

Statistical bulletin

# Public sector finances, UK: August 2019

How the relationship between UK public sector monthly income and expenditure leads to changes in deficit and debt.



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## **1 . Main points**

- Borrowing (public sector net borrowing excluding public sector banks, PSNB ex) in August 2019 was £6.4 billion, £0.5 billion less than in August 2018.
- Borrowing in the current financial year-to-date (April 2019 to August 2019) was £31.2 billion, £6.8 billion more than in the same period last year.
- Debt (public sector net debt excluding public sector banks, PSND ex) at the end of August 2019 was £1,779.9 billion (or 80.9% of gross domestic product, GDP), an increase of £24.5 billion (or a decrease of 1.5 percentage points of GDP) on August 2018.
- Debt at the end of August 2019 excluding the Bank of England (mainly quantitative easing) was £1,598.7 billion (or 72.7% of GDP); this is an increase of £37.4 billion (or a decrease of 0.6 percentage points of GDP) on August 2018.
- Central government net cash requirement was £18.1 billion in the current financial year-to-date; this is £13.7 billion more than in the same period last year.
- Central government net cash requirement excluding both UK Asset Resolution Ltd and Network Rail was £17.9 billion in the current financial year-to-date; this is £12.7 billion more than in the same period last year.
- In the latest full financial year (April 2018 to March 2019), the overall impact of the methodology and data changes introduced this month have led to a £17.8 billion increase in borrowing and a £29.3 billion decrease in net debt at the end of March 2019 but have had no effect on net cash requirement.
- The revised treatment of student loans following methodology and data changes increased borrowing by £12.4 billion but had had no impact on net debt.
- The revised treatment of pensions following methodology and data changes increased borrowing by £1.3 billion and reduced debt by £28.6 billion.
- Corporation Tax data updates following methodology and data changes increased borrowing by £2.6 billion but had had no impact on net debt.

## **2 . Things you need to know about public sector finances**

In the UK, the public sector consists of six sub-sectors: central government, local government, public non-financial corporations, public sector pensions, the Bank of England and public financial corporations (or public sector banks).

Unless otherwise stated, the figures quoted in this bulletin exclude public sector banks (that is, currently only Royal Bank of Scotland, RBS), as the reported position of debt (and to a lesser extent borrowing) would be distorted by the inclusion of RBS's balance sheet (and transactions). This is because the government does not need to borrow to fund the debt of RBS, nor would surpluses achieved by RBS be passed on to the government, other than through any dividends paid as a result of the government equity holdings.

Public sector net borrowing excluding public sector banks (PSNB ex) measures the gap between revenue raised (current receipts) and total spending (current expenditure plus net investment (capital spending less capital receipts)). Public sector net borrowing (PSNB) is often referred to by commentators as "the deficit".

The public sector net cash requirement (PSNCR) represents the cash needed to be raised from the financial markets over a period of time to finance the government's activities. This can be close to the deficit for the same period; however, there are some transactions, for example, loans to the private sector, that need to be financed but do not contribute to the deficit. It is also close but not identical to the changes in the level of net debt between two points in time.

Public sector net debt excluding public sector banks (PSND ex) represents the amount of money the public sector owes to private sector organisations including overseas institutions, largely as a result of issuing gilts and Treasury Bills, less the amount of cash and other short-term assets it holds. Public sector net debt is often referred to by commentators as "the national debt".

While borrowing (or the deficit) represents the difference between total spending and receipts over a period of time, debt represents the total amount of money owed at a point in time.

The national debt has been built up by successive government administrations over many years. When the government borrows (that is, runs a deficit), this normally adds to the debt total. So [reducing the deficit is not the same as reducing the debt](#).

## 3 . What has changed in this release?

This section presents information on aspects of data or methodology that have been introduced or improved since the publication of the previous bulletin (21 August 2019), along with supporting information that users may find useful.

To main consistency in our presentation, we attempt to package together methodology improvements and substantial data changes. We usually introduce these changes in the August dataset published each September. These methodology and data changes are applied consistently throughout our time series enabling comparisons to earlier data points.

Section 10 explains the data and methodology changes introduced in September 2019 and presents the resulting impact on public sector net borrowing (PSNB), net debt and net financial liabilities. What follows is a summary of each.

### Public sector pensions

We have adopted a new, gross presentation of funded employment-related pensions. This change, predominantly presentational in nature, has greatly increased the volume of assets recorded on the public sector balance sheet but consolidated many inter-public sector balances and transactions. We now also include the Pension Protection Fund within the public sector boundary. These changes have reduced public sector net debt at the end of March 2019 by £28.6 billion, reflecting the consolidation of gilts and recognition of liquid assets held by the public pension schemes.

### Student loans

Improvements in the statistical treatment of student loans have added £12.4 billion to net borrowing in the financial year ending March 2019. Outlays are no longer all treated as conventional loans. Instead, we split lending into two components: a genuine loan to students and government spending. This new approach recognises that a significant proportion of student loan debt will never be repaid. We record government expenditure related to the expected cancellation of student loans in the period that loans are issued. Further, government revenue no longer includes interest accrued that will never be paid.

## **Capital consumption**

In June 2019, we announced our intention to introduce a number of [improvements to the estimation of capital stocks](#) and therefore the consumption of fixed capital in September 2019. Any updates to capital consumption are PSNB neutral.

Tables 4, 5 and 6 present our latest estimates of PSNB, net debt and net financial liabilities with the impacts of changes to the accounting for student loans, public sector pensions and capital consumption introduced in September 2019 removed.

[Impact of student loans, public sector-funded pension scheme and capital consumption changes introduced in September 2019: Appendix G](#) expands this presentation to include the impact on current budget deficit and net investment and also provides additional quarterly and monthly time series. We plan to continue publishing updated versions of these tables until the end of the current financial year (April 2020).

The revised data for capital consumption introduced this month has had no impact on net borrowing, net debt or net cash requirement.

## **Value Added Tax refunds**

Historical improvements to the accounting of Value Added Tax (VAT) refunds have been introduced this month. Like changes to capital consumption, these changes are borrowing neutral, increasing central government taxes on production and current expenditure by equal and offsetting amounts. These changes also have no impact on net debt or net cash requirement.

## **Corporation Tax receipts and Corporation Tax credits**

On 24 September 2019, HM Revenue and Customs (HMRC) published corrected data for Corporation Tax receipts and Corporation Tax credits. These latest figures have been used to compile the data in this release.

The error mainly relates to the treatment of Corporation Tax credits, which are included within total Corporation Tax receipts as well as within total central government expenditure.

HMRC recently identified that the Corporation Tax credits had erroneously been included twice within total Corporation Tax receipts. Although this problem affected the data from the financial year ending March 2011 onwards, the impact on public sector net borrowing is for a longer time period, beginning from the financial year ending March 2008. This is because the reported data are time-adjusted to ensure consistency with the National Accounts statistical framework.

Corporation Tax credits have generally increased during the period from 2011 onwards and so the impact of the correction is larger in recent years. For example, for the latest full financial year ending March 2019, total Corporation Tax receipts have been reduced by £2.6 billion and public sector net borrowing has been increased by the same amount.

Some other improvements to Corporation Tax data have also been implemented in this release, but these have a smaller impact and only affect earlier years.

## **Self-assessed Income Tax**

In both January and (to a lesser extent) July, accrued receipts are particularly high owing to receipts from self-assessed Income Tax.

This month, receipts from self-assessed Income Tax were £1.7 billion, an increase of £0.4 billion on August 2018. This is the highest level of August self-assessed Income Tax receipts since 2009.

As well as primarily affecting January and July receipts, the revenue raised through self-assessed Income Tax also tends to lead to higher receipts in the following month (February and August respectively), although to a lesser degree.

It is advisable to look at the combined self-assessed Income Tax receipts for both July and August together when drawing conclusions from year-on-year comparisons. The combined self-assessed Income Tax receipts for both July and August 2019 together were £11.1 billion, an increase of £0.7 billion on the same period in 2018.

## **Winter fuel payments**

Improvements to the recording of winter fuel payments move the associated expenditure between November to September within the same financial year, increasing PSNB in September and reducing it by an equal and offsetting amount in November. These changes have no impact on the full financial year net borrowing position or any impact on net debt or net cash requirement.

## **4 . How much is the public sector borrowing?**

In August 2019, the public sector spent more money than it received in taxes and other income, meaning it had to borrow £6.4 billion, £0.5 billion less than in August 2018. Of this £6.4 billion, central government borrowed £4.4 billion, local government borrowed £2.8 billion, while the Bank of England recorded a surplus of £0.9 billion.

Figure 1 summarises public sector net borrowing (PSNB) by sub-sector in August 2019 and compares this with the equivalent measures in the same month a year earlier (August 2018). This presentation splits public sector net borrowing excluding public sector banks (PSNB ex) into each of its five sub-sectors: central government, local government, non-financial public corporations, public sector pensions and the Bank of England.

Central government receipts in August 2019 increased by £1.9 billion (or 3.4%), compared with August 2018, to £59.2 billion, while total central government expenditure increased by £0.4 billion (or 0.7%) to £61.2 billion.

Of this £61.2 billion, £58.6 billion related to the cost of the “day-to-day” activities of the public sector (the current expenditure), while £2.6 billion was capital spending (or net investment), such as on infrastructure.

Income-related revenue increased by £1.5 billion, with self-assessed Income Tax and National Insurance contributions (NICs) increasing by £0.4 billion and £0.6 billion, respectively, compared with August 2018.

Accrued Value Added Tax (VAT) and Corporation Tax receipts increased by £0.4 billion and £0.1 billion over the same period. However, it is important to note that both of these taxes contain forecast cash receipts data and are liable to revision as actual cash receipts data are received.

In the same period, departmental expenditure on goods and services increased by £1.8 billion, compared with August 2018, including a £0.5 billion increase in expenditure on staff costs and a £0.9 billion increase in the purchase of goods and services.

Interest payments on the government's outstanding debt decreased by £0.9 billion, compared with August 2018, largely resulting from movements in the Retail Prices Index (RPI) to which index-linked bonds are pegged. The relationship between the RPI and the valuation index-linked bonds is explored further in the [Public sector finances Quality and Methodology Information Report](#).

This month, we have introduced local government budget data for England, Wales and Scotland for the financial year ending (FYE) March 2020 for the first time, replacing initial estimates based on the Office for Budget Responsibility (OBR) forecasts.

Public corporations data for this period remain initial estimates, based on the OBR forecasts. Current and capital transfers between these sectors and central government are based on administrative data supplied by HM Treasury.

Pensions data for the current financial year are our estimates based on the latest available data. Some of these estimates rely on actuarial modelling – a complex process that most public sector schemes conduct every three to four years. Until such valuations become available, we forecast the change in pension liability using our knowledge of the economic climate. [Pensions in the public sector finances: a methodological guide](#) outlines both the theory and practice behind our calculation of pension scheme estimates.

**Figure 1: How each sector contributes to the growth in monthly borrowing**

August 2019, compared with August 2018, UK

				£ billion
PSNBex				
Aug-18	Change	Aug-19		
6.9	-0.5	6.4		
<b>CGNB</b>		<b>LGNB</b>		<b>PCNB</b>
Aug-18	Change	Aug-19		Aug-18
5.8	-1.4	4.4	=	0.1
<b>CG Current Expenditure</b>		<b>LG Current Expenditure</b>		<b>PC Current Expenditure</b>
Aug-18	Change	Aug-19		Aug-18
58.4	0.2	58.6	=	0.0
<b>CG Receipts</b>		<b>LG Receipts</b>		<b>PC Receipts</b>
Aug-18	Change	Aug-19		Aug-18
57.3	1.9	59.2	=	0.8
<b>CG Depreciation</b>		<b>LG Depreciation</b>		<b>PC Depreciation</b>
Aug-18	Change	Aug-19		Aug-18
2.4	0.1	2.5	=	0.6
<b>CG Net Investment</b>		<b>LG Net Investment</b>		<b>PC Net Investment</b>
Aug-18	Change	Aug-19		Aug-18
2.4	0.2	2.6		0.2
<b>BoENB</b>				<b>Pensions NB</b>
Aug-18	Change	Aug-19		Aug-18
-0.9	0.0	-0.9		0.1
<b>CG Receipts</b>		<b>CG Expenditure</b>		
Of Which:	Aug-18	Change	Aug-19	
Taxes on production	23.4	0.3	23.7	
Of Which:				
VAT	12.4	0.4	12.8	
Fuel Duty	2.4	0.0	2.4	
Alcohol	1.0	0.0	1.0	
Tobacco	0.9	-0.1	0.8	
Stamp Duty (L&P)	1.2	-0.1	1.1	
Taxes on I&W	18.3	0.9	19.1	
Of Which:				
Income Tax	13.6	0.7	14.2	
o/w Self Assessment	1.3	0.4	1.7	
Corporation Tax	4.8	0.1	4.9	
Other Taxes	1.6	-0.1	1.5	
Total Taxes	43.3	1.1	44.3	
NICs	10.6	0.6	11.2	
Interest & Dividends	0.6	0.3	0.9	
Other receipts	2.8	0.1	2.9	

Source: Office for National Statistics – Public sector finances

Notes:

1. PSNB ex – Public sector net borrowing excluding public sector banks.
2. CGNB – Central government net borrowing.
3. LGNB – Local government net borrowing.
4. PCNB – Non-financial public corporations' net borrowing.
5. BoENB – Bank of England net borrowing.
6. L&P – Land and property.
7. I&W – Income and wealth.
8. Contributions to EU – UK VAT, GNI and abatement contributions to the EU budget.
9. NICs – National Insurance contributions.
10. o/w – Of which.

Because of the volatility of the monthly data, the cumulative financial year-to-date borrowing figures often provide a better indication of the position of the public finances than the individual months' figures.

In the current financial year-to-date (April 2019 to August 2019), public sector spending exceeded the money received in taxes and other income. This meant the public sector had to borrow £31.2 billion; that is, £6.8 billion more than the same period last year.

Of the £31.2 billion borrowed by the public sector in this period, £15.7 billion related to the cost of the "day-to-day" activities of the public sector (the current budget deficit), while £15.5 billion was capital spending (or net investment), such as on infrastructure.

Figure 2 presents both monthly and cumulative public sector net borrowing excluding public sector banks (PSNB ex) in the current financial year-to-date (April 2019 to August 2019) and compares these with the same period in the previous financial year.

