



# Ministry of Justice

## Personal Injury Discount Rate (PIDR)

### Expert Panel Meeting Minutes

Friday 1 March 2024 13:30 - 17:00

102 Petty France, London, SW1H 9AJ

#### Expert Panel members

Fiona Dunsire (Chair)

Charl Cronje

Donald Taylor

Dr Rebecca Driver

Edward Tomlinson

#### Additional attendees

Rachel Powell, Policy Lead, Ministry of Justice

Martha Thompson, Policy Advisor, Ministry of Justice

Andrew Meads, Deputy Chief Economist, Ministry of Justice

Paul Butcher, Government Actuary's Department

Robert Williamson, Government Actuary's Department

Christophor Ward, Government Actuary's Department

## 1. Welcome and introduction

1.1. The Chair welcomed attendees to the sixth substantive meeting of the Expert Panel and summarised the outstanding actions from the last meeting.

1.2. The Chair provided an update on the targeted data collection meetings which have been progressing well.

1.3. The minutes from the January meeting were approved by the Panel.

1.4. The Chair asked Panel members to declare any potential new conflicts of interest arising of which there were none.

1.5. The skeleton analytical report was shared with the Panel before the meeting for information. This sets out the proposed structure for the analytical content of the Panel's report to the Lord Chancellor. The Chair asked Panel members to provide their comments separately from this meeting via email.

**ACTION:** Panel members to provide their comments on the skeleton analytical report.

## 2. Economic Scenario providers

2.1. The Panel are expecting to utilise data of economic scenarios from two providers to inform their work. The first provider attended the meeting in December 2023. The second provider attended this meeting to provide an introductory presentation.

2.2. The Panel confirmed that they are content to use both providers to inform their analysis and advice to the Lord Chancellor and they will not require an additional, different model.

2.3. A discussion was held regarding additional views of deterministic projections of key asset returns and inflationary assumptions, which could be helpful to have as a reference point. GAD agreed to incorporate publicly available data within the analysis presented to the Panel.

## 3. Shared Understanding Document

3.1. RP introduced the paper. The Shared Understanding Document has been prepared by MoJ and is intended to provide the Panel with sufficient background information, to help build a shared understanding of the wider process. This can also be a useful starting point to help the Panel in considering the wider, non-analytical factors that might inform their advice to the Lord Chancellor. This document is currently a working draft which will continue to be updated.

3.2. The Panel provided some initial feedback on the document but also agreed to send further comments outside of the meeting. The Panel also discussed how they could utilise this document when preparing their final report. It was agreed that this would remain a factual document rather than one which offers any judgement or advice.

**ACTION:** Panel members to provide their comments by the end of week commencing 4 March 2024.

## 4. Assumptions

4.1. GAD have prepared several assumption setting papers which are based on the evidence which is currently available. These will be updated further once the Call for Evidence closes and the targeted data collection exercise has concluded.

4.2. At this stage each assumption is to be considered in isolation before they are looked at as a consistent whole (e.g., through a representative claimant) at future meetings. The Panel will consider and confirm assumptions as far as possible at the May meeting, with final sign off in June.

*Damage Inflation Assumption*

4.3. RW introduced the paper on damage inflation in respect of a single discount rate.

4.4. The Panel confirmed the damage inflation measures to consider in the claimant outcome analysis, subject to further information provided through the call for evidence process.

*Investment period*

4.5. The Panel decided on the investment period assumption on which all future analysis will be conducted, and on the sensitivity analysis range (subject to further information provided through the call for evidence process).

*Additional indicative results*

4.6. RW took the Panel through the accompanying slides which covered (i) longevity; (ii) rate split by investment period; and (iii) rate split by heads of loss. The Panel agreed that this is the sort of analysis they would like to continue to see.

*Tax assumption*

4.7. The Panel confirmed that they are happy with this paper and the analysis at this stage. GAD will be sending this paper to HMRC for additional expert input.

## **5. Next agenda and forward look**

5.1. The Chair gave an overview of the agenda for the next meeting on 25 March 2024 when the investment fees and investment portfolio assumption papers will be covered. The Panel was encouraged to provide their comments beforehand.

5.2. The meeting concluded.