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H. M. TREASURY

Parliament Street, London SW1P 3AG, Press Office: 01-233-3415
Telex 262405

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CENTRAL GOVERNMENT TRANSACTIONS
(INCLUDING BORROWING REQUIREMENT)

Summary

It is provisionally estimated that the central government borrowing requirement in 1980-81 was £13,030 million compared with £8,227 million in 1979-80. The estimate for 1980-81 overtakes the forecast of £12,760 million published on Budget day in the Financial Statement and Budget Report 1981-82 (FSBR). In March this year the central government borrowed an estimated £901 million compared with some £570 million implicit in the FSBR (and £157 million in March 1980). Some £ $\frac{3}{4}$ -1 billion of tax and national insurance receipts were delayed by the Civil Service dispute. This has been partly off-set by other factors not related to the dispute. Supply issues were £400 million below the expected level. Details of the relevant transactions on the Consolidated Fund and National Loans Fund and other central government funds and accounts are set out in the tables attached.

Consolidated Fund revenue

2. In the year to March 1981, Consolidated Fund revenue amounted to £66,213 million compared with the estimated out-turn of £66,814 million published in the FSBR. The short-fall of £601 million is more than accounted for by the effect of the dispute mentioned above. There was an increase of £11,882 million (or 22%) over 1979-80; Inland Revenue receipts increased by £4,829 million and Customs and Excise by £4,063 million. Revenue in March 1981 amounted to £7,888 million, an increase of £2,192 million on March 1980. Within the total, Inland Revenue and Customs and Excise receipts were respectively £571 million higher and £32 million lower than in March 1980. Miscellaneous receipts increased by £1,603 million (see paragraph 3 below).

Consolidated Fund expenditure

3. Consolidated Fund expenditure in 1980-81 amounted to £76,170 million compared with the estimate of £76,728 million published in the FSBR and shows an increase of £15,163 million (or 25%) on 1979-80. Of the total expenditure for 1980-81 Supply issues at £67,997 million were less than estimated in the FSBR (see the summary above) and were £14,223 million (or 26%) higher than in 1979-80. In

March 1981 expenditure amounted to £8,148 million, an increase of £1,990 million on the March 1980 total. The figures for Supply issues in March include the payment of £1,284 million to the National Enterprise Board in respect of the transfer of BL to the Secretary of State for Industry; the repayment of Public Dividend to the same value by the National Enterprise Board is included in Miscellaneous Consolidated Fund Receipts.

National Loans Fund

4. The total of net lending to March 1981 was £3,557 million compared with the estimated out-turn of £3,371 million published in the FSBR. Further details of this lending are given in Table 4.

Other funds and accounts

5. In March 1981 there was a deficit of £356 million on the National Insurance Fund affected by the delay in some receipts of contributions. There was an increase of £123 million in departmental balances etc allowing for the transfer of £900 million on 31 March from the National Oil Account to the Consolidated Fund. This transfer, announced by the Secretary of State for Energy on 31 March, took account of receipt late in the month of advance payments for the British National Oil Corporation's oil. Other central government accounts items reduced the borrowing requirement by £484 million in 1980-81; in 1979-80 they reduced the borrowing requirement by £732 million.

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PRESS OFFICE

HM TREASURY

PARLIAMENT STREET

LONDON SW1P 3AG

01-233 3415

NOTES TO EDITORS

This series of Treasury Press Notices, published on the seventh working day of each month, is designed to present in convenient and compact form up-to-date information on central government revenue, expenditure and borrowing. Comparable figures of the outturn for 1979-80, the 1980 Budget forecast and the 1981 Budget estimated outturn are also included. The figures given in this Press Notice are an advance presentation of information which will appear later in Financial Statistics.

2. In this Press Notice figures are given for the year 1980-81, March 1980 and March 1981. Comparisons between the figures for particular months in the same year or with a particular month a year earlier can be seriously misleading because of the effect of seasonal and random variations. Seasonally adjusted figures are not at present available on a calendar monthly basis.

3. The pattern of Petroleum Revenue Tax receipts has changed between 1979-80 and 1980-81. £266 million was received in May 1979, £460 million in November 1979, £709 million in March 1980, and £1,087 million in September 1980 and £1,321 million has been received in March 1981.

4. The information contained in this Press Notice should be read in conjunction with the footnotes to the relevant tables in recent issues of Financial Statistics, particularly Tables 3.1 and 3.5, and the description of those tables contained in the Explanatory Handbook which was published in April 1980. Details of Inland Revenue and Customs and Excise receipts are to be found in Tables 3.2 and 3.3 of the current issue of Financial Statistics. Details of the financing of the central government borrowing requirement are published on a quarterly basis in Table 3.8 of Financial Statistics and details of transactions in government securities in Table 3.9.