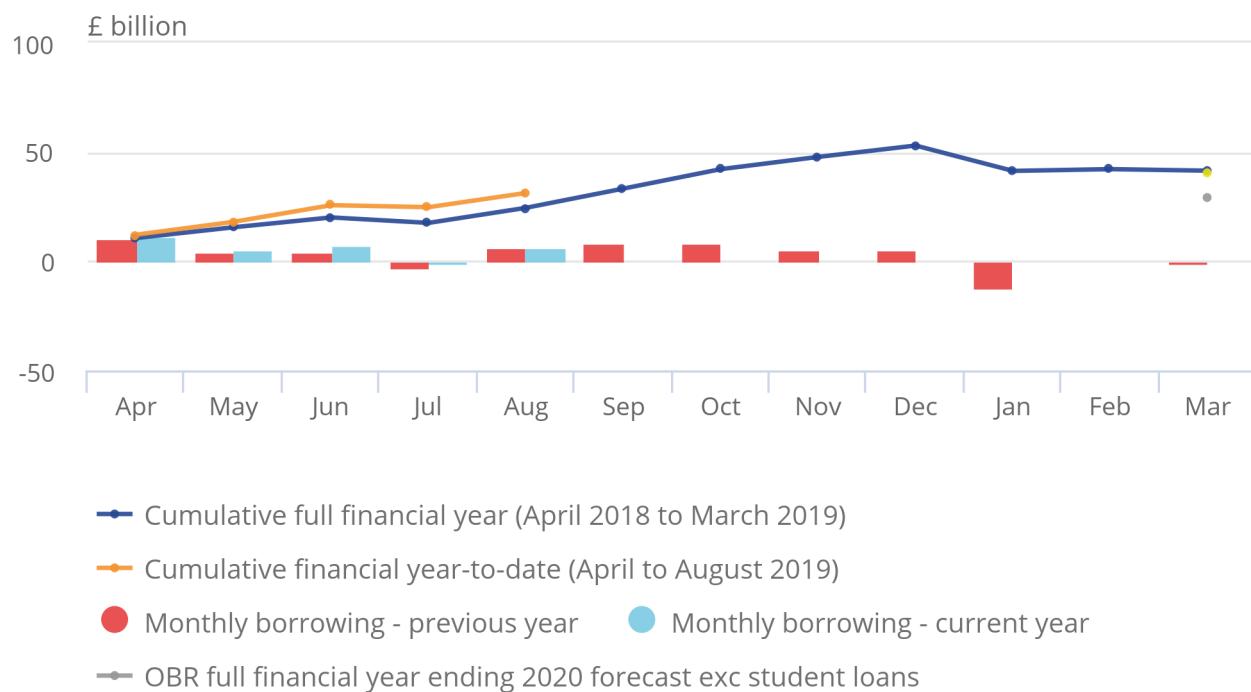
The OBR expects borrowing to increase to £29.3 billion in the FYE March 2020, with a further increase of £11.2 billion owing to the revised treatment of student loans introduced in September 2019.

**Figure 2: The Office for Budget Responsibility expects borrowing to increase in the financial year ending March 2020**

Cumulative financial year-to-date (April 2019 to August 2019) compared with the FYE March 2019 (April 2018 to March 2019), UK

## Figure 2: The Office for Budget Responsibility expects borrowing to increase in the financial year ending March 2020

Cumulative financial year-to-date (April 2019 to August 2019) compared with the FYE March 2019 (April 2018 to March 2019), UK



Source: Office for National Statistics – Public sector finances

Notes:

1. The OBR full financial year forecast of PSNB ex for the FYE March 2020 (March 2019 EFO). This forecast does not include the impact of change in treatment of student loans.
2. The OBR full financial year forecast of PSNB ex for the FYE March 2020 with a provisional forecast of the impact of the change in treatment of student loans (March 2019 EFO). This forecast includes the impact of student loan sales.

Figure 3 summarises the contributions of each sub-sector to PSNB ex in the latest financial year-to-date (April 2019 to August 2019) and compares these with the same period last year.

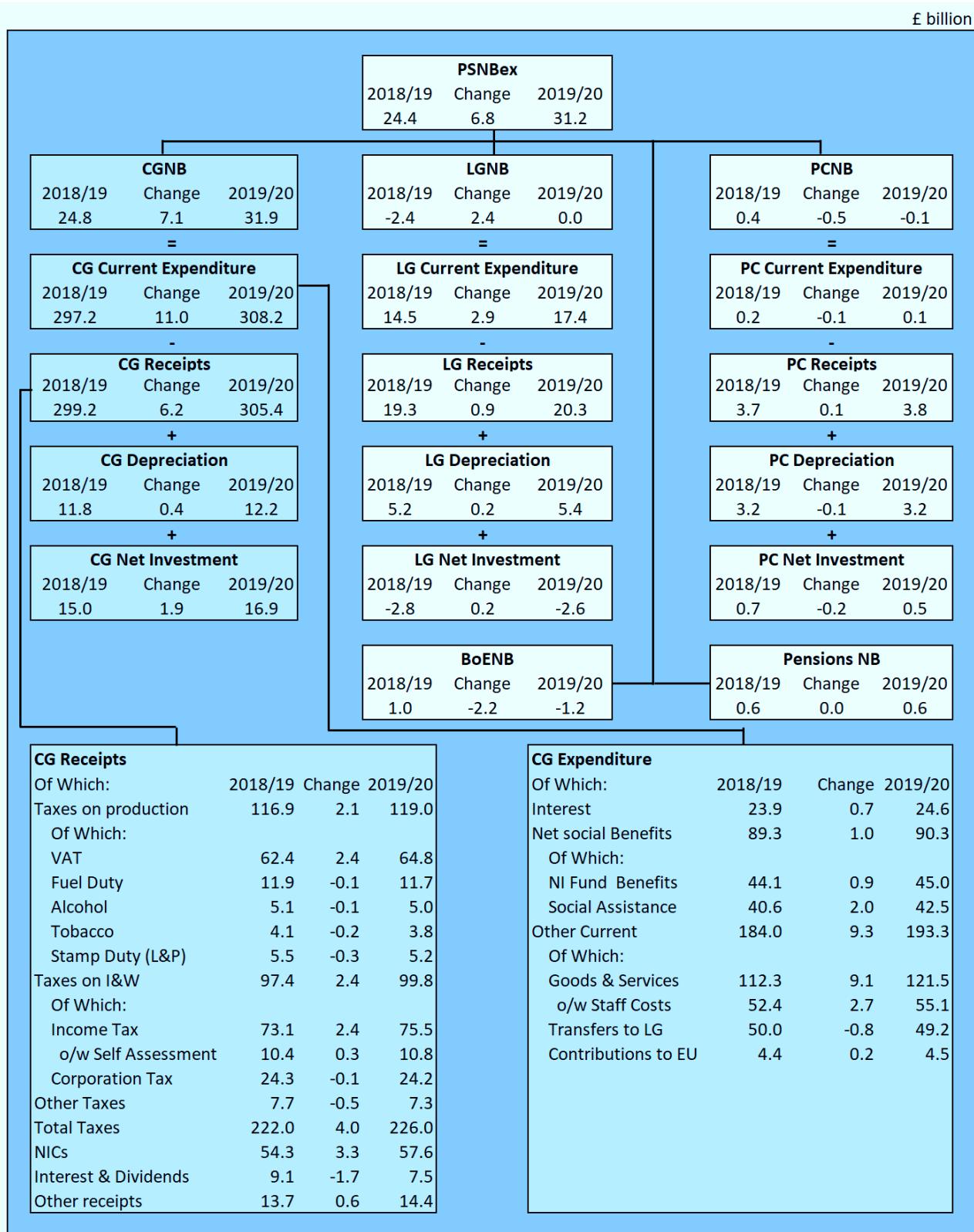
The difference between central government's income and spending makes the largest contribution to the amount borrowed by the public sector.

In the latest financial year-to-date, central government received £305.4 billion in receipts, including £226.0 billion in taxes. This was 2.1% more than in the same period last year.

Over the same period, central government spent £325.1 billion, an increase of 4.1%. Of this amount, around two-thirds was spent by central government departments (Education, Defence, Health and Social Care); just below one-third was spent on social benefits (such as pensions, unemployment payments, Child Benefit and Statutory Maternity Pay); and the remainder was spent on capital investment and interest on the government's outstanding debt.

**Figure 3: How each sector contributes to the growth in borrowing**

Current financial year-to-date (April 2019 to August 2019) compared with the previous financial year-to-date, UK



Source: Office for National Statistics – Public sector finances

**Notes:**

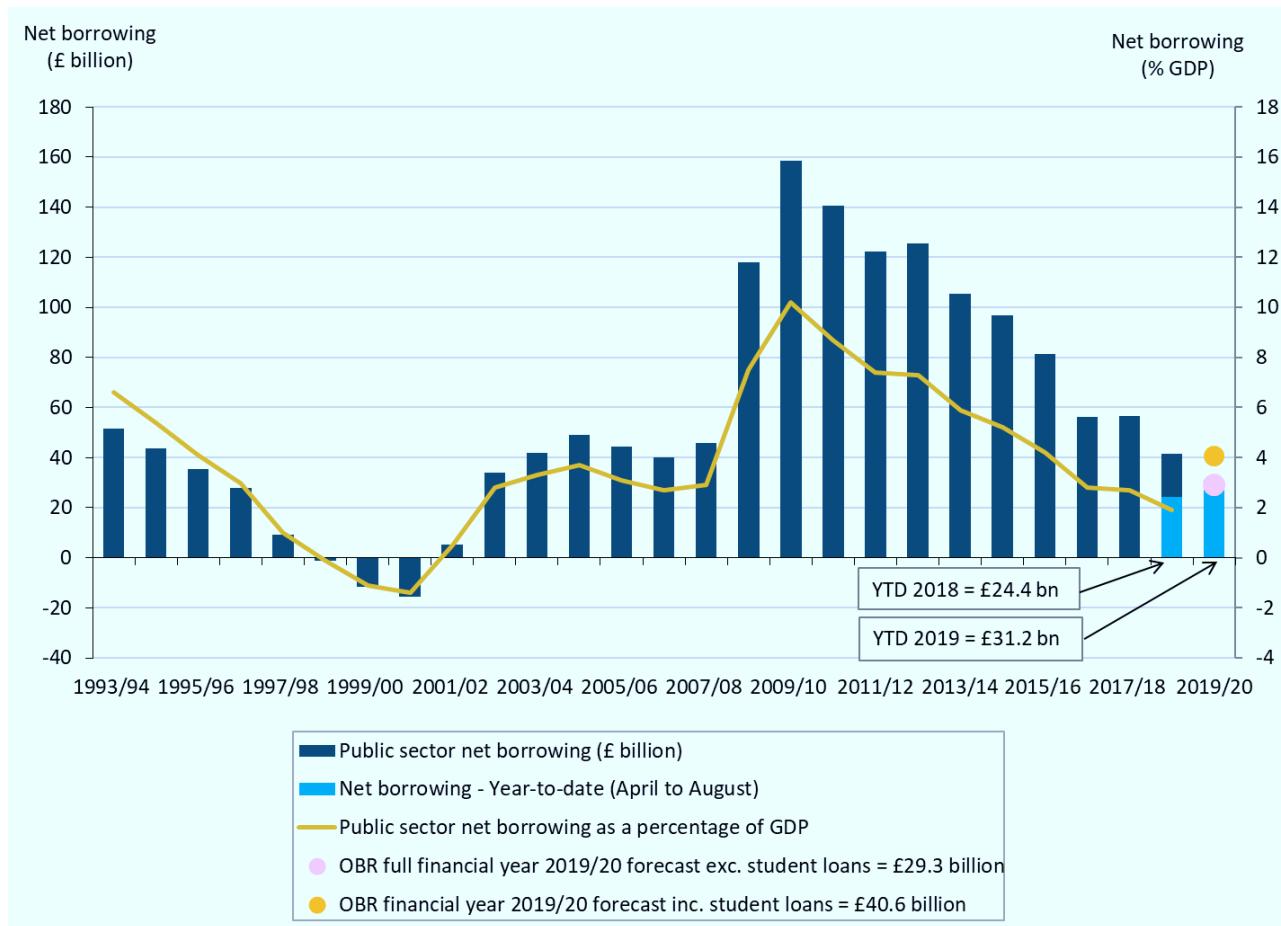
1. PSNB ex – Public sector net borrowing excluding public sector banks.
2. CGNB – Central government net borrowing.
3. LGNB – Local government net borrowing.
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6. L&P – Land and property.
7. I&W – Income and wealth.
8. Contributions to EU – UK VAT, GNI and abatement contributions to the EU budget.
9. NICs – National Insurance contributions.
10. o/w – Of which.

Figure 4 illustrates that annual borrowing has generally been falling since the peak in the FYE March 2010 (April 2009 to March 2010).

In the latest full financial year (April 2018 to March 2019), the £41.4 billion (or 1.9% of gross domestic product, GDP) borrowed by the public sector was around a quarter (26.1%) of the amount seen in the FYE March 2010, when borrowing was £158.3 billion (or 10.2% of GDP).

**Figure 4: Borrowing has generally been falling since its peak in the financial year ending March 2010**

Public sector net borrowing (excluding public sector banks), UK, April 1993 to July 2019



Source: Office for National Statistics – Public sector finances

**Notes:**

1. The OBR full financial year forecast of PSNB ex for the FYE March 2020 (March 2019 EFO). This forecast does not include the impact of change in treatment of student loans.
2. Financial year 2018 to 2019 represents the FYE 2019 (April 2018 to March 2019).
3. YTD equals year-to-date (April to August).
4. The OBR full financial year forecast of PSNB ex for the FYE March 2020 with a provisional forecast of the impact of the change in treatment of student loans (March 2019 EFO). This forecast includes the impact of student loan sales.

## 5 . How much does the public sector owe?

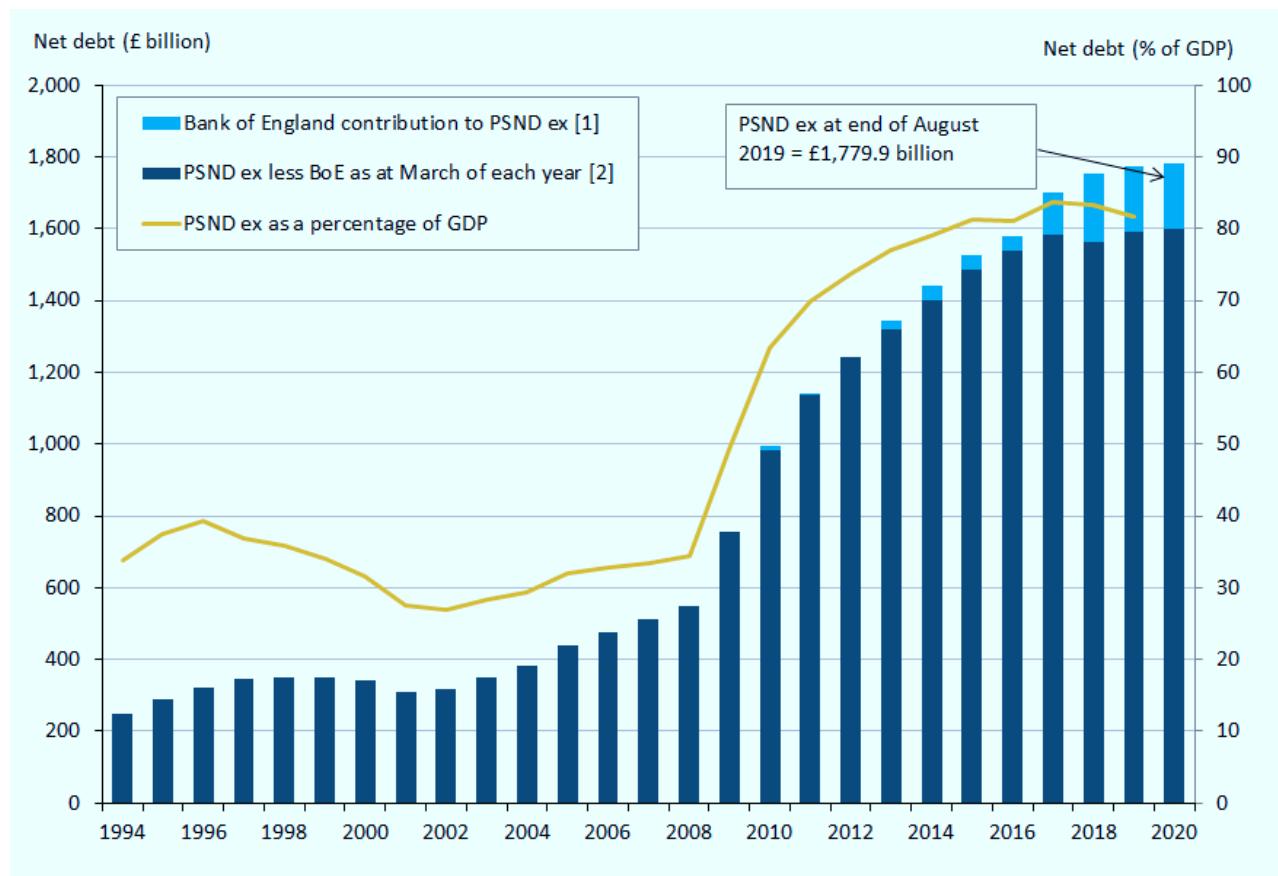
Public sector net debt excluding public sector banks (PSND ex) represents the amount of money the public sector owes to private sector organisations (including overseas institutions), which has built up by successive government administrations over many years.

