 2 per cent of GDP by 2020-21; and second, for public sector net debt to fall as a share of GDP in 2020-21.

In each *EFO*, we assess whether it has a greater than 50 per cent chance of hitting these targets under current policy. Since March 2014, the Government has also set a self-imposed cash limit on a subset of its social security and tax credit spending (the 'welfare cap'). In Autumn Statement 2016 the Government redefined the cap so that it applies only in 2021-22, preceded by a 'pathway' to that fixed date. In November 2017, the year in which the cap is applied was moved to 2022-23. In each *EFO*, we monitor progress against the pathway and assess whether or not the Government is on course to meet the cap in the target year.

Our annual [Welfare trends report](#) (WTR) examines the drivers of welfare spending, including both those elements inside and outside the cap.

3. Sustainability and balance sheet analysis

We assess the long-term sustainability of the public finances. Our [Fiscal sustainability report](#) (FSR) sets out long-term projections for different categories of spending, revenue and financial transactions, and assesses whether they imply a sustainable path for public sector debt.

The FSR also analyses the public sector's balance sheet, using both conventional National Accounts measures and the Whole of Government Accounts (WGA), which are prepared using commercial accounting principles. Since 2016, the FSR has been published once every two years rather than annually, which has brought it in line with the frequency with which the Office for National Statistics updates its population projections.

4. Evaluation of fiscal risks

In July 2017, we produced a comprehensive review of risks from the economy and financial system in our first biennial [Fiscal risks report](#) (FRR). We analysed tax revenues, public spending and the balance sheet, and included a fiscal stress test. In addition, the EFO and FSR include discussion of the risks to those forecasts and projections (both upside and downside). The WGA also provide further information on specific fiscal risks, notably contingent liabilities (such as government guarantees), which we discuss in the FSR.

5. Scrutinising tax and welfare policy costings

We scrutinise the Government's costing of individual tax and welfare spending measures at each Budget and Spring Statement. The Government provides us with draft costings in the run-up to each Budget and we subject these to detailed scrutiny and challenge.

We then state in each Budget EFO whether we endorse the costings that the Government finally publishes as reasonable central estimates and whether we have used them in our forecasts. We also give each costing an uncertainty rating, based on the data underpinning it, the

complexity of the modelling involved and the possible behavioural impact of the policy.

These five roles all focus on the public finances at a UK-wide level. But the Government has also asked us to forecast the receipts from those taxes that it has devolved – or intends to devolve – to the Scottish and Welsh governments. Our [Scottish and Welsh revenue forecasts](#) are published alongside our *EFOs*.

In support of these activities, we undertake a variety of research projects through the year. We publish [briefing material](#) to inform people about our work, and we provide a same-day [briefing](#) on the monthly public finances statistics, to help people interpret the latest data in the light of our most recent forecasts.

Responsibilities of non-executive members

The non-executive members of the OBR play an important role in safeguarding the independence of the OBR and ensure that the executive members of the OBR are supported and constructively challenged.

The non-executive members have a number of responsibilities set out in the legislation establishing the OBR. These statutory duties are to:

- assess if the OBR has been able to perform its main duty with complete discretion and in line with its three principles (impartially, objectively and transparently), and report on this in the OBR's annual report;
- review regularly that the OBR has appropriate processes in place to ensure it produces a high standard of work; and
- periodically, and at least every five years, appoint independent, expert reviewers, to conduct a review to consider the quality of all the reports produced by the OBR in that period.

Other roles that the non-executive members perform include:

- **Forming part of the Oversight Board:** providing strong and independent leadership of the OBR as part of the Oversight Board, with collective responsibility for setting the strategic direction of the OBR and ensuring it is managed efficiently and effectively.

- **Providing support and constructive challenge, and safeguarding independence:** providing the highest quality judgement and advice on the full range of issues covered by the Oversight Board and playing a key role in safeguarding the independence of the OBR, through the capacity to advise and report from an external perspective. This may involve being available to appear before Parliamentary committees on these matters.
- **Taking a lead role in advising on matters related to audit and risk:** the Oversight Board must assure itself of the effectiveness of the internal control and risk management systems of the OBR. This Audit Committee function involves both non-executive members and is led by one non-executive member.
- **Chairing internal meetings of the OBR:** one non-executive member has responsibility for chairing Oversight Board meetings and the other has responsibility for chairing the Audit Committee. These are inward-facing roles that involve facilitating board and audit committee meetings, formulating their strategies and setting their agendas.

Terms of appointment

Non-executive members' terms will be for fixed terms of three years. With the agreement of the Chancellor, a non-executive member may serve a maximum of two terms.

These are part-time roles, with an anticipated time commitment of around 0.5 days a month on average. The Oversight Board and Audit Committee meetings take place three times a year, usually in January, May and September.

The positions will not be remunerated. Reasonable expenses will be paid.

The non-executive members are not required to hold UK nationality. UK residence is expected.

How to apply and timetable

Applications should consist of the following:

A full CV (including education and professional qualifications, career history, and relevant achievements and responsibilities).

A covering letter of no more than three sides of A4 setting out:

- how you meet the appointment criteria as detailed in the role profile;
- the evidence from your career that best demonstrates your qualifications for the appointment; and
- the earliest date you would be able to start in the role in the event of a successful application.

The names of two referees who know you in a capacity to comment on your suitability for the appointment and have authoritative and personal knowledge of your achievements. References will only be taken up for short-listed candidates, but will be sought prior to the interview.

Daytime and evening telephone contact numbers and e-mail addresses, which will be used with discretion.

You should return your application along with a completed diversity monitoring questionnaire. The information you supply on this questionnaire will not be seen by those involved in making the selection decisions, but will be used to monitor the effectiveness of our recruitment processes.

Your application will be acknowledged shortly after receipt and you will be informed in writing or by telephone of the progress of your application.

Your CV and covering letter can be submitted via email to:
jobs@obr.uk

Or it can be submitted by post to:

OBR Recruitment

14T 102 Petty France

London

SW1H 9AJ

Applications for this role must arrive no later than 17:00 on 16 March.

Interviews are expected to take place in April and an announcement about the appointment is expected in May.

If you require any information in an alternative format, or have any queries concerning your application please contact jobs@obr.uk

Expenses

If you are invited for interview, reasonable and necessary travel expenses will be reimbursed on application. Those invited to interview will be advised on how to claim such expenses.

Equality of Opportunity

All disabled applicants will be guaranteed an interview, provided they meet the minimum criteria for the post, and state their eligibility in their covering letter.

Complaints

If you feel you have reason for complaint about the appointment process or the manner in which your application was handled, please contact jobs@obr.uk