



House of Commons
Treasury Committee

Appointment of Andy King to the Budget Responsibility Committee of the OBR

Eighteenth Report of Session 2017–19

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

*Ordered by the House of Commons
to be printed 10 July 2018*

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

[Nicky Morgan MP](#) (*Conservative, Loughborough*) (Chair)

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

[Mr Simon Clarke MP](#) (*Conservative, Middlesbrough South and East Cleveland*)

[Charlie Elphicke MP](#) (*Independent, Dover*)

[Stephen Hammond MP](#) (*Conservative, Wimbledon*)

[Stewart Hosie MP](#) (*Scottish National Party, Dundee East*)

[Mr Alister Jack MP](#) (*Conservative, Dumfries and Galloway*)

[Alison McGovern MP](#) (*Labour, Wirral South*)

[Catherine McKinnell MP](#) (*Labour, Newcastle upon Tyne North*)

[John Mann MP](#) (*Labour, Bassetlaw*)

[Wes Streeting MP](#) (*Labour, Ilford North*)

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 in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

Committee staff

The current staff of the Committee are Sarah Rees (Clerk), Peter Stam (Second Clerk), Gavin Thompson, Marcus Wilton and Dan Lee (Senior Economists), Adam Wales (Chief Policy Adviser), Sarah Crandell (Senior Committee Assistant), Nick Berry (Committee Support Assistant), Matt Panteli (Senior Media and Policy Officer), Anne Stark (on secondment from HM Revenue & Customs), Tom Ludlow (on secondment from the Bank of England), Carolyn Draper (on secondment from the Financial Conduct Authority), and Mei Jie Wang (on secondment from the Prudential Regulation Authority).

Contacts

All correspondence should be addressed to the Clerk of the Treasury Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5769; the Committee's email address is treascom@parliament.uk.

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1 Introduction

1. The Office for Budget Responsibility (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 (BRC), who are responsible for the OBR's core functions and the judgements reached in its macroeconomic and fiscal forecasts.
2. 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.
3. On 8 June 2018, the Chancellor of the Exchequer nominated Andy King to replace Graham Parker on the BRC. Mr Parker intends to stand down in August 2018.
4. The Committee took oral evidence from Mr King on 10 July 2018. He provided a CV and answered a written questionnaire prior to giving oral evidence. The Committee thanks Mr King for this evidence, which has been published on the Treasury Committee website.¹
5. On the basis of this evidence, and in line with previous practice, the Committee has assessed Mr King's suitability for the role to which he has been nominated on the criteria of personal independence and professional competence.

1 Andy King ([AKG0001](#)) & ([AKG0002](#))

2 The appointment of Andy King

Background

6. Mr King is currently the OBR's Chief of Staff, leading the team of 27 officials that supports the BRC. Before joining the OBR in 2013, he worked in HM Treasury, spending three years as Deputy Director for Macroeconomic Co-ordination and Strategy. Previous roles include Economic Adviser in the Macroeconomic Prospects Team of the Treasury (2006–09) and Second Secretary Economic and Financial in the British Embassy in Tokyo (2001–05). He graduated from Keble College, Oxford, in 1998.

Our evidence

7. In oral evidence, we questioned Mr King on his suitability to be a member of the BRC. Among the topics discussed were:

- The recruitment process for the position of fiscal expert on the BRC;
- Potential conflicts of interest arising from his future career plans;
- The time commitment required as fiscal expert on the BRC, and the additional work he intends to undertake, compared with his predecessor;
- The salary attached to the role;
- The skills and expertise he will bring to the role, compared with his predecessor, and the additional knowledge and experience he will need to acquire;
- His experience of fiscal forecasting and analysis before joining the OBR;
- The importance of his time at the OBR to the performance of the role;
- The approach he intends to take to scrutinising and challenging policy costings;
- The OBR's gender pay gap and the representation of women at senior levels;
- The OBR's approach to forecasting the effects of leaving the EU on the economy and public finances;
- The circumstances in which leaving the EU might be positive for the economy and public finances, including the size of the potential "Brexit dividend";
- The link between the OBR's net migration and trade assumptions, and its economic forecasts;
- Errors and uncertainty around the OBR's central forecasts, particularly in relation to oil and gas revenues;
- Lessons learned from the financial crisis and how these are reflected in the OBR's forecasting work;
- His role in the Treasury's review of the Bank of England's monetary policy framework; and
- The recruitment of his replacement as Chief of Staff on the OBR.

