



FISCAL RISKS AND SUSTAINABILITY

PRESS BRIEFING

Presentation followed by a Q&A session with Professor David Miles and Tom Josephs, members of the Budget Responsibility Committee

THE EVENT WILL START AT 11AM



Prof. David Miles
Economy forecast



Tom Josephs
Fiscal forecast

Submit your
questions via
the QR code



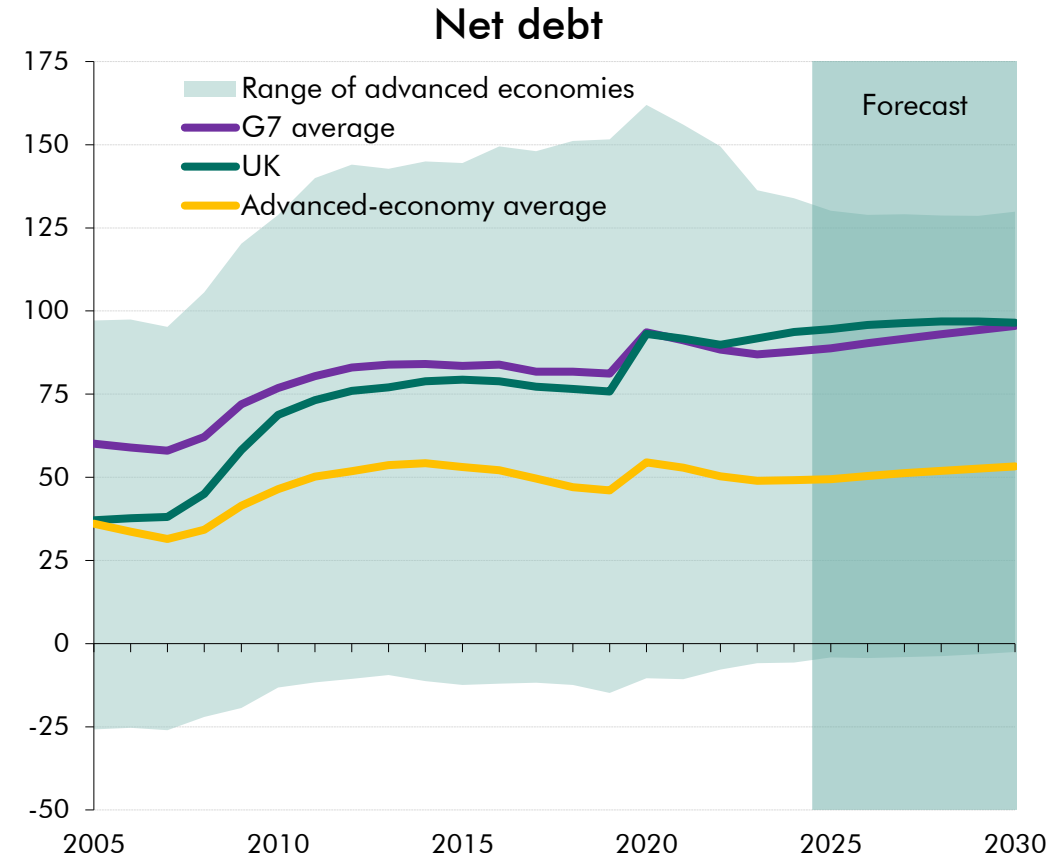
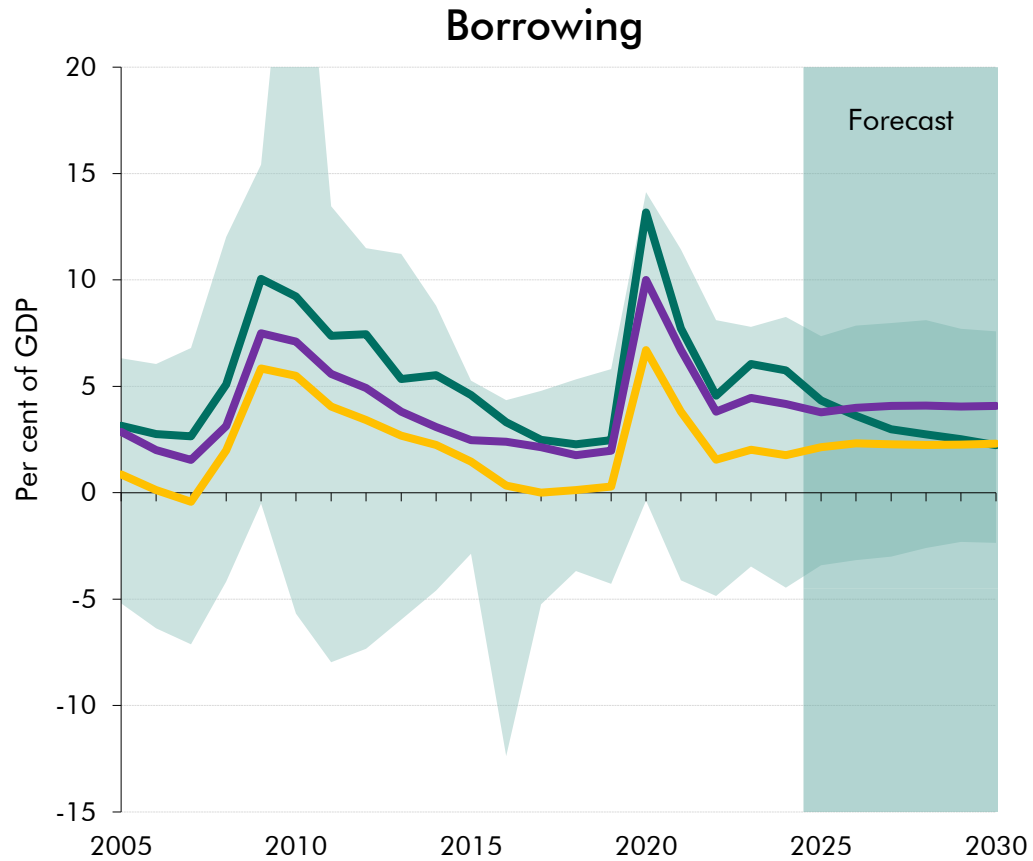
Office for
**Budget
Responsibility**

2026 Fiscal risks and sustainability report

Tom Josephs and Professor David Miles
Budget Responsibility Committee

7 July 2026

International government borrowing and debt



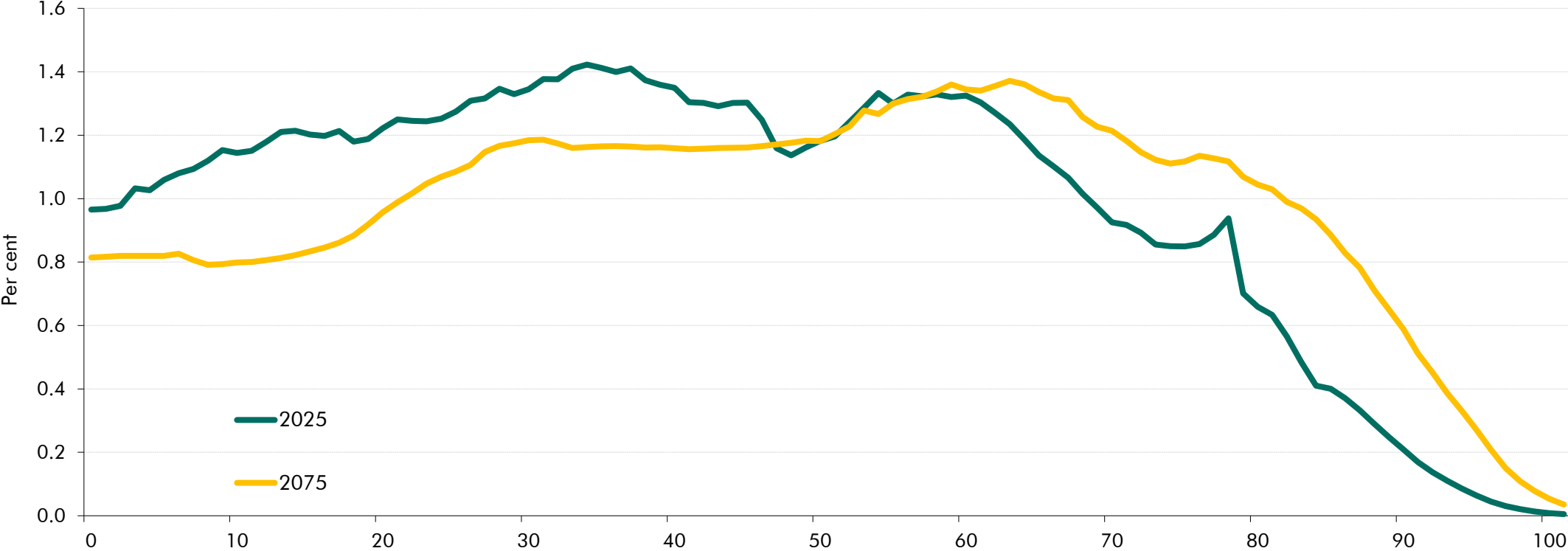
Source: IMF, OBR

Assessing long-term fiscal sustainability

- Model long-term fiscal pressures using 50-year projections
- Recognise uncertainty with multiple alternative scenarios
- Not forecasts – illustrations of scale of pressures and implications for fiscal sustainability
- Based on assumptions on long-term government policy