When the government borrows, this normally adds to the debt total, but it is important to remember that [reducing the deficit is not the same as reducing the debt](#).

At the end of August 2019, the amount of money owed by the public sector to the private sector stood at just below £1.8 trillion (Figure 5), which equates to 80.9% of the value of all the goods and services currently produced by the UK economy in a year (or gross domestic product, GDP).

**Figure 5: Debt as a percentage of gross domestic product has been falling in recent financial years**

Public sector net debt (excluding public sector banks), UK, March 1994 to the end of August 2019



Source: Office for National Statistics – Public sector finances

**Notes:**

1. Includes Asset Purchase Facility (APF), which includes the Term Funding Scheme (TFS).
2. PSND ex is the combination of PSND ex Bank of England plus Bank of England contribution to PSND ex.

The Bank of England's contribution to net debt is largely a product of their quantitative easing measures, namely the [Bank of England Asset Purchase Facility Fund](#) (BoE APFF) and the [Term Funding Scheme](#) (TFS). If we were to exclude the Bank of England from our calculation of PSND ex, it would reduce by £181.3 billion, from £1,779.9 billion to £1,598.7 billion, or from 80.9% of GDP to 72.7%.

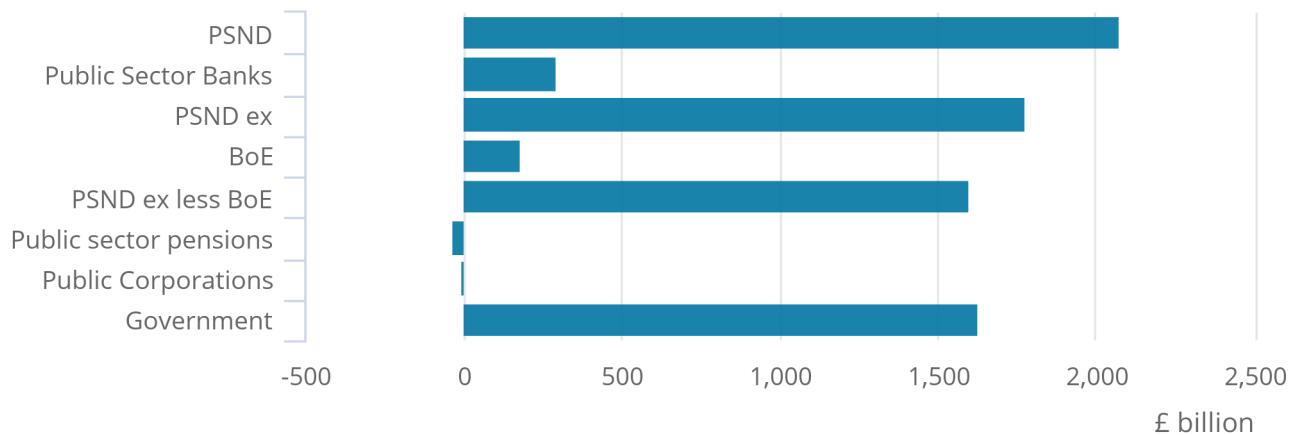
Figure 6 breaks down outstanding public sector net debt (PSND) at the end of August 2019 into the sub-sectors of the public sector. In addition to PSND ex, this presentation includes the effect of public sector banks on debt.

## Figure 6: How each sector contributes to UK debt

At end of August 2019

Figure 6: How each sector contributes to UK debt

At end of August 2019



Source: Office for National Statistics – Public sector finances

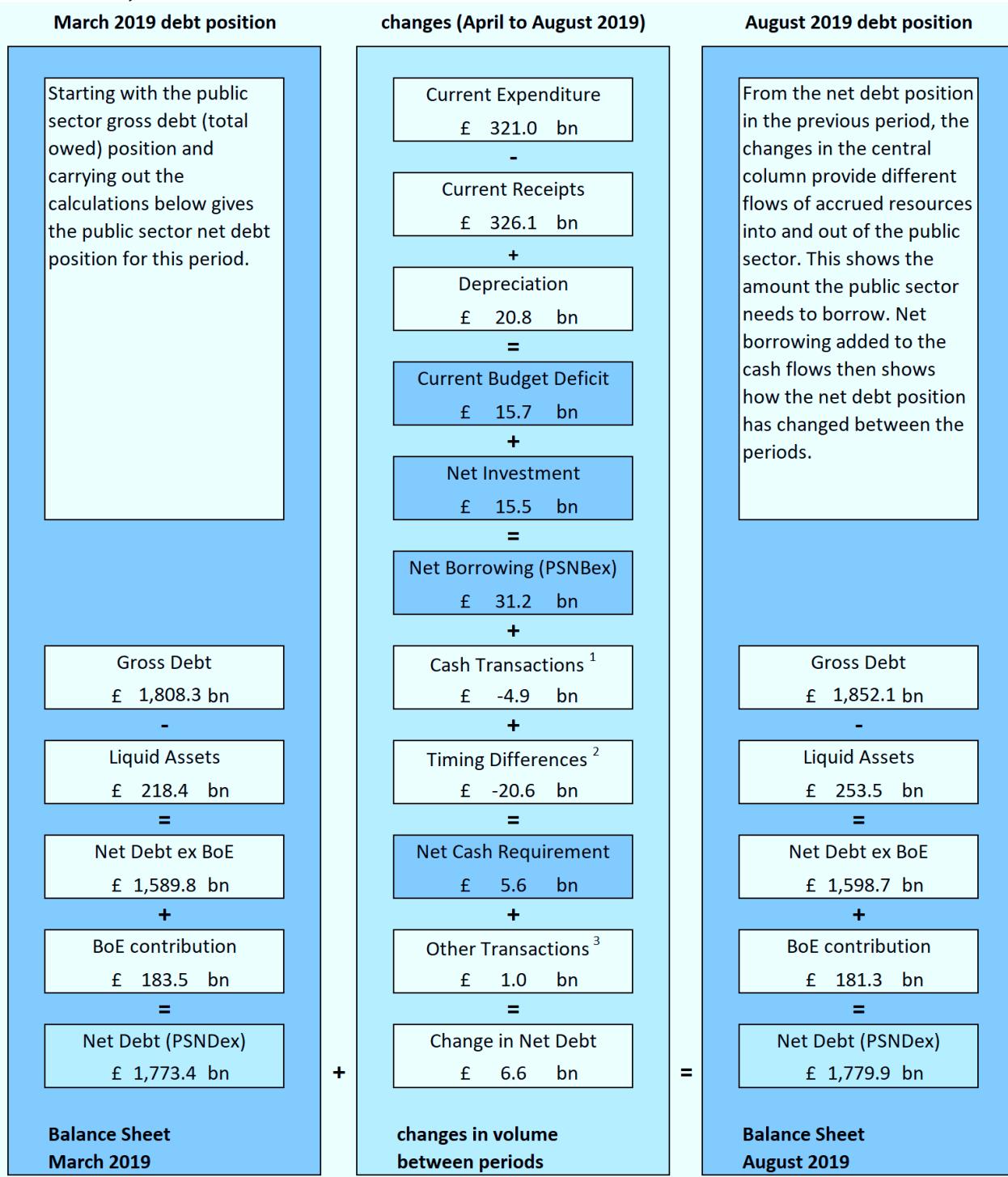
### Notes:

1. PSND – Public sector net debt.
2. PSND ex – Public sector net debt excluding public sector banks.
3. PSND ex less BoE – Public sector net debt excluding both public sector banks and Bank of England.

Figure 7 incorporates the borrowing components detailed in Figure 2 to illustrate how the differences between income and spending (both current and capital) have led to the accumulation of debt in the current financial year-to-date (April 2019 to August 2019).

The reconciliation between public sector net borrowing (PSNB) and net cash requirement is presented in more detail in Table REC1 in the [Public sector finances tables 1 to 10: Appendix A dataset](#).

**Figure 7: How the differences in expenditure and receipts affect public sector net debt excluding public sector banks, UK**



Source: Office for National Statistics – Public sector finances

**Notes:**

1. Cash transactions in (non-financing) financial assets, which do not impact on net borrowing.
2. Timing differences between cash and accrued data.
3. Revaluation of foreign currency debt (for example, foreign currency) Debt issuances or redemptions above or below debt valuation (for example, bond premia and discounts and capital uplifts). Changes in volume of debt not resulting from transactions (for example, sector reclassification).

## **6 . Revisions since the previous release**

Revisions can be the result of both updated data sources and methodology changes. This month, revisions to public sector finance statistics are a result of updated data and methodology changes.

### **Revisions summary**

Table 1 shows the revisions to the headline statistics presented in this bulletin compared with those presented in the previous bulletin (published on 21 August 2019).

Table 1: Revisions to main aggregates  
Revisions since the previous public sector finances bulletin (published 21 August 2019), UK

**£ billion<sup>1</sup> (not seasonally adjusted)**

Period	Net borrowing								
	CG <sup>2</sup>	LG <sup>3</sup>	NFPCs	PSP	BoE	PSNB ex	PSND ex	PSND % of GDP	PSNCR ex <sup>1</sup>
1997/98	0.0	0.0	0.1	0.1	0.0	0.2	-8.0	-0.8	0.0
1998/99	0.0	0.0	0.0	0.0	0.0	0.0	-8.5	-0.9	0.0
1999/00	0.1	0.0	0.1	-0.6	0.0	-0.5	-9.8	-0.9	0.0
2000/01	0.4	0.0	0.1	-0.1	0.0	0.4	-9.1	-0.8	0.0
2001/02	-0.1	0.0	0.1	1.0	0.0	1.0	-8.5	-0.8	0.0
2002/03	0.1	0.0	0.2	1.7	0.0	2.1	-7.5	-0.6	0.0
2003/04	0.2	0.0	0.2	2.5	0.0	2.9	-8.8	-0.7	0.0
2004/05	0.3	0.0	0.2	2.6	0.0	3.0	-9.9	-0.8	0.0
2005/06	0.3	0.0	0.2	2.2	0.0	2.7	-11.7	-0.8	0.0
2006/07	0.3	0.0	0.3	1.4	0.0	2.0	-13.1	-0.9	0.0
2007/08	0.6	0.0	0.3	1.9	0.0	2.7	-12.5	-0.8	0.0
2008/09	0.3	0.0	0.2	3.9	0.0	4.3	-11.3	-0.7	0.0
2009/10	1.5	0.0	0.3	3.4	0.0	5.2	-15.0	-0.9	0.0
2010/11	1.5	0.0	0.0	2.5	0.0	4.0	-17.6	-1.1	0.0
2011/12	1.8	0.0	0.3	3.9	0.0	5.9	-16.9	-1.0	0.0
2012/13	3.5	0.0	0.1	1.5	0.0	5.1	-20.8	-1.2	0.0
2013/14	4.5	0.0	0.2	3.1	0.0	7.8	-21.6	-1.2	0.0
2014/15	5.2	0.1	0.1	1.6	0.0	7.1	-26.7	-1.4	0.0
2015/16	8.6	0.2	0.1	0.4	0.0	9.3	-23.8	-1.3	0.0
2016/17	9.7	0.6	0.0	1.0	0.0	11.3	-25.2	-1.3	0.0
2017/18	13.6	0.0	0.6	0.5	0.0	14.6	-26.6	-1.3	0.0
2018/19	15.8	0.5	0.2	1.3	0.0	17.8	-29.3	-1.4	-0.7
2019/20 YTD <sup>12</sup>	7.3	0.9	0.1	0.4	-0.1	8.7	-30.1	-1.4	-0.6
2019 Apr	5.5	0.0	0.0	0.1	0.0	5.6	-28.3	-1.3	0.0
2019 May	1.2	0.0	0.0	0.1	0.0	1.4	-28.7	-1.3	0.0
2019 Jun	1.1	0.0	0.0	0.1	0.0	1.2	-29.1	-1.3	0.0
2019 Jul	-0.5	0.9	0.1	0.1	-0.1	0.5	-30.1	-1.4	-0.6

Source: Office for National Statistics – Public sector finances

Notes

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9. GDP = Gross domestic product. [Back to table](#)
10. Public sector net cash requirement excluding public sector banks. [Back to table](#)
11. 2018/19 represents the financial year ending (FYE) 2019 (April 2018 to March 2019). [Back to table](#)
12. YTD = Current financial year-to-date (April to July 2019). [Back to table](#)

This month we have introduced substantial methodology and data changes, as detailed in [Section 3](#) and [Section 10](#). These methodology and data changes have been applied consistently throughout our time series enabling comparisons to earlier data points.

Further, this month HM Revenue and Customs (HMRC) published corrected data for Corporation Tax and Corporation Tax credits. The latest figures have been used to compile the data in this release. The impact of this correction extends from the financial year ending (FYE) March 2008 to date. The error mainly relates to the treatment of Corporation Tax credits, which are included within total Corporation Tax receipts as well as within total central government expenditure.

Table 2 summarises how these methodology changes and the correction to corporation tax have contributed to revisions in public sector net borrowing excluding public sector banks (PSNB ex), by comparing the latest estimates with that published in [last month's bulletin](#) (21 August 2019).