Conclusions

8. The Committee is satisfied that Andy King has the professional competence and personal independence to be a member of the Budget Responsibility Committee (BRC). We therefore consent to his appointment and wish him every success in his new role.

9. The Treasury Committee has previously recommended that nominations to the BRC be made by the Chancellor at least four and a half months before the existing postholder steps down, to leave sufficient time for an alternative name to be put forward were the Committee not to consent to the appointment. This recommendation has been supported by both the Treasury and the Chair of the BRC. It is therefore disappointing that the nomination of Andy King was made just two months—and six sitting weeks—before Graham Parker’s intended departure. The Chancellor’s failure to adhere to the Committee’s recommended timetable risks damaging the OBR’s ability to meet its statutory duties.

Formal minutes

Tuesday 10 July 2018

Members present:

Nicky Morgan, in the Chair

Mr Simon Clarke

John Mann

Charlie Elphicke

Catherine McKinnell

Stephen Hammond

Wes Streeting

Mr Alister Jack

Draft Report (*Appointment of Andy King to the Budget Responsibility Committee of the OBR*), proposed by the Chair, brought up and read.

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

Paragraphs 1 to 9 read and agreed to.

Resolved, That the Report be the Eighteenth 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 till Wednesday 10 July at 2.00 p.m.]

Witnesses

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

Tuesday 10 July 2018

Andy King, Nominated member of the Budget Responsibility Committee

Published written evidence

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

AKG numbers are generated by the evidence processing system and so may not be complete.

- 1 Andy King questionnaire ([AKG0001](#))
- 2 Andy King C.V. ([AKG0002](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2017–19

First Report	Appointment of Sir Dave Ramsden as Deputy Governor for Markets and Banking at the Bank of England	HC 472
Second Report	Appointment of Professor Silvana Tenreyro to the Bank of England Monetary Policy Committee	HC 471
Third Report	The Solvency II Directive and its impact on the UK Insurance Industry	HC 324 (HC 863)
Fourth Report	Transitional arrangements for exiting the European Union	HC 473 (HC 850)
Fifth Report	Autumn Budget 2017	HC 600 (HC 757)
Sixth Report	Appointment of Elisabeth Stheeman to the Financial Policy Committee	HC 758
Seventh Report	Student Loans	HC 478 (HC 995)
Eighth Report	Appointment of Charles Randell as Chair of the Financial Conduct Authority and the Payment Systems Regulator	HC 838
Ninth Report	Childcare	HC 757 (HC 1196)
Tenth Report	Re-appointment of Alex Brazier to the Financial Policy Committee	HC 936
Eleventh Report	Re-appointment of Donald Kohn to the Financial Policy Committee	HC 937
Twelfth Report	Re-appointment of Martin Taylor to the Financial Policy Committee	HC 938
Thirteenth Report	The Motability Scheme	HC 847
Fourteenth Report	Re-appointment for Gertjan Vlieghe to the Monetary Policy Committee	HC 1056
Fifteenth Report	Women in finance	HC 477
Sixteenth Report	Appointment of Bradley Fried as Chair of Court, Bank of England	HC 1319
Seventeenth Report	Appointment of Professor Jonathan Haskel to the Monetary Policy Committee	HC 1318
First Special Report	Transitional arrangements for exiting the European Union: Government Response to the Treasury Committee's Fourth Report	HC 850

Second Special Report	The Solvency II Directive and its impact on the UK Insurance Industry: Bank of England Response to the Committee's Third Report of session 2017–19	HC 863
Third Special Report	Autumn Budget 2017: Government and Office for Budget Responsibility responses to the Treasury Committee's Fifth Report	HC 757
Fourth Special Report	Student Loans: Government and Office for National Statistics responses to the Committee's Seventh Report	HC 995
Fifth Special Report	Childcare: Government Response to the Committee's Ninth Report	HC 1196