5. The service of the National Debt is met in the first instance from the National Loans Fund (Table 2, item 20). Against this are set receipts from interest on loans from that Fund and the net profits of the Issue Department of the Bank of England (principally interest on the securities held as backing of the fiduciary note issue) (Table 2 item 17). Any balance is met month by month from the Consolidated Fund (Table 1, item 10 and Table 2, item 18).

6. Figures for the borrowing requirement of the whole of the public sector (general government, comprising central government and local authorities; and public corporations) are compiled on a quarterly basis only and are available in a press notice about 7 weeks in arrears. Estimates for the fourth quarter of 1980-81 will be published by the Central Statistical Office on 21 May 1981. Monthly estimates of local authority borrowing are published about 8 weeks in arrears in Table 4.3 of Financial Statistics.

7. The transfer of £900 million from the National Oil Account to the Consolidated Fund referred to in paragraph 5 of this notice was made on 31 March. Whilst receipts into the National Oil Account reduce the borrowing requirement, the transfer itself had no effect on that requirement. The receipt into the Consolidated Fund which appears as a plus (+) in Table 1, item 7 is accompanied by an equivalent decrease (-) in departmental balances etc which appear in Table 3, item 24. On this occasion, there was a reduction in the increase in these balances for the month as a whole.

SUMMARY TABLE A ⁽¹⁾

	£ million					
	1979-80 Outturn	1980-81			March	
		1980 Budget forecast	1981 Budget Estimated Outturn	Outturn	1980	1981
<u>Consolidated Fund</u> (see Table 1)						
Revenue	+54,331	+65,415	+66,814	+66,213	+7,888	
Expenditure	-61,007	-73,175	-76,728	-76,170	-8,148	
Deficit	- 6,676	- 7,760	- 9,914	- 9,957	- 462	
<u>National Loans Fund</u> ⁽²⁾						
Consolidated Fund deficit (as above)	- 6,676	- 7,760	- 9,914	- 9,957	- 462	
Other transactions: (see Table 2)						
Receipts	+ 8,400	+10,000	+ 9,950	+ 9,854	+1,073	
Payments	-10,683	-12,905	-13,321	-13,411	-1,446	
National Loans Fund deficit (met by borrowing)	- 8,959	-10,665	-13,285	-13,514	- 239	
<u>Other funds and accounts (net)</u> (see Table 3)	+ 732	+ 1,352	+ 525	+ 484	- 268	
Central government borrowing requirement	- 8,227	- 9,313	-12,760	-13,030	- 157	

(1) In these tables, all payments creating a borrowing requirement are marked with a minus sign (-), all receipts reducing the borrowing requirement are marked plus (+).

(2) Excluding National Debt and other transactions concerned with the financing of the borrowing requirement.

SUMMARY TABLE B

CENTRAL GOVERNMENT BORROWING REQUIREMENT

£ million

	In month		Cumulative		
	1979-80	1980-81	1979-80	1980-81	Difference
April	1,289	934	1,289	934	- 355
May	1,536	2,354	2,825	3,288	+ 463
June	972	1,331	3,797	4,619	+ 822
July	27	804	3,824	5,423	+1,599
August	1,076	1,592	4,900	7,015	+2,115
September	1,739	850	6,639	7,865	+1,226
October	114	162	6,753	8,027	+1,274
November	1,817	2,835	8,570	10,862	+2,292
December	1,613	2,248	10,183	13,110	+2,927
January	-2,458	-1,718	7,725	11,392	+3,667
February	345	737	8,070	12,129	+4,059
March	157	901	8,227	13,030	+4,803

TABLE 1
CONSOLIDATED FUND⁽¹⁾

£ million

	1980-81			March	
	1980 Budget forecast	1981 Budget Estimated Outturn	Outturn	1980	1981
<u>Revenue</u>					
1. Inland Revenue ⁽²⁾	+32,860	+33,400	+32,982	+2,631	+3,202
2. Customs and Excise ⁽²⁾	+24,000	+22,135	+22,095	+1,615	+1,583
3. Vehicle excise duties	+ 1,411	+ 1,403	+ 1,419	+ 123	+ 152
4. National insurance surcharge	+ 3,509	+ 3,585	+ 3,542	+ 249	+ 269
5. Broadcast receiving licenses	+ 535	+ 529	+ 533	+ 64	+ 53
6. Interest and dividends	+ 300	+ 246	+ 239	+ 5	+ 17
7. Miscellaneous	+ 2,800	+ 5,516	+ 5,403	+1,009	+2,612
8. Total revenue	+65,415	+66,814	+66,213	+5,696	+7,888
<u>Expenditure</u>					
9. Supply Services	-64,765	-68,358	-67,997	-5,590	-7,486
10. Consolidated Fund share of service of the National Debt (see Table 2, item 18)	- 4,950	- 5,180	- 5,044	- 293	- 344
11. Northern Ireland	- 1,136	- 1,236	- 1,236	- 100	- 138
12. European Community	- 2,301	- 1,930	- 1,906	- 173	- 167
13. Contingencies Fund	-	-	+ 38	-	- 11
14. Other services	- 23	- 24	- 25	- 2	- 2
15. Total expenditure	-73,175	-76,728	-76,170	-6,158	-8,148
16. Surplus (+) or deficit (-)	- 7,760	- 9,914	- 9,957	- 462	- 260

(1) Figures for past periods are published in Financial Statistics, Table 3.1.