Table 2: Determinants of revisions to borrowing, financial year ending March 1998 to date

July 2019		Of which:							August 2019		
Public sector net borrowing ex	Public sector net borrowing ex as a % of GDP	Public sector funded pension schemes <sup>1</sup>	The pensions sector	Central government	Student loans	Capital consumption tax	Corporation tax	Other	Public sector net borrowing ex	Public sector net borrowing ex as a % of GDP	Revisions to public sector net borrowing ex
1997/98	9.1	0.9	0.1	0.1	0.0	0.0	0.0	0.0	9.3	1.0	0.2
1998/99	-1.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	-0.1	0.0
1999/00	-11.0	-1.0	-0.6	-0.6	0.0	0.1	0.0	0.0	-11.4	-1.1	-0.5
2000/01	-16.1	-1.5	-0.1	-0.1	0.0	0.2	0.0	0.0	-15.7	-1.4	0.4
2001/02	4.4	0.4	1.0	1.0	0.0	0.2	0.0	0.0	-0.1	5.4	0.5
2002/03	32.1	2.7	1.7	1.7	0.0	0.2	0.0	0.0	0.1	34.1	2.8
2003/04	38.8	3.1	2.5	2.5	0.0	0.2	0.0	0.0	0.2	41.7	3.3
2004/05	46.1	3.5	2.6	2.6	0.0	0.3	0.0	0.0	0.2	49.2	3.7
2005/06	41.6	2.9	2.2	2.2	0.0	0.3	0.0	0.0	0.2	44.3	3.1
2006/07	38.0	2.6	1.4	1.4	0.0	0.4	0.0	0.0	0.2	40.0	2.7
2007/08	42.9	2.8	1.9	1.9	0.0	0.6	0.0	0.0	0.3	45.7	2.9
2008/09	113.5	7.3	3.9	3.9	0.0	0.8	0.0	-0.6	0.1	117.8	7.5
2009/10	153.1	9.9	3.4	3.4	0.0	1.5	0.0	0.1	0.3	158.3	10.2
2010/11	136.5	8.5	2.5	2.5	0.0	1.2	0.0	-0.1	0.3	140.4	8.7
2011/12	116.3	7.0	3.9	3.9	0.0	1.3	0.0	0.8	-0.1	122.2	7.4
2012/13	120.3	7.0	1.5	1.5	0.0	2.2	0.0	1.2	0.1	125.4	7.3
2013/14	97.7	5.5	3.1	3.1	0.0	3.8	0.0	0.7	0.1	105.5	5.9
2014/15	89.9	4.8	1.7	1.6	0.0	5.4	0.0	-0.2	0.2	96.9	5.2
2015/16	71.8	3.8	0.4	0.4	0.0	6.5	0.0	1.9	0.5	81.2	4.2
2016/17	44.9	2.3	1.0	1.0	0.0	7.5	0.0	2.3	0.5	56.2	2.8
											11.3

2017/18	41.8	2.0	0.6	0.5	0.0	9.9	0.0	3.8	0.3	56.5	2.7	14.6
2018/19 <sup>2</sup>	23.6	1.1	1.3	1.3	0.0	12.4	0.0	2.6	1.4	41.4	1.9	17.8
2019/20 y-t-d <sup>3</sup>	16.0	-	0.4	0.4	0.0	5.6	0.0	1.9	0.7	24.7	-	8.7

Source: Office for National Statistics – Public sector finances

#### Notes

1. Includes Pension Protection Fund (PPF) and public sector employment-related pension funds. [Back to table](#)
2. Refers to the financial year April 2018 to March 2019. [Back to table](#)
3. Refers to the current financial year-to-date (April to July 2019). [Back to table](#)
4. Unless otherwise stated. [Back to table](#)

## **Revisions to public sector net borrowing excluding public sector banks in the current financial year-to-date (April to July 2019)**

The data for the latest months of every release contain a degree of forecasts. The initial outturn estimates for the early months of the financial year, particularly April, contain more forecast data than other months. This is because profiles of tax receipts, along with departmental and local government spending, are still provisional. This means that the data for these months are typically more prone to revision than other months and can be subject to sizeable revisions in later months.

PSNB ex in the current financial year-to-date (April to July 2019) has been revised up by £8.7 billion compared with figures presented in the [previous bulletin](#) (published on 21 August 2019). Of this £8.7 billion revision, £7.3 billion is attributable to central government, £0.9 billion to local government and £0.4 billion to the inclusion of the new public sector pensions sector within the public sector borrowing boundary.

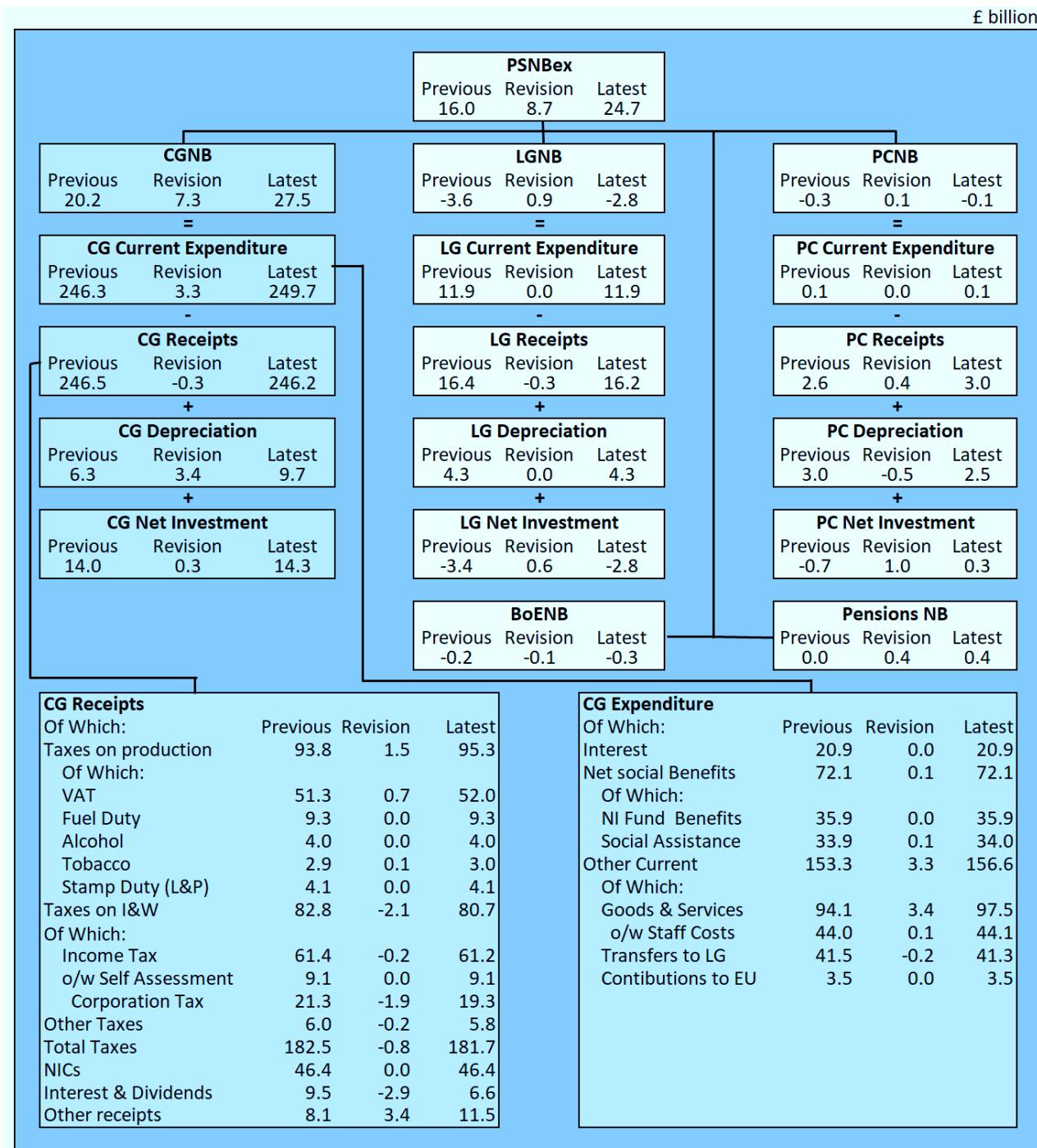
The £7.3 billion revision to the central government sector is due largely to the change in treatment of student loans and the correction of Corporation Tax data. The new treatment of student loans added £5.6 billion to current expenditure, while £1.9 billion reduction in accrued Corporation Tax receipts reduced revenue. These upward pressures on borrowing were partially offset by many smaller data revisions across the period amounting to £0.2 billion, as latest central government spending data were included, to align with published departmental resource accounts.

This month we have introduced local government budget data for England, Scotland and Wales for the financial year ending March 2020 for the first time, replacing initial estimates based on the Office for Budget Responsibility (OBR) forecasts. The inclusion of these new data have increased our provisional estimate of local government net borrowing by £0.9 billion in the current financial year-to-date.

Figure 8 breaks down the revision to PSNB ex in the current financial year-to-date by each of its five sub-sectors: central government, local government, non-financial public corporations, public sector pensions and the Bank of England.

**Figure 8: How each element of the public sector contributes to the revision in financial year-to-date net borrowing (PSNB ex)**

Latest data covering the months of April to July 2019, compared with that presented in the previous bulletin (21 August 2019), UK



Source: Office for National Statistics – Public sector finances

Notes:

1. PSNB ex – Public sector net borrowing excluding public sector banks.
2. CGNB – Central government net borrowing.
3. LGNB – Local government net borrowing.
4. PCNB – Non-financial public corporations' net borrowing.
5. BoENB – Bank of England net borrowing.
6. L&P – Land and property.
7. I&W – Income and wealth. 8 Contributions to EU – UK VAT, GNI and abatement contributions to the EU budget.
8. NICs – National insurance contributions.
9. o/w – Of which.

## **Revisions to public sector net debt excluding public sector banks**

Public sector net debt excluding public sector banks (PSND ex) at the end of August 2019 has been revised down by £30.1 billion compared with that presented in [the previous bulletin](#) (published on 21 August 2019). This decrease in PSND ex is largely because of the inclusion of public sector pensions within the public sector borrowing boundary, reducing debt by £28.6 billion, reflecting the consolidation of gilts and recognition of liquid assets held by the public pension schemes. The remaining £1.5 billion reduction in the net debt estimate is almost entirely a result of the updated local government data.

## **7 . How do our figures compare with official forecasts?**

The independent Office for Budget Responsibility (OBR) is responsible for the production of official forecasts for the government. These forecasts are usually produced twice a year, in spring and autumn.

On 13 March 2019, the government published its [Spring Statement 2019](#). On the same day, the OBR published updated forecasts for debt and borrowing, on which the Spring Statement 2019 is based.

The OBR forecasts used in this bulletin are based on those published in its [Economic and fiscal outlook – March 2019](#). In this publication, the OBR's forecast public sector net borrowing excluding public sector banks (PSNB ex) in the financial year ending (FYE) March 2019 to be £22.8 billion, with an expectation that it would increase to £29.3 billion in the FYE March 2020.

These March 2019 OBR forecasts do not include estimates of the revisions made in September 2019 for student loans and pensions data. The OBR intends to reflect these changes in their next fiscal forecast.

In [Chart B.4 of the Economic and fiscal outlook – March 2019](#) (Excel, 937 KB), the OBR estimates that the inclusion of student loans in the public sector would add £11.2 billion to public sector net borrowing (PSNB) in the FYE March 2020, giving an expected total PSNB of £40.6 billion for the current financial year. However, this is an initial forecast and does not include the impact of student loan sales as this methodology was yet to be determined at the time the forecast was made.

Table 3 compares the current outturn estimates for each of our main public sector excluding public sector banks aggregates for the current financial year-to-date with corresponding OBR forecasts for the following financial year. The forecasts used in this table are consistent with the March 2019 OBR forecasts and do not include estimates of the revisions made in September 2019 for student loans and pensions data. It also compares the latest full financial year (April 2018 to March 2019) outturn estimates with those of the previous financial year.

Caution should be taken when comparing public sector finances data with the OBR figures for the full financial year. Data are not finalised until some time after the financial year ends, with initial estimates made soon after the end of the financial year often subject to sizeable revisions in later months as forecasts are replaced with audited outturn data. There may also be known methodological differences between the OBR forecasts and outturn data.

Table 3: Latest outturn estimates compared with the Office for Budget Responsibility forecasts Forecasts in the current financial year-to-date (April 2019 to August 2019) compared with outturn for the same period, UK

Excluding public sector banks	£ billion <sup>1</sup> (not seasonally adjusted)					
	Financial year-to-date			Full financial year		
	2018/19	2019/20	% change	2018/198 Outturn	2019/20 OBR Forecast	% change
Current budget deficit <sup>2</sup>	10.8	15.7	45.1	-5.4	-17.7	-227.4
Net investment <sup>3</sup>	13.6	15.5	14.2	46.8	47.0	0.5
Net borrowing	24.4	31.2	27.9	41.4	29.3	-29.1
Net debt	1,755.4	1,779.9	1.4	1,773.4	1,838.2	3.7
Net debt as a percentage of GDP <sup>1</sup>	82.4	80.9	-1.5	81.7	82.2	0.5

Source: Office for National Statistics – Public sector finances

#### Notes

1. Unless otherwise stated. [Back to table](#)
2. Current budget deficit is the difference between current expenditure (including depreciation) and current receipts. [Back to table](#)
3. Net investment is gross investment (net capital formation plus net capital transfers) less depreciation. [Back to table](#)
4. Net borrowing is current budget deficit plus net investment. [Back to table](#)
5. Net debt is financial liabilities (for loans, deposits, currency and debt securities) less liquid assets. [Back to table](#)
6. Gross domestic product (GDP) at current market price. [Back to table](#)
7. Financial year-to-date refers to the period April to August. [Back to table](#)
8. 2019/20 refers to the FYE in March 2020 and 2018/19 refers to the FYE in March 2019. [Back to table](#)
9. All OBR figures are from the OBR Economic and Fiscal Outlook (EFO) published in March 2019. [Back to table](#)
10. Change in percentage points. [Back to table](#)

## 8 . International comparisons of borrowing and debt

### Government Finance Statistics

The UK government debt and deficit statistical bulletin is published quarterly (in January, April, July and December each year), to coincide with when the UK and other EU member states are required to report on their deficit (or net borrowing) and national debt to the European Commission.

On 17 July 2019, we published [UK government debt and deficit: March 2019](#), consistent with [Public sector finances, UK: May 2019](#) (published on 21 June 2019). In this publication, we stated that:

- general government gross debt was £1,821.3 billion at the end of the financial year ending (FYE) March 2019, equivalent to 85.2% of gross domestic product (GDP); this is 25.2 percentage points above the Maastricht reference value of 60%
- general government deficit (or net borrowing) was £25.5 billion in the FYE March 2019, equivalent to 1.2% of GDP; this is 1.8 percentage points below the Maastricht reference value of 3%

This month, we have introduced a number of methodology and data changes (see [Section 3](#) and [Section 10](#)) and as a result we have revised our previously published estimates of both debt and deficit. This bulletin presents:

- general government gross debt was £1,821.9 billion at the end of the FYE March 2019, equivalent to 85.3% of GDP
- general government deficit (or net borrowing) was £41.5 billion in the FYE March 2019, equivalent to 1.9% of GDP

It is important to note that the GDP measure used as the denominator in the calculation of the debt ratios in the UK government debt and deficit statistical bulletin differs from that used within the [public sector finances statistical bulletin](#).

### International Monetary Fund's Government Finance Statistics framework

In May 2019, we published [supplementary tables compliant with the International Monetary Fund's \(IMF\) Government Finance Statistics Framework](#) for the first time.

