

HM Treasury announces update to 2020-21 government financing targets

News story

The government has delivered an unprecedented package of measures to provide the critical support needed by individuals, families and businesses, through the economic disruption caused by COVID-19, and set out a plan to support jobs as the economy reopens.



This has necessarily increased the government's financing requirement compared to that set out at Budget 2020. The Chancellor has already outlined that this will be fully funded through the government's normal debt management operations.

HM Treasury (HMT) is today announcing a further revision to the UK Debt Management Office's (DMO's) financing remit for 2020-21, covering the September to November 2020 period. This follows the previous revision to the DMO's financing remit for 2020-21, published on 29 June 2020.

Planned gilt sales from April to November 2020 inclusive will total a minimum of £385 billion, based on the government's latest assessment of its financing requirement. The DMO is today publishing details of the provisional gilt issuance schedule for September to November 2020 on its website.

The higher volume of issuance seen so far this year due to COVID-19 is not expected to persist over the final four months of the year.

A further update to the DMO's financing remit and planned issuance schedule for 2020-21 will be announced at the Autumn Budget.

At Budget 2020, NS&I was set a net financing target of £6 billion for 2020-21, within a range of £3 billion to £9 billion. The target is being increased by £29 billion to £35 billion, within a range of £30 billion to £40 billion.

Notes

1. The Office for Budget Responsibility's (OBR) Fiscal sustainability report, published on 14 July 2020, suggested that the gross financing requirement (GFR) for the full financial year could be in the range of £393 billion to £521 billion based on the OBR's three new medium-term scenarios for the economy and public finances. These are however illustrative scenarios, rather than a central forecast.
2. The net financing requirement (NFR) for the DMO comprises: the central government's cash need, plus any financing for gilt redemptions and other adjustments (such as adjustments for unintended under or over financing from the previous year), less the net contribution to financing from NS&I.
3. Additional details of the revised gilt issuance schedule, including the DMO's provisional operational calendar for September to November 2020, are set out in the DMO's financing remit announcement, as published on its website today.
4. The DMO has raised £217.1 billion via gilt sales in 2020-21 to date.
5. Further information can be found at:

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