Population projections

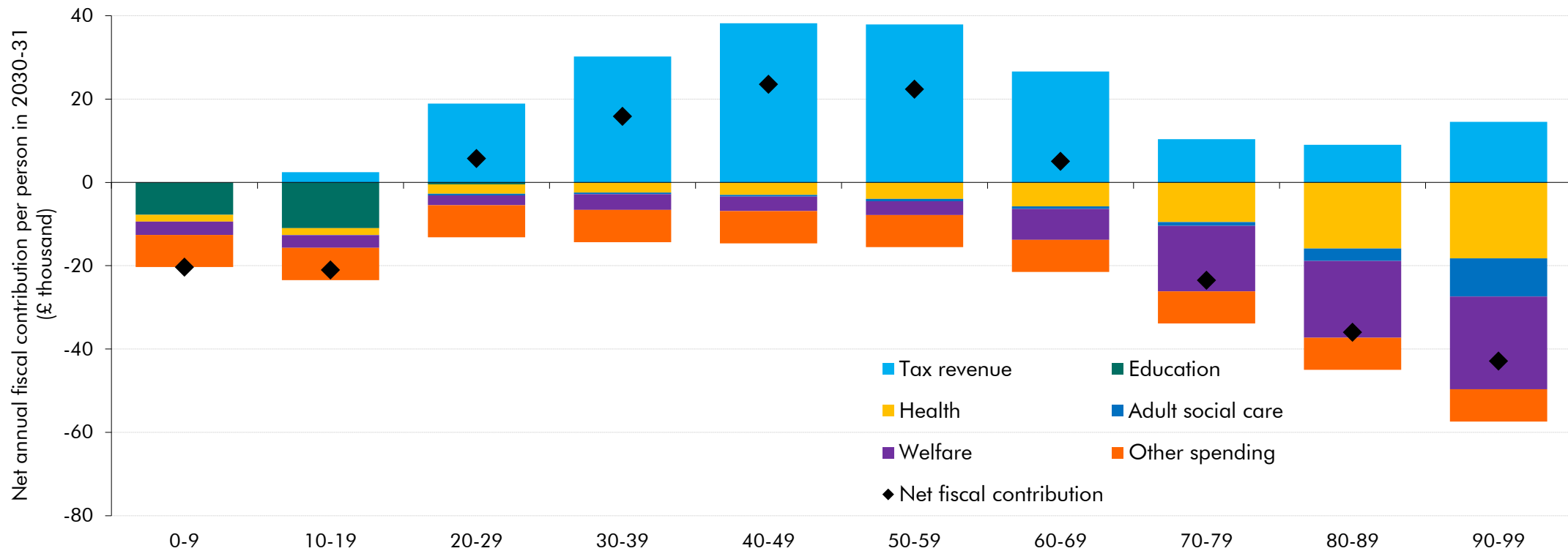
Population share by age



Source: ONS, OBR

Tax and spending age profiles

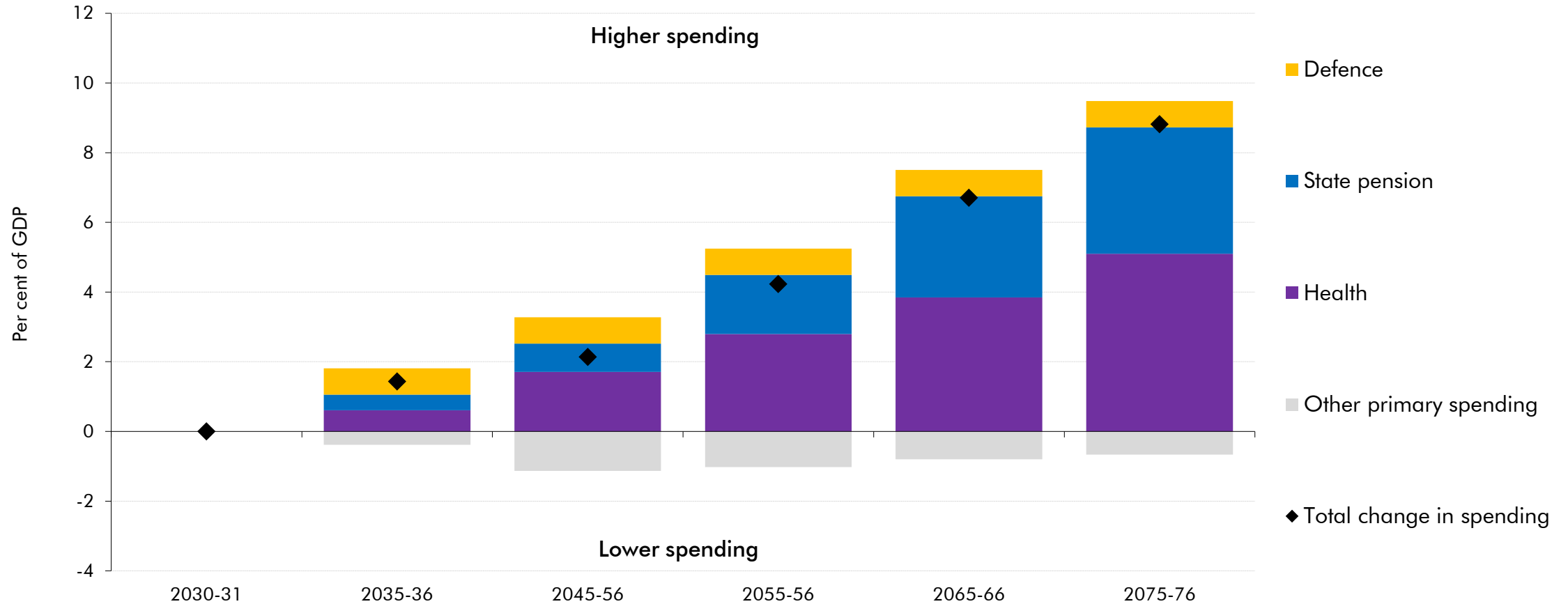
Primary receipts and spending by age



Source: ONS, OBR

Baseline long-term public spending scenario

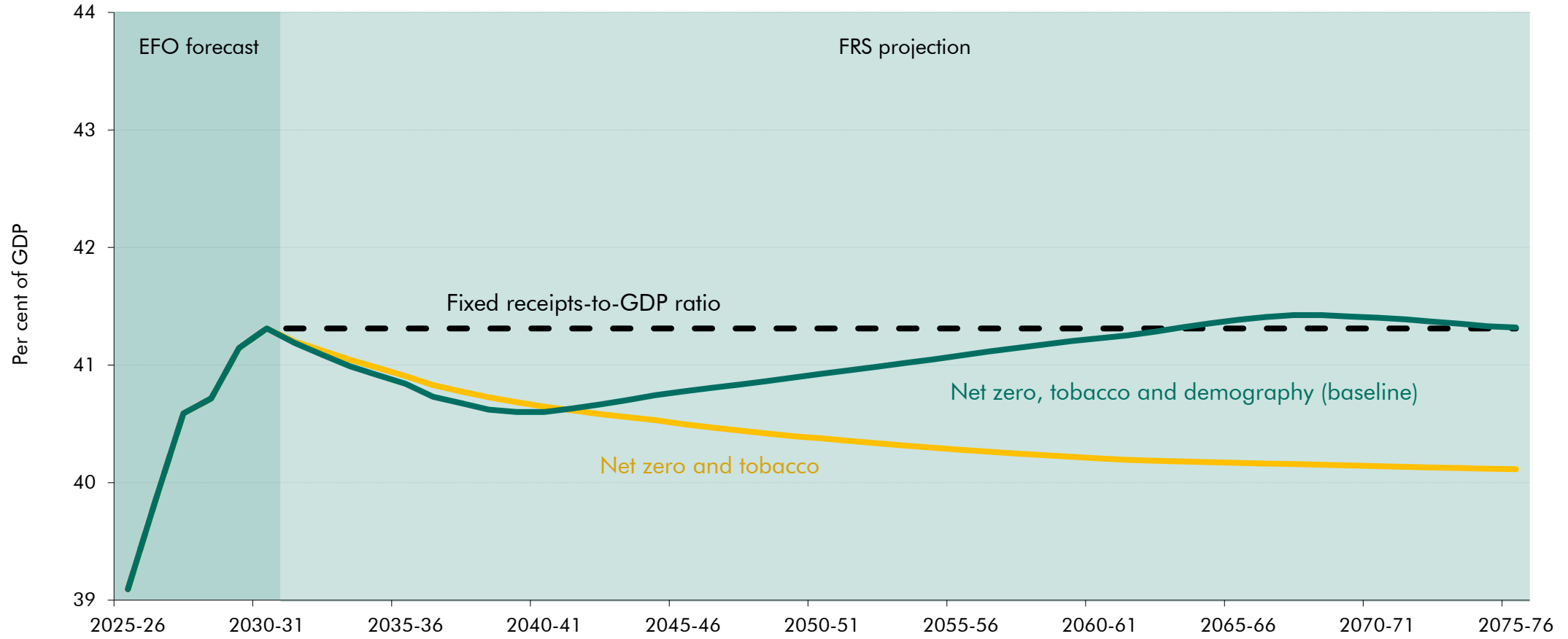
Change in public spending compared to 2030-31



