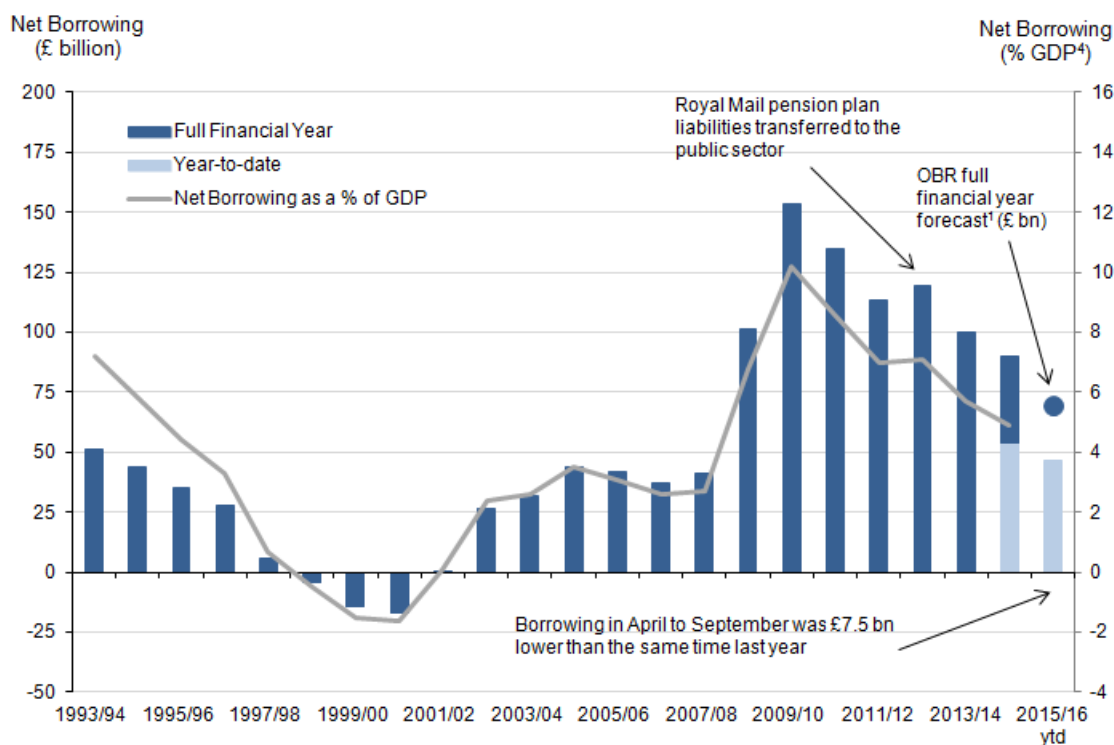


# Summary of Public Sector Finances, September 2015

**The amount borrowed by the public sector has been falling since the peak in the financial year ending March 2010**

UK public sector borrowing, April 1994 to September 2015



## Notes:

1. OBR full financial year forecast for PSNB ex from July 2015 Economic & Fiscal Outlook (EFO)
2. Financial year 1993/94 represents financial year ending 1994 (April 1993 to March 1994)
3. ytd = year-to-date (April to September)
4. GDP = Gross Domestic Product

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This summary provides the latest information on public sector borrowing and debt. The public sector<sup>1</sup> includes central government, local government, the Bank of England and other public corporations.

## Public Sector Borrowing (or Deficit)

In September 2015, the public sector spent more money than it received in taxes and other income. This meant it had to borrow £9.4 billion to balance the books, £0.7 billion less than market expectation<sup>2</sup>.

Of this £9.4 billion, £7.3 billion related to the cost of the 'day-to-day' activities of the public sector (the current budget deficit), while £2.1 billion related to the spending on infrastructure (net investment).

Annual borrowing has generally been falling since the peak in the financial year ending March 2010. So far this financial year (April to September 2015), the public sector has borrowed £46.3 billion. This was £7.5 billion lower than at the same point in the previous financial year.

The [Office for Budget Responsibility](#), who produces economic and fiscal forecasts for government, expects that the public sector will borrow £69.5 billion during the financial year ending March 2016.

