

Minutes of the OBR advisory panel annual general meeting

5 September 2023

Attending:

Panel members: Andrew Scott, Anita Charlesworth, Anna Valero, Arun Advani, Caroline Bain, Fergus Cumming, Gene Frieda, Gertjan Vlieghe, Jacob Nell, John Llewellyn, Jonathan Gillham, Jumana Saleheen, Kayley Hignell, Kevin Daly, Mairi Spowage, Michael McMahon, Moyeen Islam, Rachel Ngai, Rita De La Feria, Tera Allas, Vicki Perry, Wendy Carlin and Yael Selfin.

Budget Responsibility Committee: Richard Hughes and Prof. David Miles CBE.

Non-executive directors: Bronwyn Curtis OBE and Dame Susan Rice.

Staff of the OBR.

1. Welcome and introduction – Richard Hughes

This is the first annual general meeting of the advisory panel convened to discuss key issues and analytical priorities that the OBR will consider over the coming year. Richard Hughes led introductions to the committee, non-executive directors, OBR staff and the advisory panel and set out briefly how we anticipate the advisory panel will support the OBR in its work.

2. OBR's medium term forecasting record – OBR Staff

OBR staff presented recent work that was published in *Working Paper No.19: The OBR's forecasting performance*. It describes the overall accuracy and bias of OBR's past forecasts in the context of comparisons to other external forecasters finding that the OBR has tended to overestimate GDP growth and underestimate government borrowing over the medium term.

3. Medium term forecasting issues – Prof. David Miles CBE

David Miles led a discussion on topics of interest for our upcoming forecasts including persistent weakness in productivity outturns, participation trends in the labour force, interest rate volatility and its effect on debt interest payments, quantitative easing/tightening, defined benefit pensions and the potential impact of AI.

4. Long term fiscal challenges – OBR Staff

OBR staff presented their recent work that was published in our *2023 Fiscal Risks and Sustainability report*. They took the panel through the main conclusions of the report on how changes to demographics, health and inactivity, climate change and energy markets, and interest rates and inflation, rising geopolitical tensions and lasting effects from the pandemic affect debt sustainability.

5. Longer-term analytical priorities – Richard Hughes

The panel gave views on other key issues that the OBR should focus on in the coming year in a roundtable chaired by Richard Hughes. The panel discussed potential directions for future climate change work, how permanent they expect recent demographic changes to be and the ways they could affect our economic forecast, the effects of AI on productivity and the increased vulnerability of public debt.