(2) Details are shown in Financial Statistics, Tables 3.2 and 3.3 (see Notes to Editors, paragraph 3).

TABLE 2

NATIONAL LOANS FUND⁽¹⁾

	£ million				
	1980-81			March	
	1980 Budget forecast	1981 Budget Estimated Outturn	Outturn	1980	1981
<u>Receipts</u>					
17. Interest receipts and profits of note issue	+ 5,050	+ 4,770	+ 4,810	+ 756	+729
18. Service of the National Debt met from the Consolidated Fund (see Table 1, item 10)	+ 4,950	+ 5,180	+ 5,044	+ 293	+344
19. Total receipts	+10,000	+ 9,950	+ 9,854	+1,049	+1,073
<u>Payments</u>					
20. Service of the National Debt	-10,000	- 9,950	- 9,854	- 843	-937
21. Loans (net) (see Table 4)					
Nationalised industries	- 800	- 982	- 1,008	+ 262	+165
Other public corporations	- 1,064	- 1,188	- 1,253	- 93	-368
Local and harbour authorities	- 915	- 1,154	- 1,260	- 149	-303
Private sector	+ 3	+ 3	+ 3	+ 1	+ 1
Within central govt.	- 129	- 50	- 39	- 4	- 4
Total loans (net)	- 2,905	- 3,371	- 3,557	+ 17	-509
22. Total payments	-12,905	-13,321	-13,411	- 826	-1,446

TABLE 3

CHANGES IN OTHER CENTRAL GOVERNMENT FUNDS AND ACCOUNTS⁽¹⁾

23. National Insurance Fund	) (	) (	- 25	+ 77	-356
24. Departmental balances, etc (net)	) (	) (	+ 542	+ 17	+123
25. Northern Ireland central govt.	) (	) (	+1,352	+ 17	+123
26. Net total	) (	) (	- 33	- 12	- 35
			+1,352	+ 82	-268
			+525		
			+ 484		

(1) Figures for past periods are published in Financial Statistics, Table 3.1.

TABLE 4
LOANS FROM NATIONAL LOANS FUND (NET)⁽¹⁾

£ million

	1980-81	March	
		1980	1981
<u>Nationalised Industries</u>			
National Coal Board	-573	- 21	+ 56
British Gas Corporation	+ 3	+ 52	+ 78
Electricity (England and Wales)	-296	-221	-
North of Scotland Hydro-Electric Board	-147	-	- 15
South of Scotland Electricity Board	+ 46	-	-
Transport Industries (2)	- 91	- 4	- 27
Aviation Industries (3)	+ 7	+ 4	+ 4
Post Office	- 9	+371	+ 45
British Steel Corporation	+ 49	+103	+ 24
British Aerospace	+ 3	- 22	-
British Shipbuilders	-	-	-
Total	-1,008	+262	+165
<u>Other public corporations</u>			
New Towns Development Corporations and Commission	-468	-156	-179
Scottish Special Housing Association	- 44	- 4	- 6
Housing Corporation	-324	- 18	- 41
Covent Garden Market Authority	-	-	-
Civil Aviation Authority	- 2	- 5	- 2
Regional Water Authorities	-436	- 13	-145
National Enterprise Board	+ 40	+113	+ 1
Scottish Development Agency	-	- 1	-
Welsh Development Agency	-	-	-
Land Authority for Wales	- 1	-	-
Development Board for Rural Wales	- 4	- 1	- 2
Royal Mint	+ 1	-	-
Royal Ordnance Factories	+ 7	-	+ 1
Property Services Agency Supplies Division	+ 3	- 8	-
Her Majesty's Stationery Office Trading Fund	- 25	-	+ 5
Total	-1,253	- 93	-368
<u>Local and harbour authorities</u>			
Local authorities	-1,257	-149	-303
Harbour authorities	- 3	-	-
Total	-1,260	-149	-303
<u>Private sector</u>			
Building societies	+ 2	+ 1	-
Housing associations	-	-	-
British Nuclear Fuels Limited	+ 1	-	+ 1
Total	+ 3	+ 1	+ 1
<u>Within central government</u>			
Northern Ireland	- 40	- 5	- 5
Married quarters for armed forces	+ 1	+ 1	+ 1
Total	- 39	- 4	- 4
Total Loans (net)	-3,557	+ 17	-509

(1) Figures for past periods are published in Financial Statistics, Table 3.5 (industry and sector sub-totals only).

(2) Scottish Transport Group, British Railways Board, National Bus Company, National Freight Corporation, British Transport Docks Board and British Waterways Board.

(3) British Airways Board and British Airports Authority.