Source: OBR

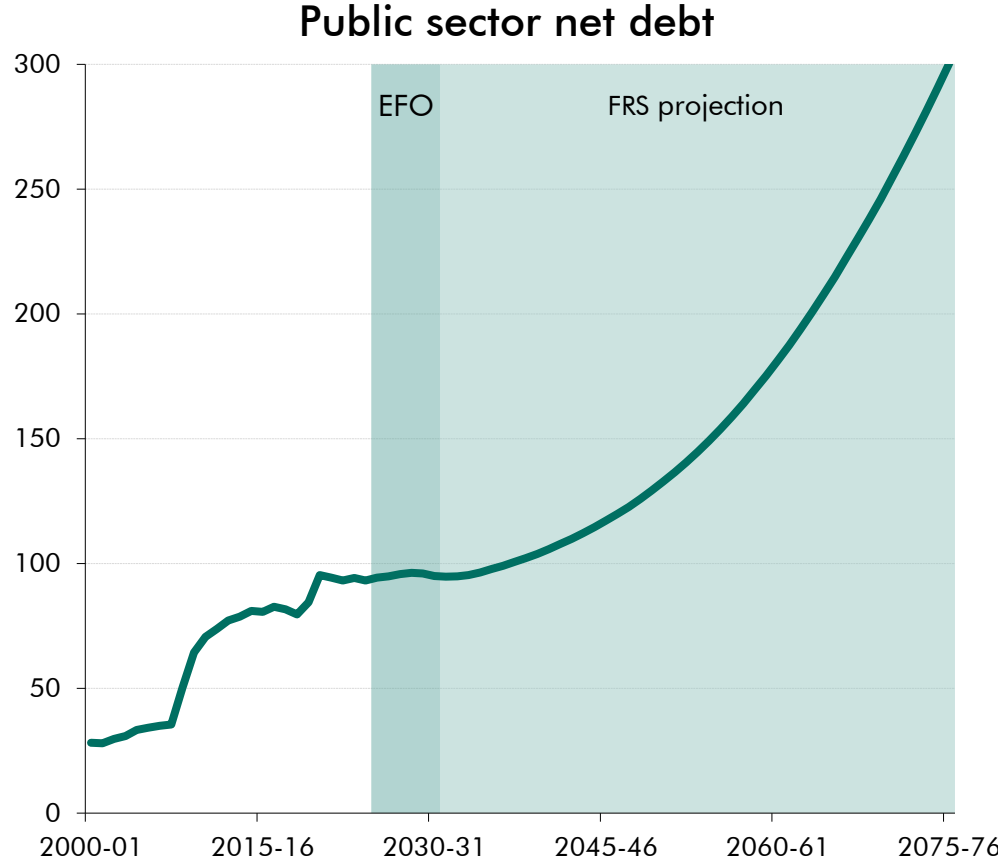
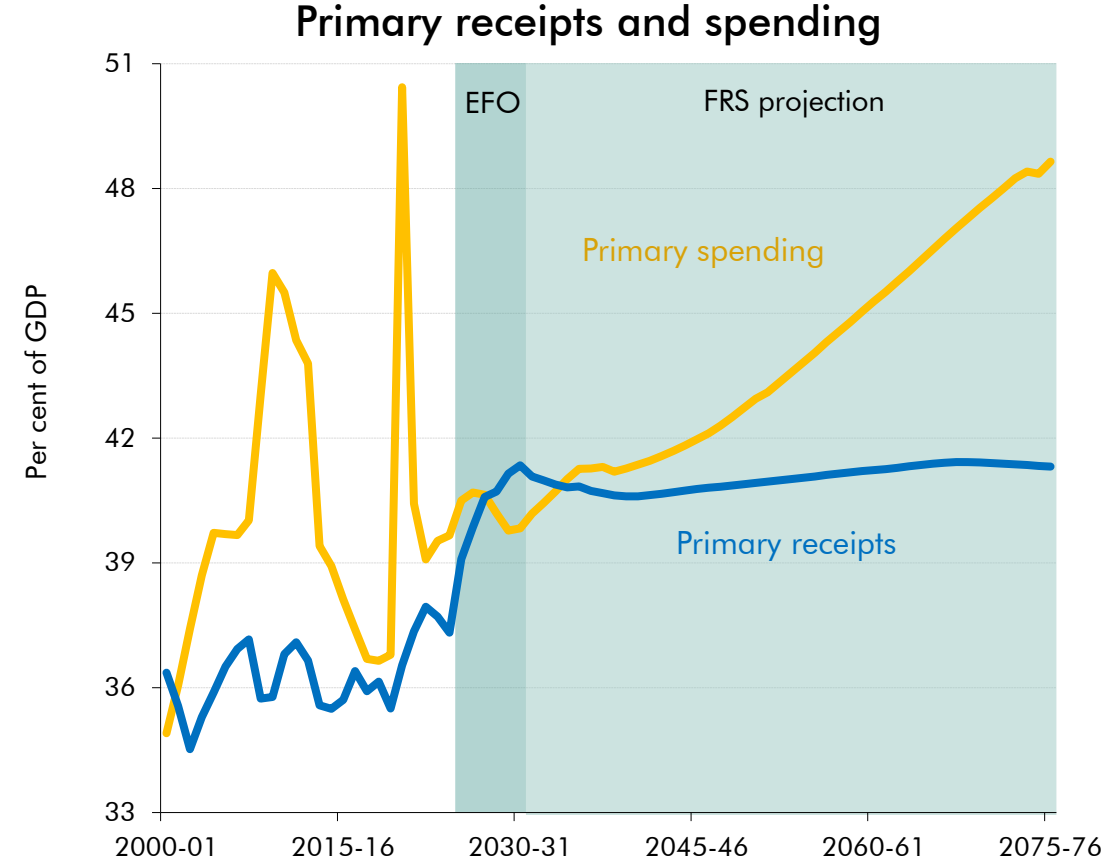
Baseline long-term tax scenario