These new supplementary tables, [International Monetary Fund's Government Finance Statistics Framework in the public sector finances: Appendix E](#), present the public sector balance sheet, statement of operations and statement of other economic flows. We intend to further refine these statements and further align the underlying methodology with the [Government Finance Statistics Manual 2014](#). We intend to update these tables on 22 October 2019.

Our methodological article, [International Monetary Fund's Government Finance Statistics framework in the public sector finances](#), accompanies the tables. It provides an overview of the IMF's framework, explains differences to the national accounts framework, provides information on data sources and quality, and details our future plans.

## 9 . Quality and methodology

The [Public sector finances Quality and Methodology Information Report](#) contains important information on:

- the strengths and limitations of the data and how it compares with related data
- the uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data

The [public sector finances methodological guide](#) provides comprehensive contextual and methodological information concerning the monthly [public sector finances statistical bulletin](#).

The guide sets out the conceptual and fiscal policy context for the bulletin, identifies the main fiscal measures, and explains how these are derived and interrelated. Additionally, it details the data sources used to compile the monthly estimates of the fiscal position.

## **Local government forecasts**

In recent years, planned expenditure initially reported in local authority budgets has systematically been higher than the final outturn expenditure reported in the audited accounts. We therefore include adjustments to reduce the amounts reported at the budget stage.

In September 2019, we have incorporated provisional outturn data and removed our underspend adjustment for current expenditure in England over the financial year ending (FYE) March 2019, along with our underspend adjustment for both England and Scotland capital expenditure over the same period. The only adjustment remaining for the FYE March 2019 is for Wales capital expenditure (£0.2 billion).

For the FYE March 2020, we have introduced a £1.2 billion downwards adjustment to England current expenditure, along with £0.7 billion and £0.2 billion adjustments to Scotland and Wales capital expenditure respectively.

Further information on these and additional adjustments can be found in the [Public sector finances Quality and Methodology Information Report](#).

## **10 . Developments in public sector finance statistics: September 2019**

This section explains the data or methodology changes introduced in September 2019 and presents the resulting revisions to public sector net borrowing (PSNB), net debt and net financial liabilities.

### **Presentation of pension data**

In September 2019, we changed the way we present funded public sector employment-related pension schemes in our public sector finances statistics. We have extended our current presentation, which recognises the public sector's liability for the pension scheme's deficit. We now include the pension schemes themselves (and all their assets and liabilities) and the Pension Protection Fund within the public sector boundary.

While this change is mainly focused on presentation, public sector net debt (PSND) at the end of March 2019 has decreased by £28.6 billion as a result of the consolidation of pension schemes' gilt holdings and liquid assets.

Further, public sector net financial liabilities (PSNFL) have increased by £7.8 billion. Public sector pension schemes' accounts include their financial liabilities along with both their financial and non-financial assets. However, only financial liabilities and assets are included in PSNFL. This imbalance results in a positive impact on PSNFL by an amount equivalent to the non-financial assets plus the difference between the market value and face values of the central government gilts held by the pension funds. When recognised as a government liability, debt securities are recorded on a face value basis, which represents the amount due to be repaid. However, in the pension funds' balance sheet, the recording of debt securities issued by the government is done on a market value basis. As a result, the consolidation process is not completely neutral in its impact on PSNFL.

Finally, PSNB has been impacted by two factors. Firstly, a change in pension liability may, in the short term, differ from pension funds' revenue such as pension contributions and property income receivable. Secondly, the operation of the Pension Protection Fund, which can engage in unbalanced transactions assuming a higher pension liability than the value of the assets transferred to it, can have a pronounced effect in certain years. In combination, these factors have increased PSNB by £1.3 billion in the financial year ending (FYE) March 2019.

## Appendix A: Public sector finances tables 1 to 10

We have updated our presentation of PSNB and PSND in [Public sector finances tables 1 to 10: Appendix A](#) with additional columns to reflect the introduction of a pensions sector within the public sector boundary.

Table PSA2, Public sector net borrowing: by sector now has an additional column to reflect the pension sector's contribution to PSNB.

The group of debt tables, PSA8A to D, have been improved to present a more clear path between general government consolidated gross debt and PSND. In summary:

- Table PSA8A remains unchanged in the new presentation; this table summarises the components of general government gross debt as reported by all EU member states to the European Commission
- PSA8B, PSA8D\_1 and PSA8D\_2 have been replaced by PSA8B\_1 and PSA8B\_2; these tables follow PSA8A, summarising how public sector net debt is built up from general government gross debt
- Table PSA8C remains unchanged in the new presentation; this table summarises the components of general government liquid assets

These changes have been applied to [Public sector finances tables 1 to 10: Appendix A](#) and the tables that accompany the PDF version of the public sector finances statistical bulletin.

## Public sector borrowing by sub-sector

Our [Public sector finances borrowing by sub-sector](#) presentation released on 25 October 2019 has been extended to include the pensions sub-sector.

## Presentation of student loans

In December 2018, we announced a decision to replace the [treatment of student loans](#) in the public sector finances statistics. In June 2019, we published a methodological guide for the [new approach to recording student loans](#), confirming that we would implement the new treatment in September 2019. We have met the commitment, and student loans are now recorded on the new basis in the public sector finances statistics.

To reflect the new treatment, we have made historical revisions to the PSNB and PSNFL series. PSND is not affected by the student loan treatment.

In June 2019, we provisionally estimated that PSNB would be increased by £10.6 billion and PSNFL would be increased by £59.2 billion in the FYE March 2019 upon implementation. In the finalised impacts presented in this bulletin, PSNB is increased by £12.4 billion and PSNFL is increased by £55.9 billion in the FYE March 2019 as a result of the treatment change. The final revisions differ from our provisional estimates for two reasons. Since June 2019:

- we have extended the individual-level modelling to cover all types of student loan in the UK and performed further quality assurance of the data
- we have analysed the pre-2012 student loan sales conducted by the government in 2017 and 2018 and concluded that under the new treatment, the sales increase PSNB by £1.5 billion in the FYE March 2019

In Section 5.5 of the [June 2019 methodological guide](#), we discussed the reconciliation mechanism that we use under the new methodology when a sale of student loans takes place. It is possible that the sale proceeds can differ from our estimate of the corresponding loan asset's value; these numbers differ inherently in what they represent. The loan value in the national accounts is the statistical value of future repayments (based on the loan balance, principle and interest expected to be fully repaid before the loans are written off). The government also considers expected future repayments with regards to loan sales. In assessing whether the sale achieves good value for money, it derives a present value of the repayments, accounting for additional factors such as the opportunity cost of holding student loan assets.

Where we identify that the sale price was significantly different from the value recorded in the national accounts balance sheet, we record a capital transfer equal to the difference in value between the realised sale proceeds and our estimate of the corresponding loan asset's value, which affects PSNB. Our analysis of the pre-2012 loan sales that took place in December 2017 and December 2018 shows that the difference in value on those occasions was £1.2 billion in 2017 and £1.5 billion in 2018; we recorded capital transfers of those amounts for each of the loan sales.

## Capital consumption

This month, we have introduced a number of [improvements to the estimation of capital stocks](#) and therefore the consumption of fixed capital. These include:

- the life length of fixed assets
- the classification of stocks by asset, industry and the institutional sector
- the modelling of the age-efficiency profile of capital assets

Updates to capital consumption are public sector net borrowing (PSNB) neutral, that is, any increase in capital consumption leads to an equivalent increase in current budget deficit and an equal and offsetting reduction in net investment.

As a result of this work, public sector current budget deficit in financial year ending March 2019 has increased by £8.4 billion, with an equal and offsetting reduction to net investment over the same period.

There are no PSNB, PSND or PSNFL impacts associated with a change to capital consumption.

## Impact tables for changes implemented in September 2019

Tables 4, 5 and 6 present our latest estimates of PSNB, net financial liabilities and net debt with the impacts of changes to the accounting for student loans, public sector pensions and capital consumption introduced in September 2019 removed.

The impacts presented in these tables are in-line with but do not match exactly the provisional estimates included in last month's bulletin because of methodological improvements identified over the last period.

[Impact of student loans, public sector-funded pension scheme and capital consumption changes introduced in September 2019: Appendix G](#) expands this presentation to include the impact on current budget deficit and net investment and also provides additional quarterly and monthly time series. We plan to continue publishing updated versions of these tables until the end of the current financial year (April 2020).

Table 4: The impacts on public sector net borrowing of removing the changes to the accounting for public sector pensions, student loans and capital consumption introduced in September 2019

£ billion (not seasonally adjusted)

	Public sector net borrowing ex <sup>1</sup>	Public sector net borrowing ex as a percentage of GDP <sup>1</sup>	Public sector funded pension schemes <sup>2</sup>	Student loans	Capital consumption	Public sector net borrowing ex <sup>3</sup>	Public sector net borrowing ex as a percentage of GDP <sup>3</sup>
1997/98	9.3	1.0	0.1	0.0	0.0	9.1	1.0
1998/99	-1.0	-0.1	0.0	0.0	0.0	-1.1	-0.1
1999/00	-11.4	-1.1	-0.6	0.1	0.0	-10.9	-1.0
2000/01	-15.7	-1.4	-0.1	0.2	0.0	-15.8	-1.4
2001/02	5.4	0.5	1.0	0.2	0.0	4.3	0.4
2002/03	34.1	2.8	1.7	0.2	0.0	32.2	2.7
2003/04	41.7	3.3	2.5	0.2	0.0	39.0	3.1
2004/05	49.2	3.7	2.6	0.3	0.0	46.3	3.5
2005/06	44.3	3.1	2.2	0.3	0.0	41.8	3.0
2006/07	40.0	2.7	1.4	0.4	0.0	38.2	2.6
2007/08	45.7	2.9	1.9	0.6	0.0	43.2	2.8
2008/09	117.8	7.5	3.9	0.8	0.0	113.1	7.2
2009/10	158.3	10.2	3.4	1.5	0.0	153.5	9.9
2010/11	140.4	8.7	2.5	1.2	0.0	136.7	8.5
2011/12	122.2	7.4	3.9	1.3	0.0	117.0	7.1
2012/13	125.4	7.3	1.5	2.2	0.0	121.7	7.1
2013/14	105.5	5.9	3.1	3.8	0.0	98.5	5.5
2014/15	96.9	5.2	1.7	5.4	0.0	89.8	4.8
2015/16	81.2	4.2	0.4	6.5	0.0	74.3	3.9
2016/17	56.2	2.8	1.0	7.5	0.0	47.7	2.4
2017/18	56.5	2.7	0.6	9.9	0.0	46.0	2.2
2018/19	41.4	1.9	1.3	12.4	0.0	27.6	1.3

Source: Office for National Statistics – Public sector finances

#### Notes

1. Consistent with the September 2019 Public sector finances publication. [Back to table](#)
2. Includes Pension Protection Fund (PPF) and public sector employment-related pension funds. [Back to table](#)
3. Presents PSNB ex and PSNB ex % of GDP on a basis that excludes the September 2019 changes. [Back to table](#)

Table 5: The impacts on public sector net debt of removing the changes to the accounting for public sector pensions, student loans and capital consumption introduced in September 2019

£ billion (not seasonally adjusted)

	Public sector net debt ex <sup>1</sup>	Public sector net debt ex as a percentage of GDP <sup>1</sup>	Public sector funded pension schemes	Student loans	Capital consumption	Public sector net debt ex <sup>2</sup>	Public sector net debt ex as a percentage of GDP <sup>2</sup>
1997/98	350.6	35.9	-8.0	0.0	0.0	358.6	36.7
1998/99	349.3	34.1	-8.5	0.0	0.0	357.8	35.0
1999/00	339.5	31.5	-9.8	0.0	0.0	349.3	32.4
2000/01	307.6	27.5	-9.1	0.0	0.0	316.7	28.3
2001/02	314.6	26.9	-8.5	0.0	0.0	323.1	27.7
2002/03	348.7	28.3	-7.5	0.0	0.0	356.2	28.9
2003/04	382.2	29.4	-8.8	0.0	0.0	391.0	30.1
2004/05	436.6	31.9	-9.9	0.0	0.0	446.5	32.7
2005/06	475.5	32.8	-11.8	0.0	0.0	487.2	33.6
2006/07	510.5	33.5	-13.1	0.0	0.0	523.6	34.4
2007/08	544.7	34.4	-12.5	0.0	0.0	557.2	35.2
2008/09	757.0	49.2	-11.3	0.0	0.0	768.3	49.9
2009/10	996.9	63.4	-15.0	0.0	0.0	1,011.9	64.3
2010/11	1,140.0	69.9	-17.6	0.0	0.0	1,157.6	71.0
2011/12	1,236.2	73.7	-16.9	0.0	0.0	1,253.1	74.7
2012/13	1,342.8	77.0	-20.8	0.0	0.0	1,363.6	78.2
2013/14	1,442.8	79.0	-21.6	0.0	0.0	1,464.4	80.2
2014/15	1,528.0	81.2	-26.8	0.0	0.0	1,554.8	82.6
2015/16	1,578.8	81.0	-24.1	0.0	0.0	1,602.9	82.3
2016/17	1,701.5	83.8	-25.7	0.0	0.0	1,727.2	85.1
2017/18	1,752.7	83.3	-27.2	0.0	0.0	1,780.0	84.6
2018/19	1,773.4	81.7	-28.6	0.0	0.0	1,802.0	83.0

Source: Office for National Statistics – Public sector finances

#### Notes

1. Consistent with the September 2019 PSF publication. [Back to table](#)
2. Presents PSND ex and PSND ex % of GDP on a basis that excludes the September 2019 changes. [Back to table](#)

Table 6: The impacts on public sector net financial liabilities of removing the changes to the accounting for public sector pensions, student loans and capital consumption introduced in September 2019

£ billion (not seasonally adjusted)

	Public sector net financial liabilities <sup>1</sup>	Public sector net financial liabilities as a percentage of GDP <sup>1</sup>	Public sector funded pension schemes	Student loans	Public sector net financial liabilities <sup>2</sup>	Public sector net financial liabilities as a percentage of GDP <sup>2</sup>
1997/98	316.2	32.3	-3.9	0.0	312.3	31.9
1998/99	318.7	31.2	-4.4	0.2	314.5	30.7
1999/00	287.2	26.7	-4.7	0.0	282.6	26.2
2000/01	291.3	26.1	-4.3	0.1	287.0	25.7
2001/02	317.5	27.2	-3.7	0.2	314.0	26.9
2002/03	369.1	29.9	-3.6	0.6	366.1	29.7
2003/04	387.8	29.9	-3.9	0.7	384.6	29.6
2004/05	431.9	31.6	-4.3	1.1	428.6	31.4
2005/06	436.2	30.1	-5.2	1.3	432.3	29.9
2006/07	462.1	30.3	-5.2	0.9	457.8	30.1
2007/08	512.4	32.4	-4.8	0.1	507.6	32.1
2008/09	711.9	46.2	-3.5	-1.0	707.5	45.9
2009/10	835.4	53.1	-3.6	-1.9	829.9	52.8
2010/11	941.9	57.8	-3.3	-2.8	935.9	57.4
2011/12	1,077.8	64.3	-6.0	-4.3	1,067.5	63.7
2012/13	1,204.9	69.1	-6.1	-6.3	1,192.4	68.4
2013/14	1,287.1	70.5	-5.5	-10.5	1,271.0	69.6
2014/15	1,367.2	72.7	-8.6	-16.3	1,342.4	71.4
2015/16	1,448.1	74.3	-7.3	-22.9	1,417.8	72.8
2016/17	1,493.0	73.6	-9.0	-31.2	1,452.9	71.6
2017/18	1,462.6	69.5	-7.3	-39.8	1,415.5	67.3
2018/19	1,490.7	68.7	-7.8	-55.9	1,427.0	65.8

Source: Office for National Statistics – Public sector finances

#### Notes

1. Public sector-funded pension scheme impacts are provisional estimates and may change between now and the implementation of the new methodology in September 2019. [Back to table](#)
2. GDP equals gross domestic product. [Back to table](#)

#### Other data and methodology changes introduced in September 2019

## **Value Added Tax refunds**

In October 2018, we announced the completion of a [review of our recording of Value Added Tax \(VAT\) refunds data](#).

