



House of Commons
Treasury Committee

Re-appointment of Graham Parker to the Budget Responsibility Committee

Fifth Report of Session 2014–15

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

*Evidence is available on the Committee's
website at www.parliament.uk/treascom.*

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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.

All publications of the Committee (including press notices) and further details can be found on the Committee's web pages at www.parliament.uk/treascom.

Membership at time of the report

[Mr Andrew Tyrie MP](#) (Conservative, Chichester) (Chairman)
[Steve Baker MP](#) (Conservative, Wycombe)
[Mark Garnier MP](#) (Conservative, Wyre Forest)
[Stewart Hosie MP](#) (Scottish National Party, Dundee East)
[Mr Andy Love MP](#) (Labour, Edmonton)
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[Mr Pat McFadden MP](#) (Labour, Wolverhampton South West)
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[David Ruffley MP](#) (Conservative, Bury St Edmunds)
[John Thurso MP](#) (Liberal Democrat, Caithness, Sutherland, and Easter Ross)

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.

Publication

Committee reports are published on the Committee's website at www.parliament.uk/treascom and by The Stationery Office by Order of the House.

Evidence relating to this report is published on the Committee's website at www.parliament.uk/treascom.

Committee staff

The current staff of the Committee are Chris Stanton (Clerk), Anne-Marie Griffiths (Second Clerk), Adam Wales and Gavin Thompson (Senior Economists), Hansen Lu, Thomas Francis (on secondment from the FCA), Gregory Stevens (on secondment from the Bank of England), and Callum Saunders (on secondment from the NAO) (Committee Specialists), Steven Price (Senior Committee Assistant), and Alithea Williams and Paul Little (Committee Assistants).

Contacts

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1 Introduction

Background

1. The Treasury Committee held its first appointment hearing with Graham Parker in October 2010. At the time, we concluded that we were “satisfied that Graham Parker has the professional competence and personal independence to be a member of the Budget Responsibility Committee”.¹ Since that hearing, Mr Parker has appeared regularly before us—alongside his Budget Responsibility Committee colleagues—as part of our Budget and Autumn Statement inquiries.

2. The Treasury Committee has a statutory role in appointments to the Budget Responsibility Committee: under the Budget Responsibility and National Audit Act 2011, such appointments can only be made with the consent of the Treasury Committee.²

3. We took oral evidence from Graham Parker on Tuesday 22 July 2014. He provided a full CV and answered our questionnaire prior to giving oral evidence. We thank Mr Parker for his evidence. We have considered his re-appointment in line with our practice at the time of his original appointment hearing,³ using personal independence and professional competence as the criteria against which we assess his suitability.

1 Treasury Committee, Fifth Report of Session 2010-11, [Appointments to the Budget Responsibility Committee](#), HC 545-I, para 10

2 Budget Responsibility and National Audit Act 2011, Schedule 1

3 Treasury Committee, Fifth Report of Session 2010-11, [Appointments to the Budget Responsibility Committee](#), HC 545-I, para 4

2 The re-appointment to the Budget Responsibility Committee of Graham Parker

Background on Graham Parker

4. Since May 2010 Mr Parker has been a Member of the interim, and then statutory, Budget Responsibility Committee of the Office for Budget Responsibility. Prior to joining the OBR, he was Head of the Public Sector Finance Team at HM Treasury from November 1999 to January 2009. Before joining HM Treasury, he worked at the Inland Revenue. Since July 2009 he has been a Member of the IMF Fiscal Affairs Department's panel of technical experts.⁴ He is also currently a member of the UK Statistics Authority's Deflator Review Steering Group.⁵ He was awarded a CBE for services to HM Treasury in 2008.

Our evidence

5. In oral evidence, we questioned Mr Parker on his suitability to be reappointed as a member of the Budget Responsibility Committee. We particularly focused on the work of the OBR in certifying the costings of policies, and his previous work at the OBR. Particular topics we questioned Mr Parker on included:

- His independence;
- The decision to create the OBR;
- The sale of the student loan book and the impact on the public finances;
- How changes to policy are accounted for between forecasts;
- How fixed-term Parliaments affect the work of the OBR;
- The risks from personnel changes;
- How star chambers work for policy costings;
- How much time is spent on policy costings that are dropped;
- How the OBR has improved the policy costing process;
- The OBR's response to potential requests by the Chancellor to certify the cost of manifesto policies;
- Whether the resources should be allocated to allow the OBR to undertake costings rather than certifying costings;

4 Office for Budget Responsibility, <http://budgetresponsibility.org.uk/about-the-obr/who-we-are/graham-parker/>

5 UK STATISTICS AUTHORITY, STEERING GROUP FOR MONITORING REVIEW, "The Use of Deflators in Official Statistics Publications", [Terms of Reference](#), 24 April 2014

- His view on the Treasury Committee's recommendation to reduce the number of Fiscal Sustainability Reports;
- Why he will not serve his whole term;
- What work the OBR is doing on succession planning;
- Preparations the OBR is undertaking to prepare for its new responsibility reporting on the welfare cap;
- The value of Fiscal Sustainability Reports;
- The value of two forecasts a year separated by three to four months;
- The quality of the forecasts;
- A potential statutory duty to report interference;
- Whistleblowing arrangements at the OBR staff level; and
- Promoting public understanding of the uncertainty surrounding the forecasts.

Conclusions

6. We note that Mr Parker has said that he intends to serve for about another three years. We draw attention to the importance of high quality succession planning at the OBR in order to ensure that there is sufficient expertise among the three members of the Budget Responsibility Committee at all times.

7. Having considered his oral and written evidence, and taking into account his previous appearances before the Treasury Committee, we are satisfied that Graham Parker has the professional competence and personal independence to be reappointed as a member of the Budget Responsibility Committee. We therefore consent to his appointment. We wish him every success in his continuing role.