Public sector receipts as a share of GDP



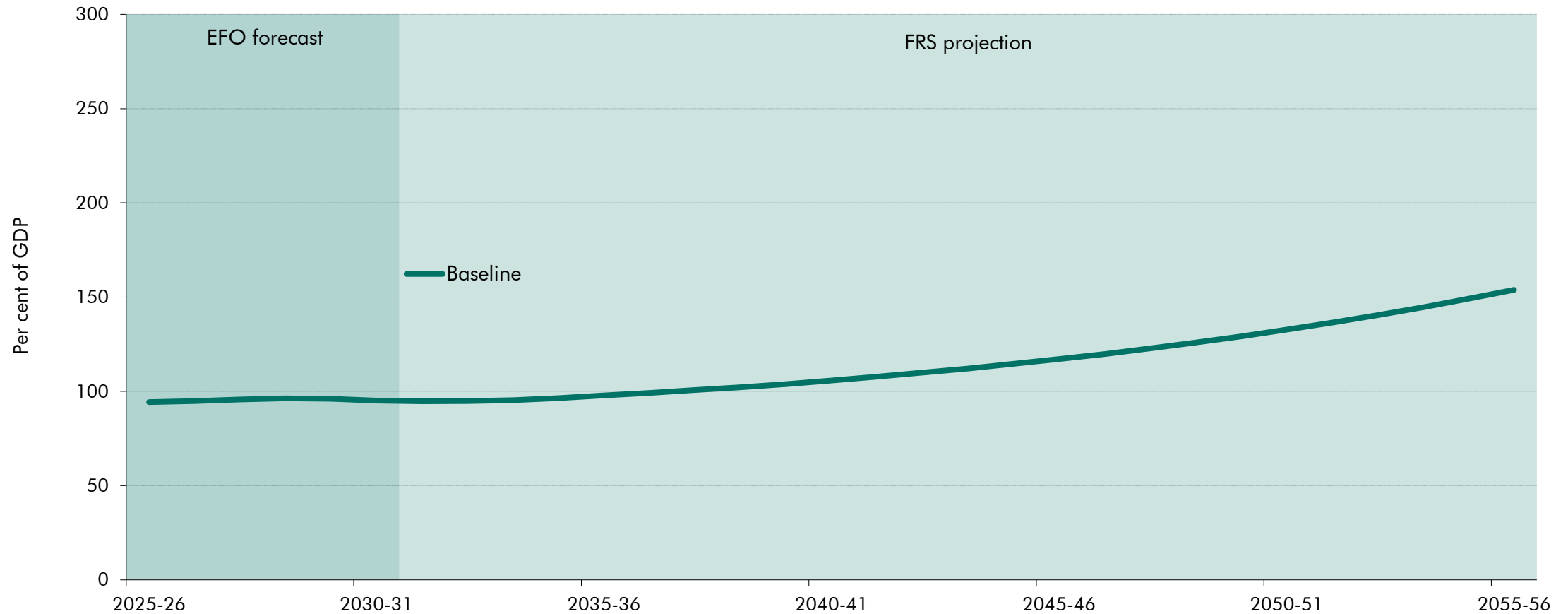
Source: OBR

Baseline fiscal scenario



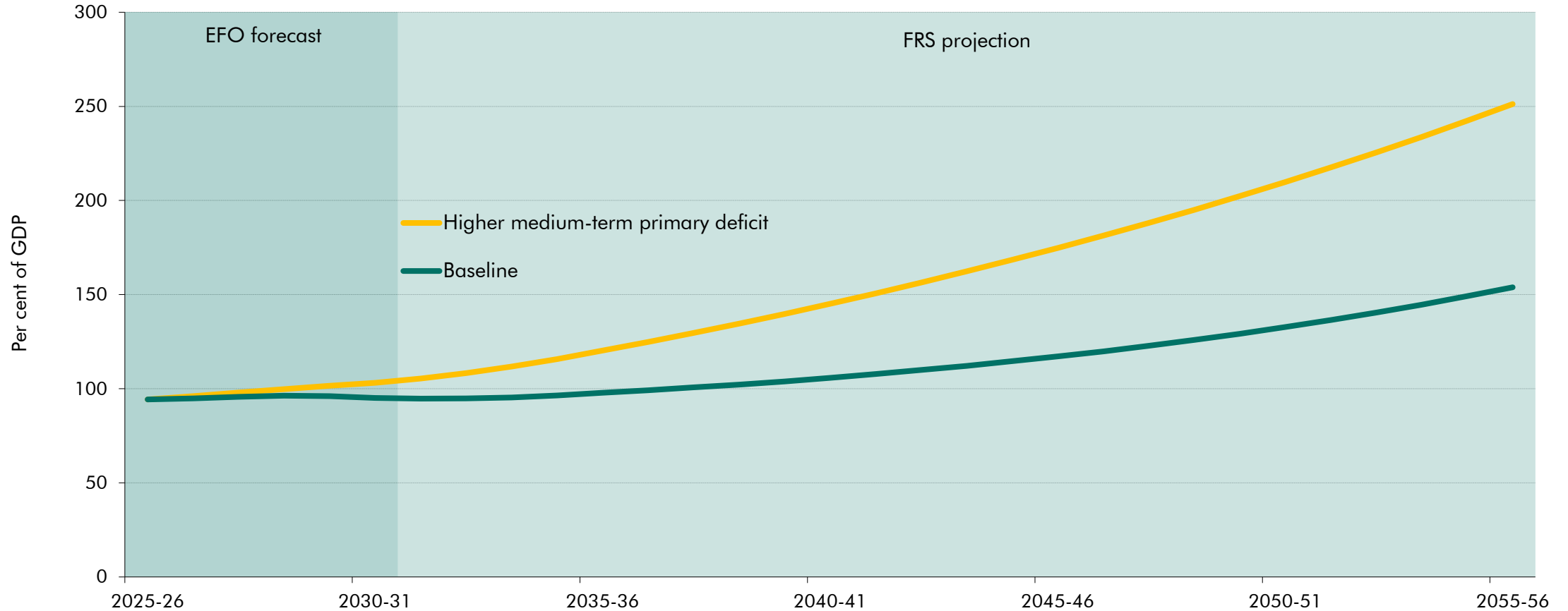
Source: ONS, OBR

Net debt: baseline scenario to 2055-56



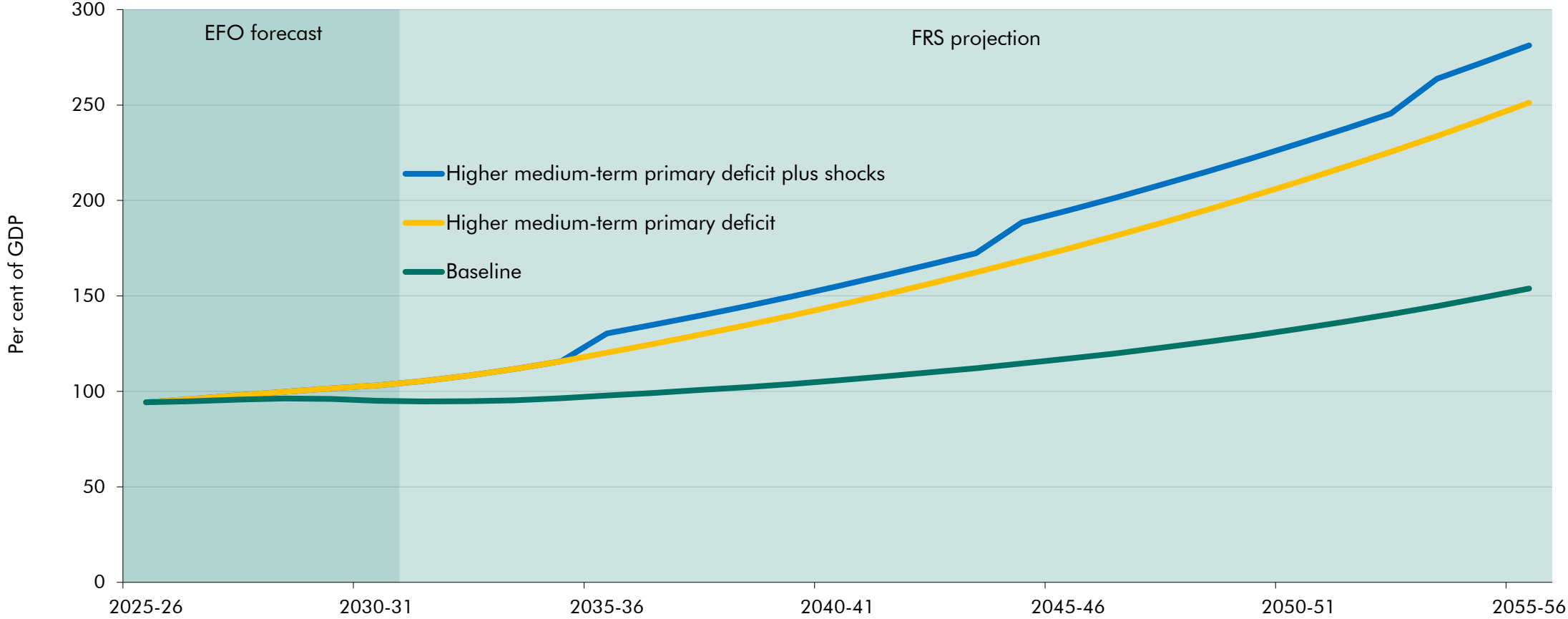
Source: OBR

Net debt: sensitivity to starting primary deficit position



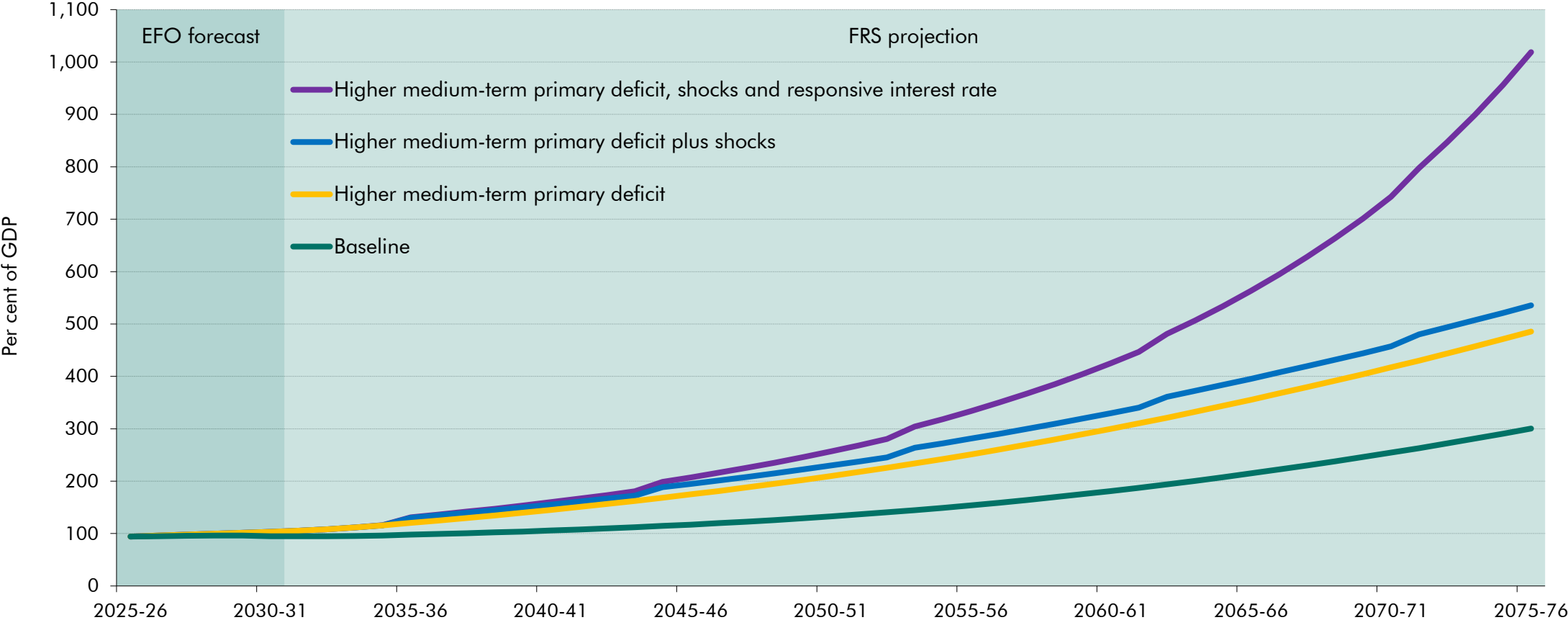
Source: OBR

Net debt: sensitivity to economic shocks



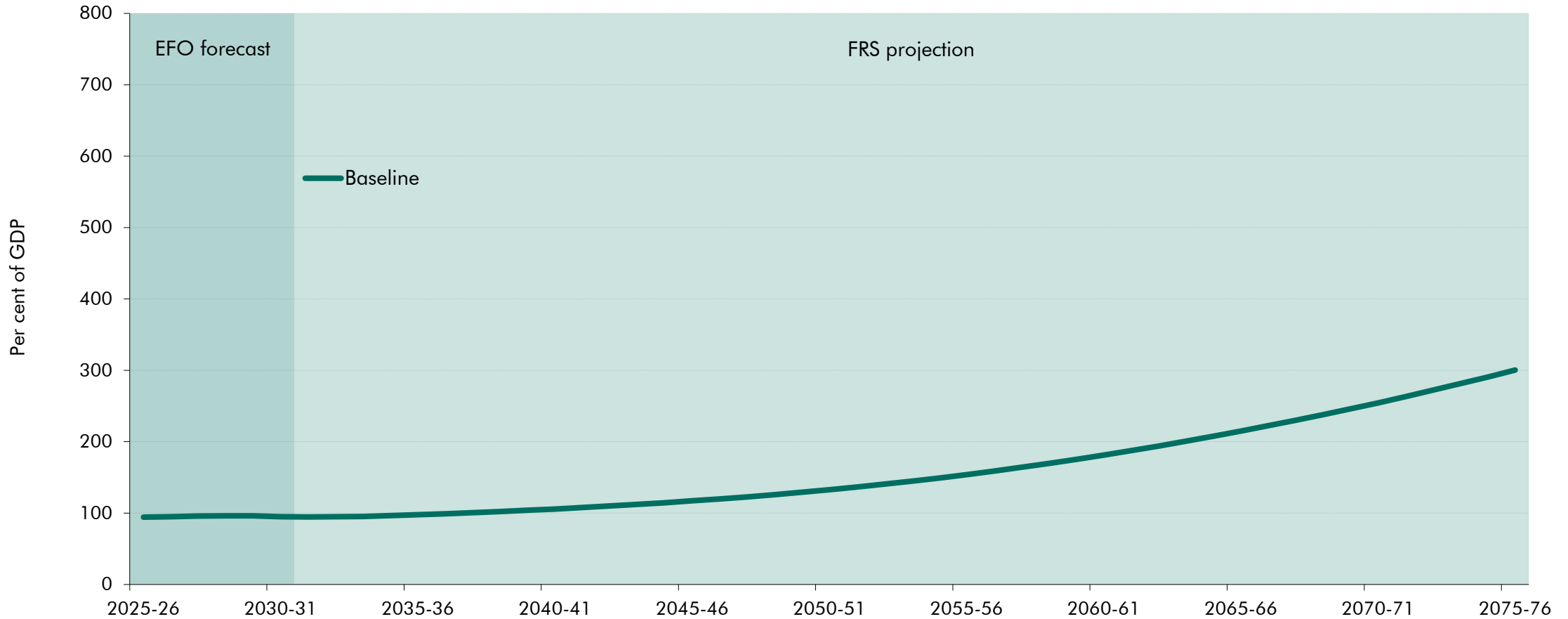
Source: OBR