VAT refunds provide an estimate of the amount of VAT claimed back by local authorities and central government departments, with the intention of recording the sales of services consumed by the government on an equivalent basis, whether they are provided by the government or by the private sector.

At the time, we noted that the identified improvements to our recording of the VAT refunds (associated with the NHS, academies, the BBC and police commissioners) would be only introduced for the FYE March 2018 and the FYE March 2019 and that further data improvements would be introduced in line with the national accounts. In September 2019, we will be introducing these improvements back to the FYE March 1998.

Given that this tax is recorded as income and expenditure for both local or central government, any updates to VAT refunds data have no impact on PSNB. Public sector current receipts have increased by £3.7 billion in the FYE March 2017, with an equal and offsetting increase in both current spending and net investment of £3.7 billion and £0.1 billion, respectively, over the same period.

There are no PSNB, PSND or PSNFL impacts associated with a change to VAT refunds.

## **Winter Fuel Payments**

[Winter Fuel Payments](#) are universal benefits designed to help cover heating costs and paid to those aged 65 years or over.

Historically, the expenditure for this benefit has been recorded in the public sector finances in November, which is when the cash payments are made. However, the eligibility for each year's payments is settled in September, as claimants must have lived in the UK during the "qualifying week" of that month.

In line with our standard accruals methodology and following discussions with the Department for Work and Pensions, we have revised the recording of these payments to the point each year when the eligibility is established, rather than when the cash is paid. The change moves the expenditure between these two months (November to September) within the same financial year, increasing PSNB in September and reducing it by an equal and offsetting amount in November.

These changes have been made back to the FYE March 1998, when the benefit was introduced.

## **11 . Looking ahead**

This section presents information on aspects of data or methodology that are planned but not yet included in the public sector finances.

### **Looking ahead – developments in public sector finance statistics**

On 31 May 2019, we published the second publication in our series of development articles, [Looking ahead – developments in public sector finance statistics: 2019](#). In this article, we listed a number of short-term areas of work that we aim to implement in public sector finance statistics within 18 months from the date of this publication. These include:

- treatment of student loans (subsequently introduced in September 2019)
- presentation of pension data on a gross basis (subsequently introduced in September 2019)
- International Monetary Fund's (IMF) Government Finance Statistics Framework (initially introduced in May 2019)
- treatment of capital consumption (or depreciation) (subsequently introduced in September 2019)
- continuous development of public sector net financial liabilities (PSNFL)
- recording of leases

The article also provides some detail on the areas of planned medium- and longer-term development.

## Ongoing developments in public sector finance statistics

This section presents information on our current continuous improvement projects and methodological decisions that are planned but not yet included in the public sector finances.

### Clinical Negligence Indemnity Cover

On 1 April 2019, the government announced the [Clinical Negligence Scheme for General Practice \(CNSGP\)](#), operated by [NHS Resolution](#) on behalf of the Secretary of State for Health and Social Care.

The scheme provides comprehensive cover to all General Practitioners (GPs) and their wider practice team for clinical negligence relating to NHS services occurring from 1 April 2019. In parallel, the government has agreed commercial terms with the Medical Protection Society covering claims for historical NHS clinical negligence incidents concerning their GP members occurring at any time before 1 April 2019.

We are currently assessing the implications of this scheme for the public sector finances and will announce our findings at the earliest opportunity.

### EU withdrawal agreement

Although the Office for Budget Responsibility (OBR) discusses the EU settlement in their [Economic and fiscal outlook – March 2019](#) report, the details in the report are still subject to negotiation.

There is insufficient certainty at this stage for us to complete a formal assessment of impact on the UK public sector finances.

On 28 January 2019, former National Statistician John Pullinger released a [statement outlining our legislative preparations for a possible no-deal EU exit](#).

### East Coast Mainline

On 16 May 2018, the government announced that from 24 June 2018, [London North Eastern Railway \(LNER\) will take over the running of East Coast Mainline services](#). On 31 August 2018, we announced that [LNER would be classified to the public non-financial corporations sub-sector](#), effective from 14 February 2018. We are currently investigating the implications of this decision and our conclusions will be announced in due course.

## **Carillion insolvency**

Following Carillion Plc declaring insolvency on 15 January 2018, the UK government announced that it would provide the funding required by the Official Receiver, to ensure continuity of public services through an orderly liquidation. The Official Receiver has been appointed by the court as liquidator, along with partners at PwC that have been appointed as Special Managers. The defined benefit pension schemes of former Carillion employees are currently being assessed by the Pension Protection Fund prior to any transition into the Pension Protection Fund scheme.

We are currently investigating the various impacts of the liquidation of Carillion on the public sector finances, including in relation to the public–private partnership projects in which Carillion was involved and the additional funding that the government has provided to maintain public services. We will announce our findings in due course.

Prior to liquidation, Carillion held approximately 450 contracts with government, representing 38% of Carillion's 2016 reported revenue.

## **Sale of railway arches**

On 11 September 2018, [Network Rail announced they had agreed terms for the sale of their Commercial Estate business in England and Wales](#). On 4 February 2019, the National Audit Office confirmed that [Network Rail had completed a £1.46 billion sale of its commercial property portfolio](#) consisting of approximately 5,200 properties across England and Wales, mainly railway arches.

Public sector net debt (PSND) at the end of February 2019 and the central government net cash requirement in February 2019 were each reduced by an amount equivalent to the cash received by central government from the sale.

We are currently investigating the nature of the transaction to ensure that the impacts will be fully reflected in the public sector finances, so it has yet to be determined whether public sector net borrowing (PSNB) is affected and therefore it remains unchanged.

## **McCloud pension case**

In 2015, the government introduced changes to most public sector pension schemes. As part of the transitional arrangements, older members of the pension schemes had an opportunity to stay in their original pension schemes, which offered better terms than the new schemes introduced at the time. Younger members had to transfer to the new schemes. In December 2018, the Court of Appeal ruled that these arrangements amounted to unlawful age discrimination in a decision that was consequently upheld by the Supreme Court. Although the court ruling was related to judges' and firefighters' pension schemes, on 15 July 2019 the Government confirmed that the [difference in treatment will need to be remedied across all relevant public sector pension schemes](#).

The impact of this decision on public sector finances is not yet known, but it has the potential to change the size of the pension liability as well as the net borrowing position of the public sector pension sub-sector. We will provide further information on the impacts of this ruling when it becomes available.

## **12 . Links to data and related publications**

## Time series data

All data contained within these publications are available to download via the [Public sector finances time series](#). From April 1997 to date, where available, time series are presented as monthly data, with series extending further back in time, generally presented on a quarterly or financial year basis.

Time series exclusive to the public sector finances borrowing by sub-sector presentation are only available as quarterly time series, though these extend back to 1946.

## Supporting documentation

Documentation supporting this publication is available in appendices to the bulletin:

- [Public sector finances tables 1 to 10: Appendix A](#)
- [Large impacts on public sector fiscal measures excluding banking groups: Appendix B](#)
- [Public sector finances revisions analysis on main fiscal aggregates: Appendix C](#)
- [Public sector current receipts: Appendix D](#)
- [International Monetary Fund's Government Finance Statistics Framework in the public sector finances: Appendix E](#)
- [Revisions to the first reported estimate of public sector net borrowing: Appendix F](#)
- [Impact of student loans, public sector-funded pension scheme and capital consumption changes introduced in September 2019: Appendix G](#)

## Public sector borrowing by sub-sector

Each month, at 9:30am on the working day following the [public sector finances statistical bulletin](#), we publish [Public sector finances borrowing by sub-sector](#). This release contains an extended breakdown of public sector borrowing in a matrix format and estimates of total managed expenditure (TME).

## Country and regional public sector finances

On 28 May 2019, we published the latest release of our regular [Country and regional public sector finances](#) articles. This release includes a summary of net fiscal balance, total revenue and total expenditure by country and region within the UK.

















# PSA6C Central Government Account : Total Revenue, Total Expenditure and Net Borrowing

continued

£ million

	Total revenue	Total expenditure	Total current expenditure	Total capital expenditure	Net borrowing
	22	23	24	25	26
	MF6R	MF6U	MF6S	MF6T	-NMFJ
2015/16	670 953	751 156	687 548	63 608	80 203
2016/17	713 953	762 596	698 489	64 107	48 643
2017/18	737 378	786 068	717 815	68 253	48 690
2018/19	774 461	809 325	732 090	77 235	34 864
2017 Aug	57 189	61 291	57 464	3 827	4 102
Sep	57 227	66 616	60 165	6 451	9 389
Oct	62 034	65 336	60 942	4 394	3 302
Nov	57 340	62 377	58 278	4 099	5 037
Dec	60 249	64 024	57 779	6 245	3 775
2018 Jan	75 442	67 254	60 142	7 112	-8 188
Feb	65 226	64 448	59 436	5 012	-778
Mar	65 268	67 489	59 042	8 447	2 221
Apr	62 336	72 914	63 495	9 419	10 578
May	57 328	63 113	58 876	4 237	5 785
Jun	60 090	65 115	60 297	4 818	5 025
Jul	71 020	68 564	63 950	4 614	-2 456
Aug	59 581	65 429	60 524	4 905	5 848
Sep	59 523	67 950	60 323	7 627	8 427
Oct	63 925	69 909	64 969	4 940	5 984
Nov	59 406	64 442	58 991	5 451	5 036
Dec	62 073	66 743	59 744	6 999	4 670
2019 Jan	82 142	69 440	60 993	8 447	-12 702
Feb	66 705	65 293	60 044	5 249	-1 412
Mar	70 332	70 413	59 884	10 529	81
Apr	63 392	75 726	66 561	9 165	12 334
May	59 798	66 512	61 402	5 110	6 714
Jun	62 065	69 713	64 888	4 825	7 648
Jul	71 080	71 863	66 653	5 210	783
Aug	61 659	66 075	60 932	5 143	4 416

Relationships between columns 17+21=24+25=23; 23-22=26











# REC2 Reconciliation of Central Government Net Borrowing and Net Cash Requirement

£ million

	Net borrowing -B.9g	Net lending to private sector and rest of world F.4	Net acquisition of company securities F.5	Adjustment for interest on gilts F.3	Accounts receivable/payable 5	Other financial transactions 6	Net cash requirement 7
	1	2	3	4	5	6	7
	-NMFJ	ANRH	ANRS	ANRU	ANRT	ANRV	RUUX
2010	146 055	-12 094	-622	-8 679	14 472	8 386	147 518
2011	121 064	-4 155	-1 034	-4 716	5 645	-7 203	109 601
2012	132 119	338	-15 066	-5 937	-5 956	-1 912	103 586
2013	96 240	1 538	-27 152	2 287	12 868	-12 506	73 275
2014	105 495	-642	-8 066	-4 476	18 987	-22 256	89 042
2015	86 660	-9 817	-13 920	796	18 675	-13 606	68 788
2016	59 898	1 993	-3 970	5 756	28 106	-16 812	74 971
2017	42 389	-6 644	-5 725	-6 803	22 777	-13 049	32 945
2018	42 152	1 019	-6 180	-8 414	18 138	-21 867	24 848
2010/11	138 849	-7 855	-730	-7 821	6 495	3 130	132 068
2011/12	115 867	-2 146	-1 752	-2 291	-2 642	1 608	108 644
2012/13	126 990	19	-18 727	-5 126	1 008	-9 569	94 595
2013/14	105 177	729	-29 357	1 761	12 787	-11 286	79 811
2014/15	94 271	-751	-2 990	-1 396	21 505	-26 981	83 658
2015/16	80 203	-10 023	-13 961	-1 026	25 416	-20 886	59 723
2016/17	48 643	4 411	-4 408	4 147	25 680	-13 120	65 353
2017/18	48 690	-6 171	-3 661	-6 895	21 240	-18 008	35 195
2018/19	34 864	2 033	-7 465	-6 072	14 632	-10 301	27 691
2016 Q1	-1 791	-503	-1 724	4 796	7 798	-12 542	-3 966
Q2	28 501	2 102	-713	-5 957	7 015	-5 026	25 922
Q3	17 054	1 301	-181	11 500	9 188	-10 898	27 964
Q4	16 134	-907	-1 352	-4 583	4 105	11 654	25 051
2017 Q1	-13 046	1 915	-2 162	3 187	5 372	-8 850	-13 584
Q2	30 517	-10 806	-1 746	-8 874	6 463	-4 058	11 496
Q3	12 804	5 055	-1 760	1 312	7 323	-12 315	12 419
Q4	12 114	-2 808	-57	-2 428	3 619	12 174	22 614
2018 Q1	-6 745	2 388	-98	3 095	3 835	-13 809	-11 334
Q2	21 388	-215	-4 058	-6 912	4 060	-572	13 691
Q3	11 819	2 998	-49	1 408	4 940	-16 542	4 574
Q4	15 690	-4 152	-1 975	-6 005	5 303	9 056	17 917
2019 Q1	-14 033	3 402	-1 383	5 437	329	-2 243	-8 491
Q2	26 696	-54	-192	-8 603	3 886	-483	21 250
2017 Aug	4 102	-725	-1 759	-3 679	3 368	-706	601
Sep	9 389	7 358	70	5 019	10 551	-13 533	18 854
Oct	3 302	3	-25	-5 347	-8 271	3 571	-6 767
Nov	5 037	9	-7	1 504	2 613	2 048	11 204
Dec	3 775	-2 820	-25	1 415	9 277	6 555	18 177
2018 Jan	-8 188	2 360	-25	885	-13 757	-8 908	-27 633
Feb	-778	-59	-20	-5 839	5 503	-1 228	-2 421
Mar	2 221	87	-53	8 049	12 089	-3 673	18 720
Apr	10 578	4 692	-1 417	-5 500	-10 743	-3 673	-6 063
May	5 785	-4 739	-90	-2 325	3 468	4 611	6 710
Jun	5 025	-168	-2 551	913	11 334	-1 509	13 044
Jul	-2 456	-478	-68	659	-7 976	-3 774	-14 093
Aug	5 848	66	-55	-4 203	3 330	-1 243	3 743
Sep	8 427	3 410	74	4 952	9 586	-11 525	14 924
Oct	5 984	-1 065	-18	-6 073	-7 621	4 394	-4 399
Nov	5 036	531	-	-1 858	1 029	1 214	5 952
Dec	4 670	-3 618	-1 957	1 926	11 895	3 448	16 364
2019 Jan	-12 702	2 683	-19	1 508	-12 927	-4 931	-26 388
Feb	-1 412	-3	-1 313	-4 173	2 173	2 301	-2 427
Mar	81	722	-51	8 102	11 083	387	20 324
Apr	12 334	-405	-48	-5 233	-10 200	-3 894	-7 446
May	6 714	101	-92	-2 044	4 051	6 853	15 583
Jun	7 648	250	-52	-1 326	10 034	-3 441	13 113
Jul	783	196	-68	707	-9 538	-2 821	-10 741
Aug	4 416	119	-57	-3 387	3 105	-485	3 711