## Income and Spending by Central Government

Central government's income and spending make the largest contribution to the amount borrowed by the public sector. Central government received £47.5 billion in income in September 2015. This was around 4% higher than in the same month last year, largely due to receiving higher amounts of VAT, income tax and corporation tax compared to the previous year.

Central government spent £53.3 billion, in September 2015, around a 1% increase compared to the previous year. Of this amount, roughly two thirds was spent by central government departments (such as health, education and defence), around a third on social benefits (such as pensions, unemployment payments, child benefit and maternity pay) with the remaining being spent on interest on the government's outstanding debt.

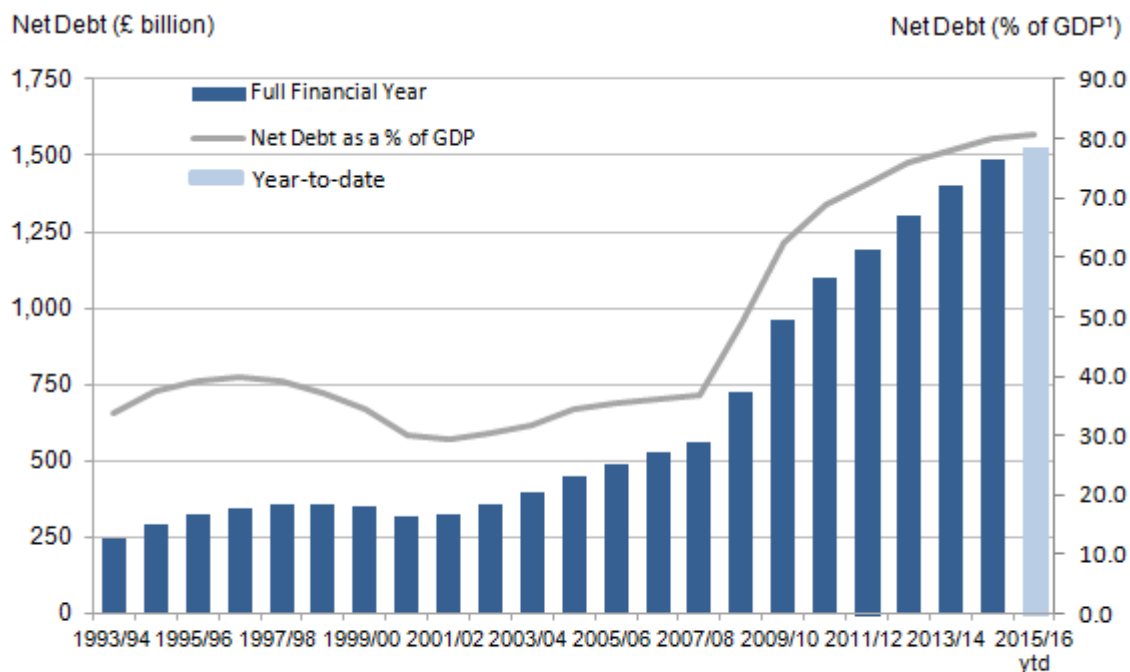
## Debt

The amount of money owed by the government to the private sector stood at £1.5 trillion at the end of September 2015, which equates to 80.6% of value of all the goods and services currently produced by the UK economy in a year (or gross domestic product).

Debt has been built up by successive government administrations over many years. When the government borrows, this adds to the debt total.

## Public sector debt increased rapidly following the banking crisis in the financial year ending March 2008

UK public sector debt, March 1994 to September 2015



### Notes:

1. GDP = Gross Domestic Product
2. Financial year 1993/94 represents financial year ending 1994 (April 1993 to March 1994)
3. ytd = year-to-date (April to September)

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This month's full report on public sector finances

This month's full report on [public sector finances](#) is available on our website.

### Background notes

1. Government controlled banks, now only Royal Bank of Scotland, are not included in the figures reported here due to the very different nature of the banks to other public sector bodies.
2. The [Bloomberg](#) reported expectation was a £10.1 billion.

3. Details of the policy governing the release of new data are available by visiting [www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html](http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html) or from the Media Relations Office email: [media.relations@ons.gsi.gov.uk](mailto:media.relations@ons.gsi.gov.uk)

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