Formal Minutes

Tuesday 22 July 2014

Members present:

Andrew Tyrie, in the Chair

Steve Baker
Mr Pat McFadden
John Mann

George Mudie
John Thurso

Draft Report (*Re-appointment of Graham Parker to the Budget Responsibility Committee*), proposed by the Chair, brought up and read.

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

Paragraphs 1 to 7 read and agreed to.

Resolved, That the Report be the Fifth Report of the Committee to the House.

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

Written evidence was ordered to be reported to the House for publication on the internet.

[Adjourned till Tuesday 2 September at 9.15 am

Witness

Tuesday 22 July 2014

Graham Parker CBE, Member, Budget Responsibility Committee

Published written evidence

- 1 Graham Parker CBE: Responses to the Treasury Committee questionnaire
- 2 Graham Parker CBE: CV

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the Committee's website at www.parliament.uk/treascom.

Session 2010–12

First Report	June 2010 Budget	HC 350
Second Report	Appointment of Dr Martin Weale to the Monetary Policy Committee of the Bank of England	HC 475
Third Report	Appointment of Robert Chote as Chair of the Office for Budget Responsibility	HC 476
Fourth Report	Office for Budget Responsibility	HC 385
Fifth Report	Appointments to the Budget Responsibility Committee	HC 545
Sixth Report	Spending Review 2010	HC 544
Seventh Report	Financial Regulation: a preliminary consideration of the Government's proposals	HC 430
Eighth Report	Principles of tax policy	HC 753
Ninth Report	Competition and Choice in Retail Banking	HC 612
Tenth Report	Budget 2011	HC 897
Eleventh Report	Finance (No.3) Bill	HC 497
Twelfth Report	Appointment of Dr Ben Broadbent to the Monetary Policy Committee of the Bank of England	HC 1051
Thirteenth Report	Appointment of Dr Donald Kohn to the interim Financial Policy Committee	HC 1052
Fourteenth Report	Appointments of Michael Cohrs and Alastair Clark to the interim Financial Policy Committee	HC 1125
Fifteenth Report	Retail Distribution Review	HC 857
Sixteenth Report	Administration and effectiveness of HM Revenue and Customs	HC 731
Seventeenth Report	Private Finance Initiative	HC 1146
Eighteenth Report	The future of cheques	HC 1147
Nineteenth Report	Independent Commission on Banking	HC 1069
Twentieth Report	Retail Distribution Review: Government and FSA Responses	HC 1533
Twenty-first Report	Accountability of the Bank of England	HC 874
Twenty-second Report	Appointment of Robert Jenkins to the interim Financial Policy Committee	HC 1575
Twenty-third Report	The future of cheques: Government and Payments Council Responses	HC 1645
Twenty-fourth Report	Appointments to the Office of Tax Simplification	HC 1637
Twenty-fifth Report	Private Finance Initiative: Government, OBR and NAO Responses	HC 1725
Twenty-sixth Report	Financial Conduct Authority	HC 1574
Twenty-seventh Report	Accountability of the Bank of England: Response from the Court of the Bank	HC 1769
Twenty-eighth Report	Financial Conduct Authority: Report on the Governments Response	HC 1857
Twenty-ninth Report	Closing the tax gap: HMRC's record at ensuring tax compliance	HC 1371

Thirtieth Report	Budget 2012	HC 1910
Session 2012–13		
First Report	Financial Services Bill	HC 161
Second Report	Fixing LIBOR: some preliminary findings	HC 481
Third Report	Access to cash machines for basic bank account holders	HC 544
Fourth Report	Appointment of Mr Ian McCafferty to the Monetary Policy Committee	HC 590
Fifth Report	The FSA's report into the failure of RBS	HC 640
Sixth Report	Appointment of John Griffith-Jones as Chair-designate of the Financial Conduct Authority	HC 721
Seventh Report	Autumn Statement 2012	HC 818
Eighth Report	Appointment of Dr Mark Carney as Governor of the Bank of England	HC 944
Ninth Report	Budget 2013	HC 1063
Session 2013–14		
First Report	Appointments of Dame Clara Furse, Richard Sharp, and Martin Taylor to the Financial Policy Committee	HC 224
Second Report	Appointments of Dr Donald Kohn and Andrew Haldane to the Financial Policy Committee	HC 259
Third Report	Spending Round 2013	HC 575
Fourth Report	Re-appointment of Professor Stephen Nickell to the Budget Responsibility Committee	HC 688
Fifth Report	Appointment of Sir Jon Cunliffe as Deputy Governor of the Bank of England	HC 689
Sixth Report	Re-appointment of Dr Martin Weale to the Monetary Policy Committee	HC 313
Seventh Report	Money Advice Service	HC 457
Eighth Report	OBR Fiscal Sustainability Report 2013	HC 958
Ninth Report	Autumn Statement 2013	HC 826
Tenth Report	Private Finance 2	HC 97
Eleventh Report	Appointment of Spencer Dale to the Financial Policy Committee	HC 1236
Twelfth Report	Appointment of Andy Haldane to the Monetary Policy Committee	HC 1235
Thirteenth Report	Budget 2014	HC 1189
Session 2014–15		
First Report	Appointment of Dr Ben Broadbent as Deputy Governor of the Bank of England	HC 205
Second Report	Appointment of Professor Kristin Forbes to the Monetary Policy Committee	HC 206
Third Report	Appointment of Dr Nemat Shafik as Deputy Governor of the Bank of England	HC 492
Fourth Report	Appointment of Anthony Habgood as Chairman of the Court of the Bank of England	HC 451
Fifth Report	Re-appointment of Graham Parker to the Budget Responsibility Committee	HC 580