Net debt: sensitivity to interest rates



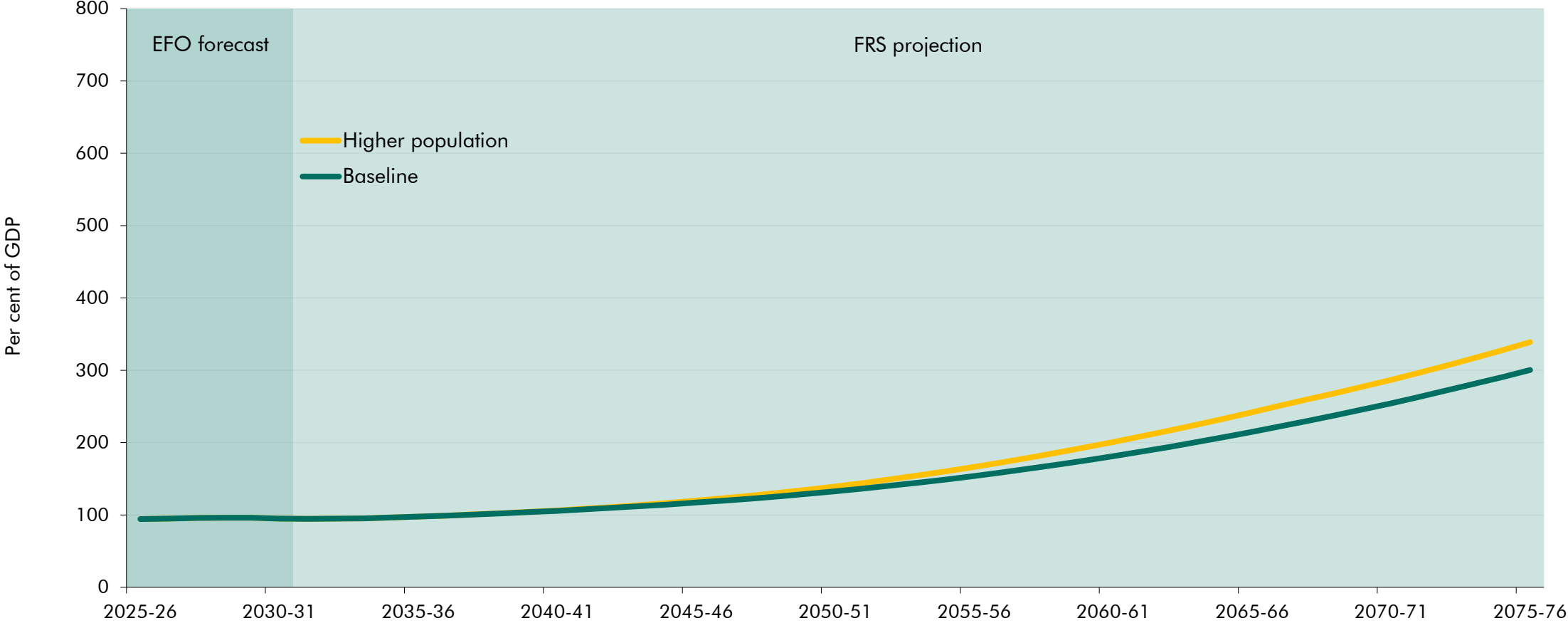
Source: OBR

Net debt: sensitivity to economic and demographic assumptions



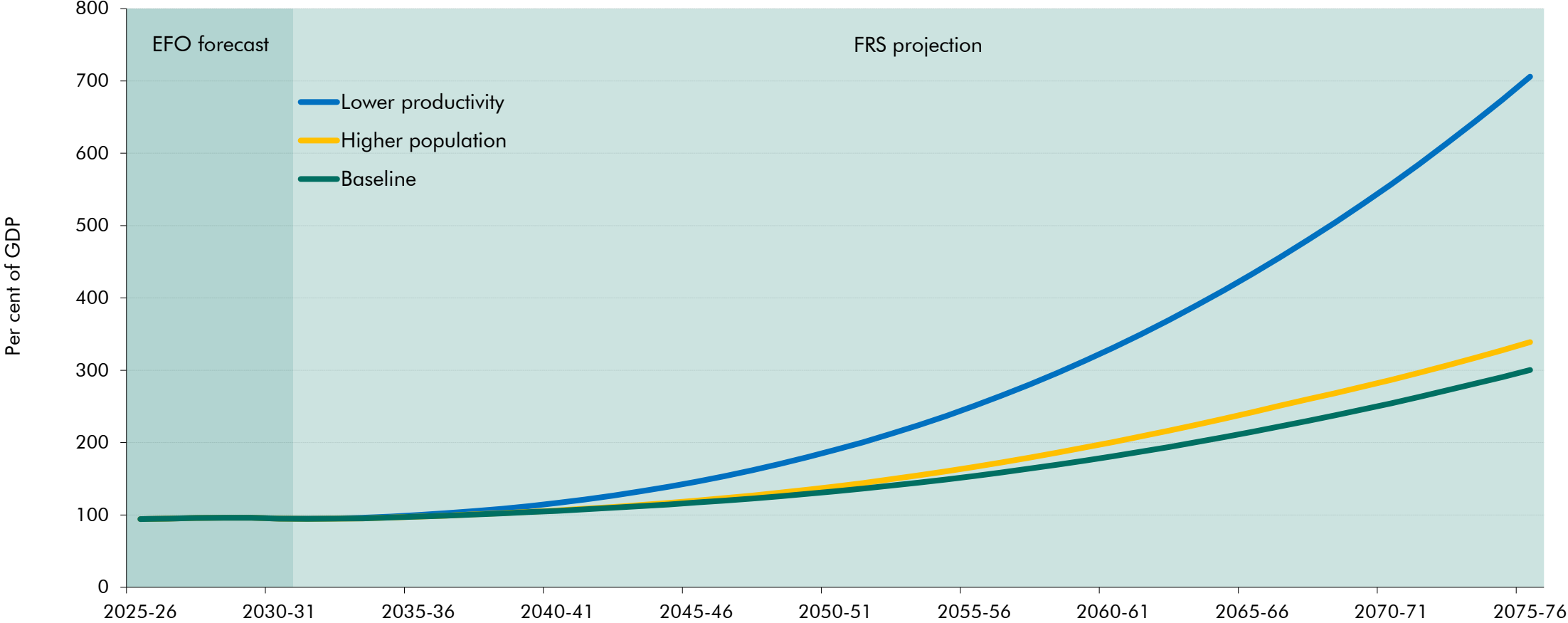
Source: OBR

Net debt: sensitivity to economic and demographic assumptions



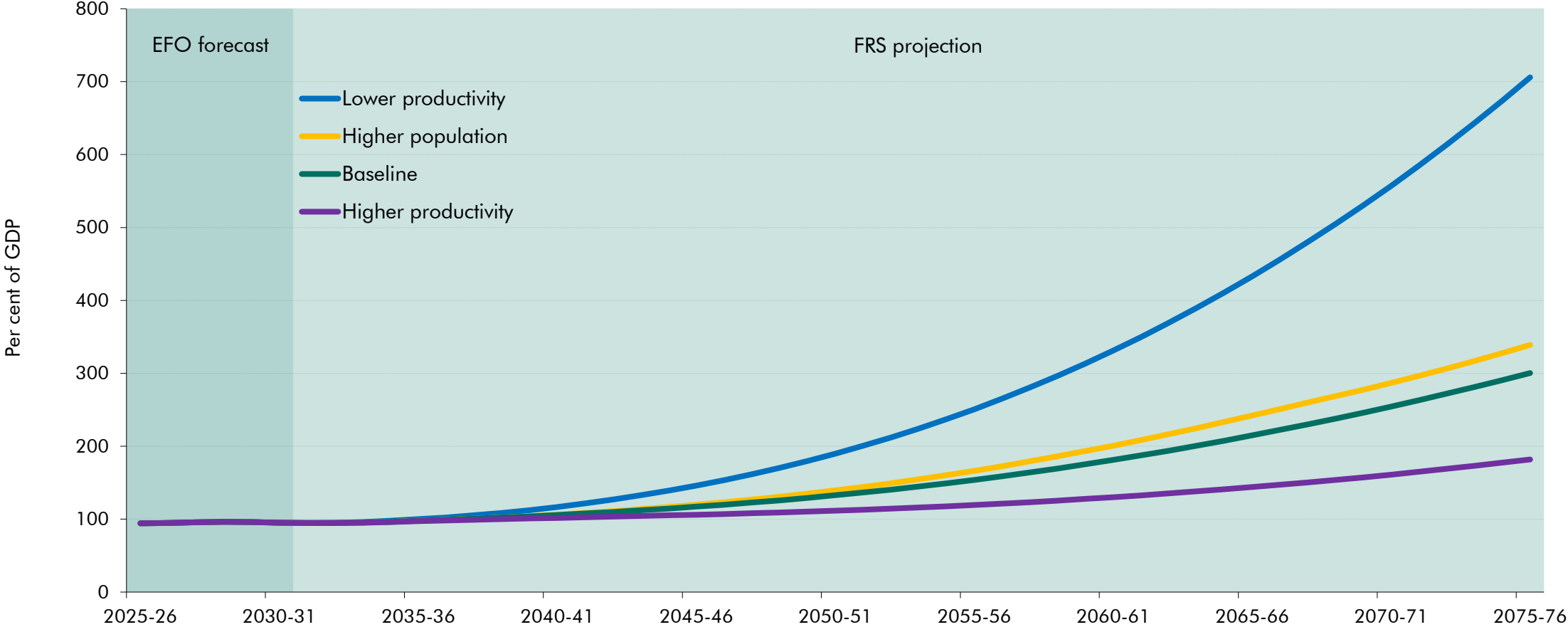
Source: OBR

Net debt: sensitivity to economic and demographic assumptions



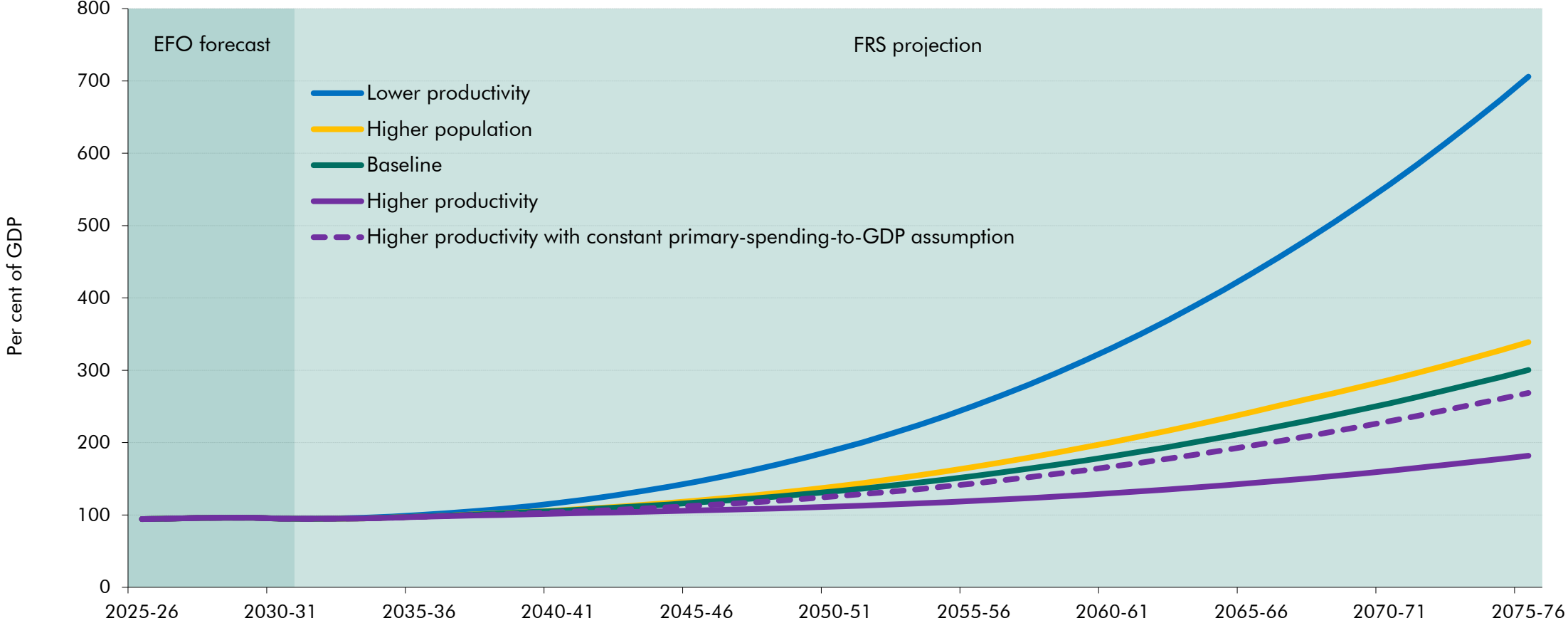
Source: OBR

Net debt: sensitivity to economic and demographic assumptions