Relationship between columns 7=1+2+3+4+5+6



# PSA7C Central Government Net Cash Requirement

£ million

Central Government without NRAM and B&B and Network Rail <sup>1</sup>		NRAM and B&B <sup>1</sup>		Network Rail		Central Government with NRAM and B&B and Network Rail <sup>1</sup>		
		of which:		of which				
NCR <sup>2</sup>	of which: Own account	NCR <sup>2</sup>	NCR <sup>2</sup>	NCR <sup>2</sup>	Own account	To LG	To PC	
1	2	3	4	5	6	7	8	
M98R	M98S	M98W	MUI2	RUUW	RUUX	ABEC	ABEI	
2010	155 649	152 424	-5 987	1 081	150 743	147 518	2 744	481
2011	120 083	118 987	-10 654	1 268	110 697	109 601	1 027	69
2012	115 091	107 129	-5 232	1 689	111 548	103 586	8 469	-507
2013	73 782	74 114	-3 738	2 899	72 943	73 275	389	-721
2014	95 491	94 769	-4 633	-1 094	89 764	89 042	511	211
2015	88 147	87 806	-15 739	-3 279	69 129	68 788	359	-18
2016	82 284	80 070	-2 693	-2 406	77 185	74 971	2 192	22
2017	36 946	34 737	116	-1 908	35 154	32 945	2 385	-176
2018	32 879	27 350	-1 101	-1 401	30 377	24 848	5 785	-256
2010/11	139 626	137 681	-6 608	995	134 013	132 068	1 958	-13
2011/12	126 537	117 509	-10 225	1 360	117 672	108 644	8 793	235
2012/13	98 582	97 315	-4 517	1 797	95 862	94 595	1 626	-359
2013/14	79 251	80 629	-4 086	3 268	78 433	79 811	-283	-1 095
2014/15	92 327	91 445	-5 240	-2 547	84 540	83 658	729	153
2015/16	78 522	77 497	-14 249	-3 525	60 748	59 723	888	137
2016/17	71 133	69 525	-2 141	-2 031	66 961	65 353	1 768	-160
2017/18	40 707	37 287	-223	-1 869	38 615	35 195	3 510	-90
2018/19	36 875	29 752	-819	-1 242	34 814	27 691	7 419	-296
2016 Q1	-1 983	-2 576	-508	-882	-3 373	-3 966	610	-17
Q2	29 122	27 809	-1 379	-508	27 235	25 922	1 164	149
Q3	30 039	29 392	-920	-508	28 611	27 964	547	100
Q4	25 106	25 445	114	-508	24 712	25 051	-129	-210
2017 Q1	-13 134	-13 121	44	-507	-13 597	-13 584	186	-199
Q2	12 357	11 882	81	-467	11 971	11 496	481	-6
Q3	13 298	12 788	98	-467	12 929	12 419	460	50
Q4	24 425	23 188	-107	-467	23 851	22 614	1 258	-21
2018 Q1	-9 373	-10 571	-295	-468	-10 136	-11 334	1 311	-113
Q2	14 446	14 066	-64	-311	14 071	13 691	480	-100
Q3	6 045	5 273	-388	-311	5 346	4 574	802	-30
Q4	21 761	18 582	-354	-311	21 096	17 917	3 192	-13
2019 Q1	-5 377	-8 169	-13	-309	-5 699	-8 491	2 945	-153
Q2	20 352	18 787	2 598	-135	22 815	21 250	1 523	42
2017 Aug	1 104	700	57	-156	1 005	601	178	226
Sep	19 349	19 032	-23	-155	19 171	18 854	265	52
Oct	-6 728	-6 547	-64	-156	-6 948	-6 767	65	-246
Nov	12 364	11 359	1	-156	12 209	11 204	870	135
Dec	18 789	18 376	-44	-155	18 590	18 177	323	90
2018 Jan	-27 299	-27 144	-333	-156	-27 788	-27 633	176	-331
Feb	-1 947	-2 274	9	-156	-2 094	-2 421	306	21
Mar	19 873	18 847	29	-156	19 746	18 720	829	197
Apr	-6 062	-5 983	24	-104	-6 142	-6 063	155	-234
May	6 909	6 365	449	-104	7 254	6 710	375	169
Jun	13 599	13 684	-537	-103	12 959	13 044	-50	-35
Jul	-13 796	-13 877	-112	-104	-14 012	-14 093	88	-7
Aug	4 605	3 973	-126	-104	4 375	3 743	541	91
Sep	15 236	15 177	-150	-103	14 983	14 924	173	-114
Oct	-3 197	-3 898	-397	-104	-3 698	-4 399	700	1
Nov	6 727	6 048	8	-104	6 631	5 952	721	-42
Dec	18 231	16 432	35	-103	18 163	16 364	1 771	28
2019 Jan	-25 778	-26 287	2	-103	-25 879	-26 388	589	-80
Feb	-1 666	-2 323	-1	-103	-1 770	-2 427	643	14
Mar	22 067	20 441	-14	-103	21 950	20 324	1 713	-87
Apr	-9 809	-10 298	2 897	-45	-6 957	-7 446	444	45
May	16 646	16 017	-389	-45	16 212	15 583	622	7
Jun	13 515	13 068	90	-45	13 560	13 113	457	-10
Jul	-8 093	-8 469	-2 227	-45	-10 365	-10 741	388	-12
Aug	5 647	3 707	49	-45	5 651	3 711	1 894	46

Relationships between columns 1+3+4=5 ; 2+3+4=6 ; 6+7+8=5

1 NRAM = Northern Rock Asset Management, B&B = Bradford and Bingley.

2 NCR = Net Cash Requirement

3 Does not include Net Cash Requirement to Central Government

4 Negative NCR reflects change in financing as from 2014/15 new financing requirements of Network Rail were met through core central government borrowing and are therefore included in main CGNCR.





# PSA8A General Government Consolidated Gross Debt

nominal values at end of period

£ million

Central government gross debt								
	British government stock (gilts)	Sterling treasury bills	National savings	Tax instruments	Other sterling debt and foreign currency debt <sup>1</sup>	NRAM and B&B <sup>2</sup>	Network Rail	Total central government (CG) gross debt
	1	2	3	4	5	6	7	8
	BKPM	BKPJ	ACUA	ACRV	KW6Q	KW6R	MDL3	BKPW
2013/14	1 244 355	56 453	104 747	880	37 250	28 197	34 465	1 506 347
2014/15	1 300 401	65 011	123 469	1 158	41 293	22 576	32 548	1 586 456
2015/16	1 346 337	77 915	134 633	975	38 036	5 637	29 796	1 633 329
2016/17	1 404 898	67 032	146 242	1 353	52 200	220	27 776	1 699 721
2017/18	1 440 449	64 599	155 942	1 168	52 646	206	26 879	1 741 889
2018/19	1 476 999	74 959	166 968	625	55 004	218	25 578	1 800 351
2018 Q1	1 440 449	64 599	155 942	1 168	52 646	206	26 879	1 741 889
Q2	1 472 615	63 651	159 163	1 113	53 637	203	25 942	1 776 324
Q3	1 467 130	76 646	161 576	959	57 835	203	25 982	1 790 331
Q4	1 491 002	71 032	164 727	892	61 787	207	25 959	1 815 606
2019 Q1	1 476 999	74 959	166 968	625	55 004	218	25 578	1 800 351
Q2	1 508 238	69 403	168 853	588	56 107	203	25 902	1 829 294
2018 Aug	1 458 175	73 631	160 814	971	57 618	202	26 096	1 777 507
Sep	1 467 130	76 646	161 576	959	57 835	203	25 982	1 790 331
Oct	1 480 100	70 330	162 616	930	54 042	217	26 344	1 794 579
Nov	1 485 160	70 617	163 676	912	60 822	202	26 453	1 807 842
Dec	1 491 002	71 032	164 727	892	61 787	207	25 959	1 815 606
2019 Jan	1 496 591	61 089	165 218	862	55 776	219	25 664	1 805 419
Feb	1 504 716	62 508	166 028	644	54 765	206	25 723	1 814 590
Mar	1 476 999	74 959	166 968	625	55 004	218	25 578	1 800 351
Apr	1 487 318	67 598	168 588	606	54 681	239	25 578	1 804 608
May	1 495 808	66 008	168 287	597	53 834	201	25 720	1 810 455
Jun	1 508 238	69 403	168 853	588	56 107	203	25 902	1 829 294
Jul	1 489 060	81 582	169 681	580	62 734	225	26 003	1 829 865
Aug	1 496 827	94 719	170 657	566	56 928	215	26 032	1 845 944

Relationship between columns : 8=1+2+3+4+5+6+7

Local government gross debt								
	Money market instruments	Loans	Bonds	Total local government (LG) gross debt	LG/CG cross holdings of debt	General government (GG) consolidated gross debt (Maastricht)		
	9	10	11	12	13			14
	NJHZ	MUF5	NJIM	EYKP	KSC7			BKPx
2013/14	–	82 223	2 999	85 222	–69 109			1 522 460
2014/15	–	83 918	3 498	87 416	–69 733			1 604 139
2015/16	–	85 187	4 085	89 272	–70 339			1 652 262
2016/17	–	87 947	4 447	92 394	–71 568			1 720 547
2017/18	–	93 429	4 146	97 575	–74 983			1 764 481
2018/19	–	100 362	4 109	104 471	–82 903			1 821 919
2018 Q1	–	93 429	4 146	97 575	–74 983			1 764 481
Q2	–	93 957	4 146	98 103	–75 295			1 799 132
Q3	–	94 962	4 146	99 108	–76 537			1 812 902
Q4	–	97 343	4 146	101 489	–78 906			1 838 189
2019 Q1	–	100 362	4 109	104 471	–82 903			1 821 919
Q2	–	101 712	4 069	105 781	–84 241			1 850 834
2018 Aug	–	94 627	4 146	98 773	–76 316			1 799 964
Sep	–	94 962	4 146	99 108	–76 537			1 812 902
Oct	–	95 756	4 146	99 902	–76 987			1 817 494
Nov	–	96 549	4 146	100 695	–77 664			1 830 873
Dec	–	97 343	4 146	101 489	–78 906			1 838 189
2019 Jan	–	98 349	4 134	102 483	–79 798			1 828 104
Feb	–	99 356	4 121	103 477	–80 195			1 837 872
Mar	–	100 362	4 109	104 471	–82 903			1 821 919
Apr	–	100 812	4 096	104 908	–83 011			1 826 505
May	–	101 262	4 082	105 344	–83 807			1 831 992
Jun	–	101 712	4 069	105 781	–84 241			1 850 834
Jul	–	102 162	4 056	106 218	–85 303			1 850 780
Aug	–	102 612	4 042	106 654	–87 133			1 865 465

Relationship between columns : 12=9+10+11 ; 14=8+12+13

1 Including overdraft with Bank of England, Renminbi and Sukuk

2 NRAM = Northern Rock Asset Management, B&B = Bradford and Bingley.



# PSA8C General Government Net Debt

nominal values at end of period

£ million

General government (GG) liquid assets										
General government (GG) consolidated gross debt <sup>1</sup>	Central government (CG) deposits and other short term assets					Local government (LG) deposits and other short term assets				
	Official reserves	Total	Bank and building society deposits	Other liquid assets	NRAM and B&B liquid assets <sup>2</sup>	Total	Bank and building society deposits	Other liquid assets	General government net debt	
	1	2	3	4	5	6	7	8	9	10
BKPX	AIPD	KSD5	BKSM	BKSN	MDL5	KSD6	BKSO	BKQG	MDK2	
2013/14	1 522 460	68 266	61 619	8 280	45 572	7 767	27 898	23 171	4 727	1 364 677
2014/15	1 604 139	83 365	40 605	6 805	27 344	6 456	29 937	23 674	6 263	1 450 232
2015/16	1 652 262	93 277	31 556	8 023	20 336	3 197	29 528	22 698	6 830	1 497 901
2016/17	1 720 547	107 869	42 869	8 178	33 744	947	28 009	20 260	7 749	1 541 800
2017/18	1 764 481	115 545	35 281	9 625	24 830	826	26 167	17 771	8 396	1 587 488
2018/19	1 821 919	127 237	44 589	11 182	32 940	467	28 402	19 012	9 390	1 621 691
2018 Q1	1 764 481	115 545	35 281	9 625	24 830	826	26 167	17 771	8 396	1 587 488
Q2	1 799 132	119 959	48 764	9 780	38 169	815	30 502	20 502	10 000	1 599 907
Q3	1 812 902	120 221	56 316	11 491	44 249	576	31 448	22 154	9 294	1 604 917
Q4	1 838 189	133 893	45 367	11 563	33 312	492	30 877	20 770	10 107	1 628 052
2019 Q1	1 821 919	127 237	44 589	11 182	32 940	467	28 402	19 012	9 390	1 621 691
Q2	1 850 834	127 375	50 292	9 335	38 414	2 543	32 979	21 895	11 084	1 640 188
2018 Aug	1 799 964	122 064	56 560	11 044	44 788	728	31 185	22 012	9 173	1 590 155
Sep	1 812 902	120 221	56 316	11 491	44 249	576	31 448	22 154	9 294	1 604 917
Oct	1 817 494	124 863	56 360	11 640	44 280	440	31 804	21 999	9 805	1 604 467
Nov	1 830 873	132 095	56 417	11 007	44 948	462	30 553	20 878	9 675	1 611 808
Dec	1 838 189	133 893	45 367	11 563	33 312	492	30 877	20 770	10 107	1 628 052
2019 Jan	1 828 104	134 749	59 574	12 402	46 691	481	31 215	20 693	10 522	1 602 566
Feb	1 837 872	129 918	74 387	10 643	63 251	493	29 558	19 456	10 102	1 604 009
Mar	1 821 919	127 237	44 589	11 182	32 940	467	28 402	19 012	9 390	1 621 691
Apr	1 826 505	129 497	52 768	13 996	38 332	440	30 249	20 290	9 959	1 613 991
May	1 831 992	126 531	48 562	9 655	36 277	2 630	31 417	21 256	10 161	1 625 482
Jun	1 850 834	127 375	50 292	9 335	38 414	2 543	32 979	21 895	11 084	1 640 188
Jul	1 850 780	135 722	53 029	12 846	39 639	544	34 384	23 161	11 223	1 627 645
Aug	1 865 465	136 281	64 703	28 108	35 992	603	34 162	23 269	10 893	1 630 319

