

UK repays a little debt in July

The UK borrowing figures are coming out better than the Office of Budget Responsibility and some other forecasters have been suggesting. In July we had the first July surplus since 2002, at £0.2bn. This leaves borrowing at £22.8bn for the year to date. It seems likely the government will borrow less than the OBR forecast of £58.3 bn for the year as a whole.

The main reason given for a better performance was the increase in self assessment income tax receipts. Total revenues were up 3.4% whilst spending was up by 1.6%. The total stock of official debt stays at £1758 bn or 87.5% of GDP. The effective stock of debt is £1323 bn or 65.8% of GDP, as the state has bought in £435bn of the debt and now owes itself this money.