

## Minutes of the OBR thinktank roundtable

26 September 2024

### Attending:

Panel members: National Institute of Economic & Social Research, Resolution Foundation, Institute for Government, and Institute for Fiscal Studies.

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

Staff of the OBR

### **1. Public investment and potential output – OBR staff**

OBR staff presented on our recently published discussion paper which sets out how public investment is accounted for in the OBR's forecast, before exploring the key transmission mechanisms through which it can affect potential output. Staff invited comments on the proposed approach to modelling the impact of public investment on potential output.

### **2. The economic and fiscal impact of climate-related damage – OBR staff**

OBR staff presented the conclusions published in Chapter 2 of the latest *Fiscal risks and sustainability report*, which explored the potential fiscal costs of climate-related damage with two scenarios for the UK. Staff invited comments on the magnitude of the estimated economic and fiscal costs through this channel and what additional channels would benefit from further research.

### **3. Long-term health trends – OBR staff**

OBR staff presented the analysis published in Chapter 3 of the latest *Fiscal risks and sustainability report*, which updated the assumptions driving our long-term projections of health spending and looks at the economic and fiscal consequences of alternative health scenarios. Staff invited comments and questions on the analysis and underlying assumptions including ill-health composition and international comparisons.

### **4. Updated long-term fiscal projections – OBR staff**

OBR staff presented the analysis published in Chapter 4 of the latest *Fiscal risks and sustainability report* which provided updated comprehensive long-term fiscal projections, including scenarios looking at the fiscal impact of different migration and productivity assumptions. Staff invited discussion on the assumptions underpinning these projections and scenarios in particular around interest rates, dependents, stay rates, and public service consumption.