Relationship between columns : 10=1-2-3-7

1 Maastricht Debt

2 NRAM = Northern Rock Asset Management, B&B = Bradford and Bingley.



**PSA10 Public sector transactions by sub-sector and economic category**

£ million

	2018/19								
	General government			PC <sup>1</sup>	PS Pension	BoE <sup>2,3,4</sup>	PSE <sup>5</sup>	PSBanks <sup>6</sup>	PS
	CG	LG	GG						
<b>Current income</b>									
Taxes on income and wealth	259,231		259,231	-109		-9	259,113	-1,836	257,277
Taxes on production	280,035	939	280,974				280,974		280,974
Other current taxes	12,841	33,248	46,089				46,089		46,089
Taxes on capital	5,450		5,450				5,450		5,450
Compulsory social contributions	137,257		137,257				137,257		137,257
Gross operating surplus	28,386	12,665	41,051	11,184	497	152	52,884	25,224	78,108
Interest and dividends from private sector and RoW	4,947	599	5,546	331	17,879	0	23,756	6,334	30,090
Interest and dividends (net) from public sector	13,676	-1,921	11,755	-1,717		-9,740	298	-298	0
Rent and other current transfers	5,033	493	5,526	0			5,526	-2,520	3,006
<b>Total current income</b>	<b>746,856</b>	<b>46,023</b>	<b>792,879</b>	<b>9,689</b>	<b>18,376</b>	<b>-9,597</b>	<b>811,347</b>	<b>26,904</b>	<b>838,251</b>
<b>Current expenditure</b>									
Current expenditure on goods and services	275,368	124,974	400,342				400,342		400,342
Subsidies	16,985	2,615	19,600				19,600		19,600
Net social benefits	214,725	27,574	242,299		-16,344		225,955		225,955
Net current grants abroad	7,739	0	7,739				7,739		7,739
Current grants (net) within general government	112,671	-112,671							
Other current grants	17,610	105	17,715				17,715	0	17,715
VAT and GNI based EU contributions	12,901		12,901				12,901		12,901
Interest and dividends paid to private sector and RoW	48,796	661	49,457	312	18,102	-11,312	56,559	18,222	74,781
<b>Total current expenditure</b>	<b>706,795</b>	<b>43,258</b>	<b>750,053</b>	<b>312</b>	<b>18,102</b>	<b>-11,312</b>	<b>757,155</b>	<b>18,222</b>	<b>775,377</b>
<b>Saving, gross plus capital taxes</b>									
Depreciation	40,061	2,765	42,826	9,377	274	1,715	54,192	8,682	62,874
	28,386	12,665	41,051	7,701	4	34	48,790	1,086	49,876
<b>Current budget deficit</b>	<b>-11,675</b>	<b>9,900</b>	<b>-1,775</b>	<b>-1,676</b>	<b>-270</b>	<b>-1,681</b>	<b>-5,402</b>	<b>-7,596</b>	<b>-12,998</b>
<b>Net investment</b>									
Gross fixed capital formation	38,782	18,847	57,629	10,544	489	26	68,688	858	69,546
less depreciation	-28,386	-12,665	-41,051	-7,701	4	-34	-48,790	-1,086	-49,876
Increase in inventories and valuables	-178	0	-178	-34			-212		-212
Capital grants (net) within public sector	12,282	-11,471	811	-811			0	0	
Capital grants to private sector	26,093	3,820	29,913	0	1,098		31,011	0	31,011
Capital grants from private sector	-2,054	-1,817	-3,871	-52			-3,923	0	-3,923
<b>Total net investment</b>	<b>46,539</b>	<b>-3,286</b>	<b>43,253</b>	<b>1,946</b>	<b>1,583</b>	<b>-8</b>	<b>46,774</b>	<b>-228</b>	<b>46,546</b>
<b>Net borrowing</b>									
	34,864	6,614	41,478	270	1,313	-1,689	41,372	-7,824	33,548
<i>Financial transactions determining net cash requirement</i>									
Net lending to private sector and RoW									
Net acquisition of UK company securities	2,033	2,637	4,670	-109			4,569	3,255	7,824
Accounts receivable/payable	-7,465	-891	-8,356	1,992	12,179	-349	5,466	-51,955	-46,489
Adjustment for interest on gilts	14,632	-12,979	1,653	749	1	2	2,405	268	2,673
Other financial transactions	-6,072	0	-6,072	0	0	0	-6,072	0	-6,072
	-10,301	8,257	-2,044	-1,578	-13,501	-14,248	-31,371	69,523	38,152
<b>Net cash requirement</b>	<b>27691</b>	<b>3638</b>	<b>31329</b>	<b>1324</b>	<b>0</b>	<b>-16284</b>	<b>16369</b>	<b>13267</b>	<b>29636</b>

1 NFPcs = Non-Financial Public Corporations

2 BoE = Bank of England

3 Figures derived from Bank of England accounts and ONS estimates

4 Includes BoE Asset Purchase Facility (APF) &amp; Special Liquidity Scheme (SLS)

5 Pub-Sec EX = Public sector excluding the banking groups

6 PSBGs = Public Sector Banking Groups



# PSNFL2 Public Sector Net Financial Liabilities excluding public sector banks (PSNFL ex) - sectoral split

£ million

	CG net financial liabilities	LG net financial liabilities	GG net financial liabilities	PC net financial liabilities	BoE net financial liabilities	Public sector pensions net financial liabilities	PSNFL ex
	1	2	3	4	5	6	
	CPNE	CPPI	CPPJ	CPPK	CPPL	CWVN	CPNF
2007/08	430 634	-28 089	402 545	107 094	-2 105	4 839	512 373
2008/09	537 082	13 461	550 543	158 403	-507	3 468	711 907
2009/10	659 963	-9 573	650 390	163 337	18 085	3 583	835 395
2010/11	786 876	-31 969	754 907	165 717	17 983	3 292	941 899
2011/12	906 103	-18 948	887 155	167 966	16 639	6 009	1 077 769
2012/13	1 016 664	-34 936	981 728	171 964	45 062	6 098	1 204 852
2013/14	1 105 250	-44 324	1 060 926	175 107	45 522	5 504	1 287 059
2014/15	1 184 539	-58 488	1 126 051	185 321	47 260	8 616	1 367 248
2015/16	1 253 974	-50 105	1 203 869	186 449	50 450	7 286	1 448 054
2016/17	1 277 271	-52 769	1 224 502	191 877	67 694	8 973	1 493 046
2017/18	1 315 416	-52 234	1 263 182	124 148	68 009	7 310	1 462 649
2018/19	1 349 709	-57 100	1 292 609	120 661	69 615	7 840	1 490 725
2008 Q2	468 735	-14 428	454 307	110 296	-2 446	3 468	565 625
Q3	474 132	-3 650	470 482	150 691	-2 787	3 468	621 854
Q4	511 918	8 058	519 976	154 015	-2 948	3 468	674 511
2009 Q1	537 082	13 461	550 543	158 403	-507	3 468	711 907
Q2	583 244	5 699	588 943	158 179	11 273	3 583	761 978
Q3	600 629	2 651	603 280	159 565	15 392	3 583	781 820
Q4	666 672	-1 082	665 590	160 874	18 139	3 583	848 186
2010 Q1	659 963	-9 573	650 390	163 337	18 085	3 583	835 395
Q2	708 770	-20 949	687 821	163 103	18 578	3 292	872 794
Q3	718 169	-28 350	689 819	163 645	18 079	3 292	874 835
Q4	775 112	-30 735	744 377	163 935	18 408	3 292	930 012
2011 Q1	786 876	-31 969	754 907	165 717	17 983	3 292	941 899
Q2	833 449	-32 103	801 346	165 637	18 060	6 009	991 052
Q3	873 037	-29 632	843 405	166 540	16 798	6 009	1 032 752
Q4	912 570	-24 891	887 679	166 774	17 315	6 009	1 077 777
2012 Q1	906 103	-18 948	887 155	167 966	16 639	6 009	1 077 769
Q2	959 252	-27 110	932 142	169 471	37 050	6 098	1 144 761
Q3	970 839	-32 026	938 813	171 274	39 555	6 098	1 155 740
Q4	1 001 608	-32 922	968 686	172 519	45 247	6 098	1 192 550
2013 Q1	1 016 664	-34 936	981 728	171 964	45 062	6 098	1 204 852
Q2	1 053 219	-41 377	1 011 842	172 323	46 057	5 504	1 235 726
Q3	1 064 749	-39 895	1 024 854	173 003	43 515	5 504	1 246 876
Q4	1 091 994	-35 526	1 056 468	173 688	46 052	5 504	1 281 712
2014 Q1	1 105 250	-44 324	1 060 926	175 107	45 522	5 504	1 287 059
Q2	1 146 933	-57 912	1 089 021	179 622	46 370	8 616	1 323 629
Q3	1 157 357	-59 799	1 097 558	180 760	44 923	8 616	1 331 857
Q4	1 184 260	-56 376	1 127 884	182 947	47 455	8 616	1 366 902
2015 Q1	1 184 539	-58 488	1 126 051	185 321	47 260	8 616	1 367 248
Q2	1 211 393	-58 670	1 152 723	185 317	47 781	7 286	1 393 107
Q3	1 231 274	-57 578	1 173 696	185 739	48 520	7 286	1 415 241
Q4	1 261 844	-52 605	1 209 239	185 609	50 720	7 286	1 452 854
2016 Q1	1 253 974	-50 105	1 203 869	186 449	50 450	7 286	1 448 054
Q2	1 278 400	-53 937	1 224 463	188 001	51 149	8 973	1 472 586
Q3	1 280 979	-55 750	1 225 229	189 305	56 960	8 973	1 480 467
Q4	1 297 783	-53 569	1 244 214	189 942	63 566	8 973	1 506 695
2017 Q1	1 277 271	-52 769	1 224 502	191 877	67 694	8 973	1 493 046
Q2	1 304 636	-54 210	1 250 426	193 952	66 647	7 310	1 518 335
Q3	1 309 612	-56 102	1 253 510	194 332	67 839	7 310	1 522 991
Q4	1 324 839	-53 263	1 271 576	124 186	68 156	7 310	1 471 228
2018 Q1	1 315 416	-52 234	1 263 182	124 148	68 009	7 310	1 462 649
Q2	1 339 857	-57 241	1 282 616	122 900	70 070	7 840	1 483 426
Q3	1 343 569	-58 972	1 284 597	119 072	69 419	7 840	1 480 928
Q4	1 369 466	-56 228	1 313 238	119 873	70 087	7 840	1 511 038
2019 Q1	1 349 709	-57 100	1 292 609	120 661	69 615	7 840	1 490 725

Relationship between columns 3=1+2 ; 6=3+4+5

1 Data are consistent with the public sector finances release published on 21 June 2019 and government deficit and debt data published on 17 July 2019.



## PSA2R Public Sector Net Borrowing : by sector; Revisions since last publication

£ million

	Net Borrowing										
	Central government	Local government	General government (Maastricht Deficit)	Non-financial PCs	Public Sector Pensions	Public sector banks and BoE <sup>4</sup> (PSNB ex BoE)	Public sector excluding both public sector		Bank of England (including APF <sup>1</sup> & SLS <sup>2,3</sup> )	Public sector excluding public sector banks (PSNB ex) sector banks	Public Sector (PSNB)
							APF <sup>1</sup>	SLS <sup>2,3</sup>			
dataset identifier code	-NMFJ	-NMOE	-NNBK	-CPCM	-CWNY	-CPNZ	-JW2H	-J5II	-IL6B	-ANNX	
2013	4,417	21	4,438	148	-2,697	7,283	0	7,283	0	7,283	
2014	4,838	65	4,903	113	-1,995	7,011	0	7,011	0	7,011	
2015	8,346	146	8,492	98	-706	9,296	0	9,296	0	9,296	
2016	9,250	645	9,895	62	-865	10,822	0	10,822	0	10,822	
2017	12,581	495	13,076	252	-652	13,980	0	13,980	0	13,980	
2018	16,563	145	16,708	706	-1,121	18,535	0	18,535	0	18,535	
2014/15	5,249	105	5,354	87	-1,621	7,062	0	7,062	0	7,062	
2015/16	8,586	247	8,833	95	-406	9,334	0	9,334	0	9,334	
2016/17	9,695	600	10,295	-8	-1,012	11,299	0	11,299	0	11,299	
2017/18	13,560	-41	13,519	590	-533	14,642	0	14,642	0	14,642	
2018/19	15,760	489	16,249	212	-1,313	17,774	0	17,774	0	17,774	
2017 Q2	4,229	120	4,349	0	-133	4,482	0	4,482	0	4,482	
2017 Q3	5,923	134	6,057	106	-133	6,296	0	6,296	0	6,296	
2017 Q4	195	153	348	203	-133	684	0	684	0	684	
2018 Q1	3,213	-448	2,765	281	-134	3,180	0	3,180	0	3,180	
2018 Q2	5,672	235	5,907	163	-329	6,399	0	6,399	0	6,399	
2018 Q3	6,636	206	6,842	148	-329	7,319	0	7,319	0	7,319	
2018 Q4	1,042	152	1,194	114	-329	1,637	0	1,637	0	1,637	
2019 Q1	2,410	-104	2,306	-213	-326	2,419	0	2,419	0	2,419	
2019 Q2	7,843	7	7,850	37	-329	8,216	0	8,216	0	8,216	
2017 Dec	1,516	51	1,567	69	-45	1,681	0	1,681	0	1,681	
2018 Jan	2,457	-149	2,308	94	-44	2,446	0	2,446	0	2,446	
2018 Feb	285	-149	136	94	-44	274	0	274	0	274	
2018 Mar	471	-150	321	93	-46	460	0	460	0	460	
2018 Apr	4,355	77	4,432	54	-111	4,597	0	4,597	0	4,597	
2018 May	558	78	636	54	-111	801	0	801	0	801	
2018 Jun	759	80	839	55	-107	1,001	0	1,001	0	1,001	
2018 Jul	803	72	875	50	-111	1,036	0	1,036	0	1,036	
2018 Aug	833	60	893	50	-111	1,054	0	1,054	0	1,054	
2018 Sep	5,000	74	5,074	48	-107	5,229	0	5,229	0	5,229	
2018 Oct	632	50	682	39	-111	832	0	832	0	832	
2018 Nov	-1,458	49	-1,409	39	-111	-1,259	0	-1,259	0	-1,259	
2018 Dec	1,868	53	1,921	36	-107	2,064	0	2,064	0	2,064	
2019 Jan	2,369	-35	2,334	-69	-108	2,373	0	2,373	0	2,373	
2019 Feb	-7	-36	-43	-69	-108	-4	0	-4	0	-4	
2019 Mar	48	-33	15	-75	-110	50	0	50	0	50	
2019 Apr	5,535	-11	5,524	13	-111	5,648	0	5,648	0	5,648	
2019 May	1,227	19	1,246	12	-111	1,369	0	1,369	0	1,369	
2019 Jun	1,081	-1	1,080	12	-107	1,199	0	1,199	0	1,199	
2019 Jul	-518	878	360	112	-111	583	-84	499	0	499	