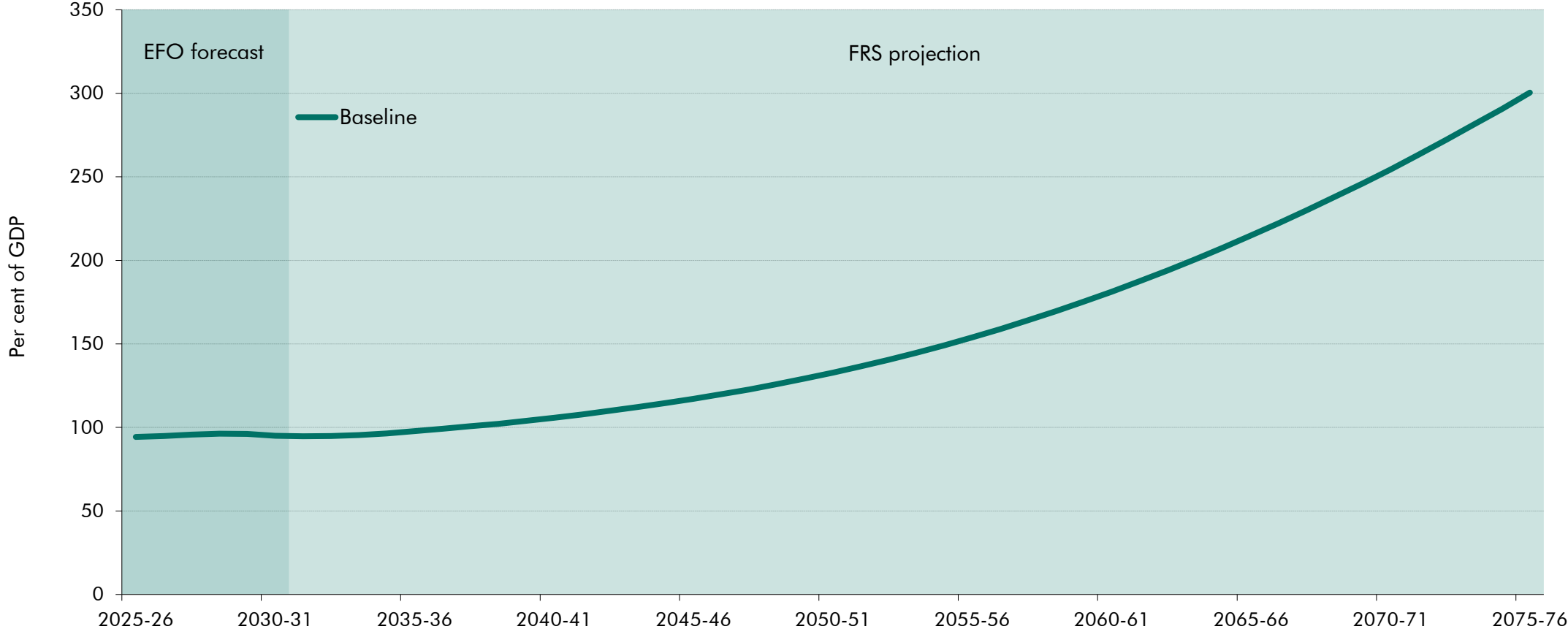
Source: OBR

Net debt: sensitivity to economic and demographic assumptions



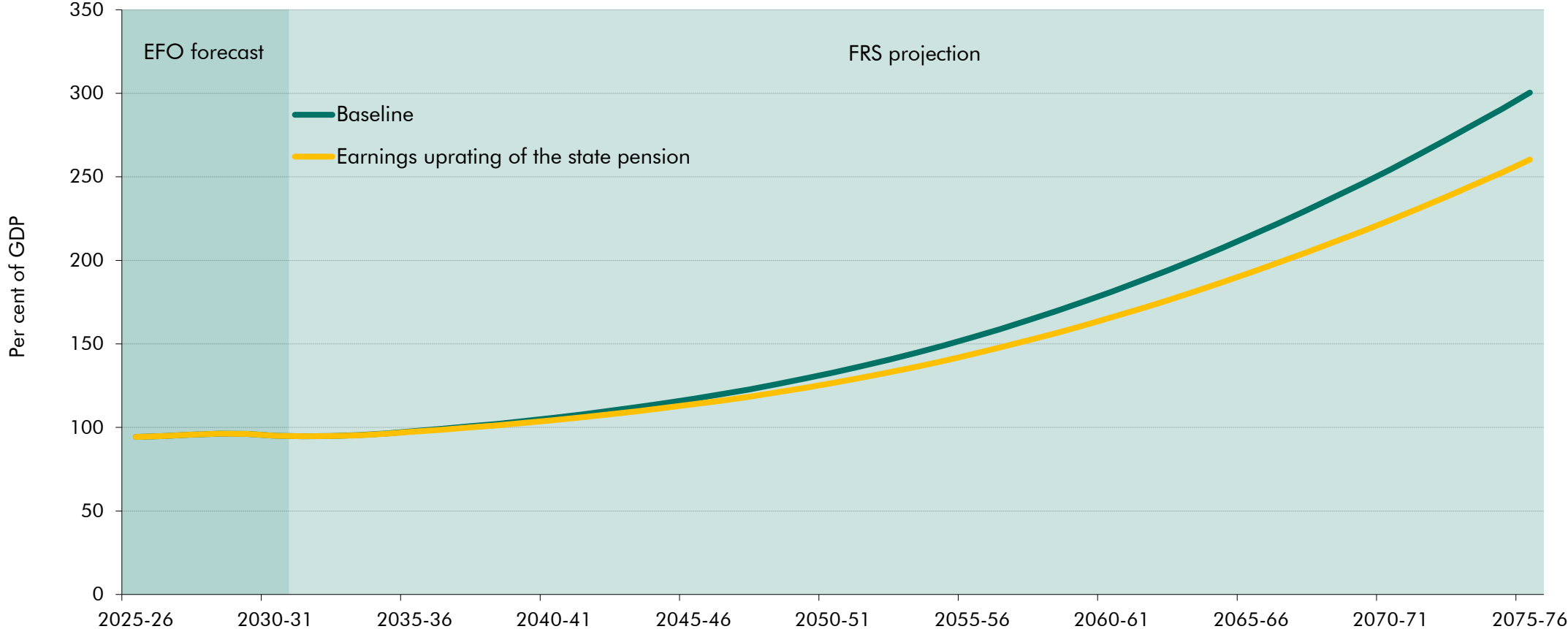
Source: OBR

Net debt: sensitivity to long-term policy assumptions



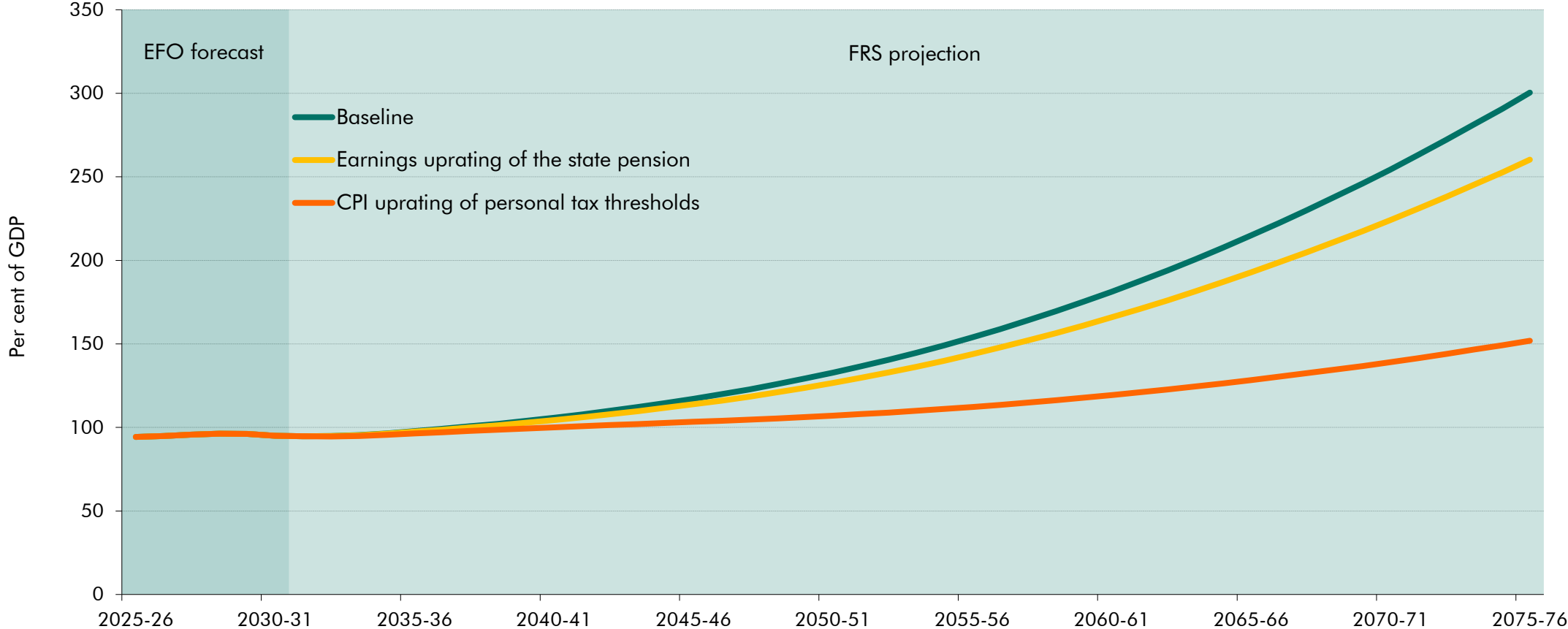
Source: OBR

Net debt: sensitivity to long-term policy assumptions



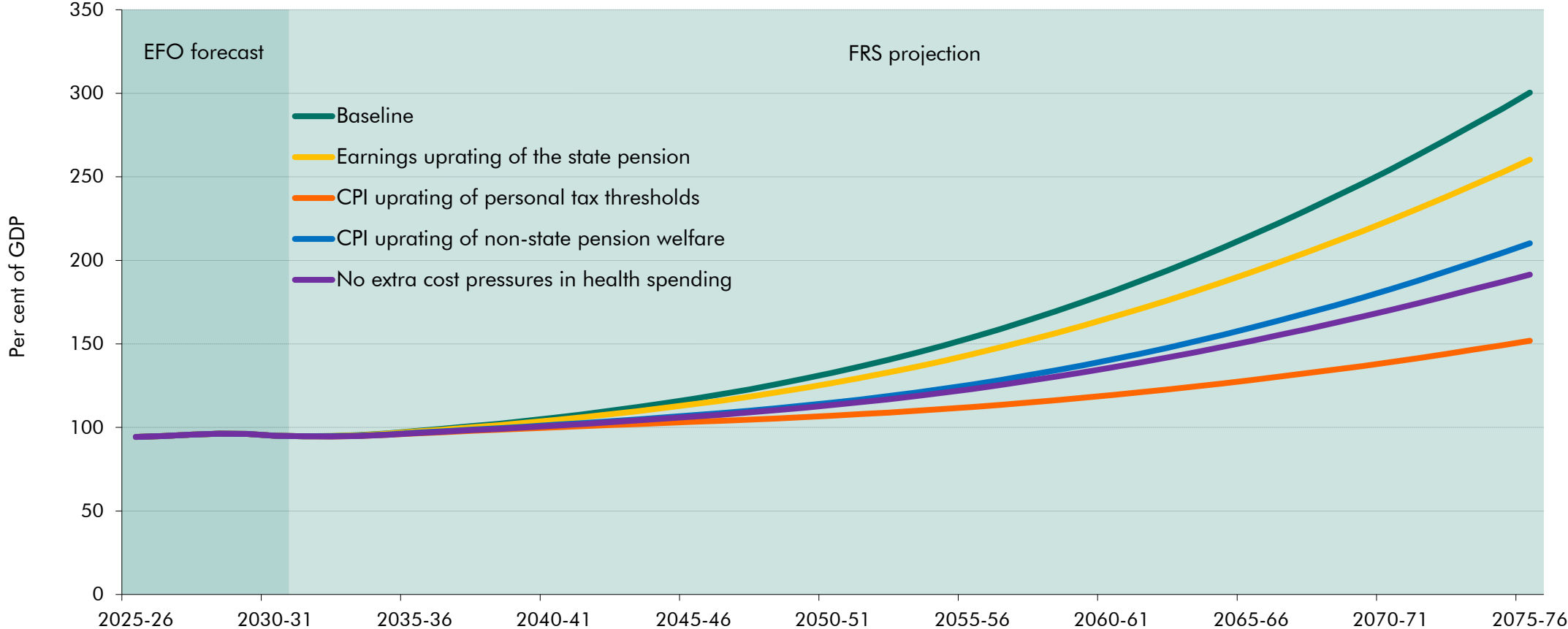
Source: OBR

Net debt: sensitivity to long-term policy assumptions



Source: OBR

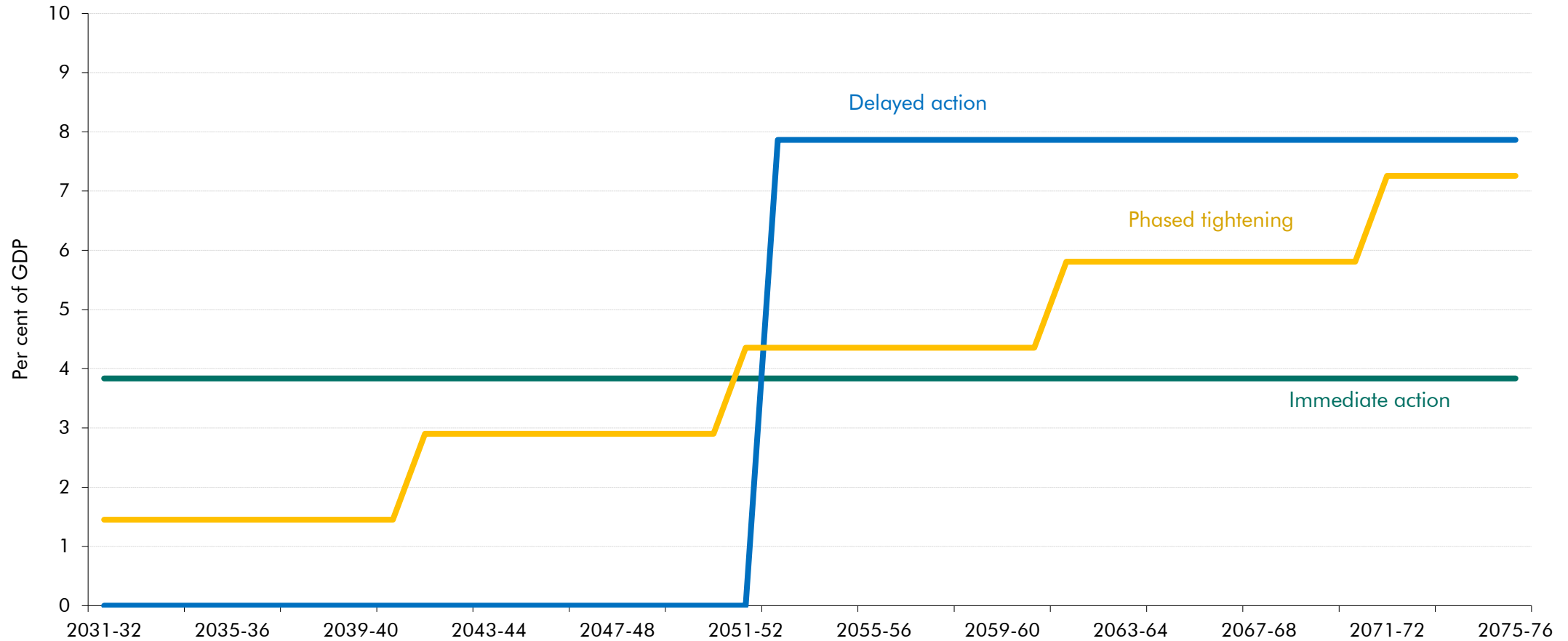
Net debt: sensitivity to long-term policy assumptions



Source: OBR

Primary balance adjustment paths

To maintain debt at 95 per cent of GDP in the baseline scenario



Source: OBR

Conclusions

- Not forecasts – illustrations of long-term fiscal pressures
- In nearly all cases, action likely needed to maintain sustainability
- Higher productivity growth could help, but higher population may not
- Adjusting primarily through tax likely to generate rising economic costs
- So long-term action likely needed on several fronts
- Earlier action reduces risk and size of adjustment needed
- Huge uncertainty – but waiting would push risk onto future generations

Slido Q&A

Please submit your
questions to the
Budget Responsibility Committee
via the QR code



The link can also be found on our X channel

Office for
**Budget
Responsibility**

Thank you for listening

**Slides and speaking notes are now available on our website
www.obr.uk**

**Please email us with any further questions
OBR.Enquiries@obr.uk**