Press Release

**IFS analysis of today’s public finance figures**

Today the Office for National Statistics and HM Treasury published *Public Sector Finances March 2012*. We now have provisional details of central government receipts, central government spending, public sector net investment, borrowing and debt for the whole of financial year 2011–12.

Rowena Crawford, a research economist at the IFS, said:

"Today’s figures show that the Government borrowed £126 billion last year, as was forecast by the Office for Budget Responsibility last month; although within this both central government spending and revenues were slightly lower than forecast a month ago. Taking the longer view, borrowing in 2011–12 is estimated to have been only £4 billion higher than forecast a year ago in the March 2011 Budget. This would be considered a small forecasting error even in normal times and this is therefore particularly small given current levels of uncertainty. However within this central government current receipts in 2011–12 are estimated to have come in £16 billion lower than forecast a year ago, offset largely by central government current spending coming in £10 billion lower and public sector net investment £3 billion lower than forecast."

**Headline Comparisons**

- **Public sector net borrowing** totalled £126.0bn in 2011–12, as was forecast last month by the Office for Budget Responsibility (OBR) in their Economic and Fiscal Outlook. This is £10.8bn lower than the £136.8bn borrowed in 2010–11.

- **Public sector net investment** was £28.6bn in 2011–12, slightly higher than the £27.8bn forecast by the OBR in March 2012.

- The **current budget deficit** in 2011–12 was £97.3bn, which is £0.9bn lower than the £98.2bn forecast by the OBR in March 2012.

- Underlying **public sector net debt** at the end of March 2012 stood at 66% of national income. Including the impact of the financial interventions raises headline public sector net debt to 140.8%.

**Further Analysis**

Today's figures show that public sector net borrowing in 2011–12 is estimated to have been £126.0bn, as was forecast by the OBR last month. Central government borrowing is estimated to have been £1.0bn lower than the OBR expected last month, while local government borrowing was £2.3bn higher and borrowing by public corporations was £1.3bn lower.

The ONS figures provide some more detail of where the difference between the forecast and outturn for central government borrowing has arisen. As shown in Table 1, both overall central government receipts and current...
expenditure have come in slightly lower than the OBR forecast, while net investment has come in as forecast.

### Table 1: Comparison of forecasts and outturns for the central government account

<table>
<thead>
<tr>
<th>£ billion</th>
<th>OBR Forecast (March 2012 EFO)</th>
<th>Provisional outturn</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current receipts</td>
<td>532.7</td>
<td>531.3</td>
<td>-1.4</td>
</tr>
<tr>
<td>Current expenditure</td>
<td>626.5</td>
<td>624.2</td>
<td>-2.3</td>
</tr>
<tr>
<td><strong>Current budget surplus</strong></td>
<td><strong>-93.7</strong></td>
<td><strong>-92.8</strong></td>
<td><strong>-0.9</strong></td>
</tr>
<tr>
<td>Net investment</td>
<td>22.9</td>
<td>22.9</td>
<td>0.0</td>
</tr>
<tr>
<td>Net borrowing</td>
<td>116.7</td>
<td>115.7</td>
<td>-1.0</td>
</tr>
</tbody>
</table>

Further information and contacts

For further information on today’s public finance release please contact: Rowena Crawford or Gemma Tetlow on 020 7291 4800, or email rowena.c@ifs.org.uk or gtetlow@ifs.org.uk.

Next month’s public finances release is due to be published on Tuesday 22nd May.

### Relevant links:

This, and previous editions of this press release, can be downloaded from [http://www.ifs.org.uk/publications/browse?type=pf](http://www.ifs.org.uk/publications/browse?type=pf)


Useful links and background information on Budget 2012 can be found at: [http://www.ifs.org.uk/projects/375](http://www.ifs.org.uk/projects/375)


IFS Green Budget, February 2012, containing in-depth public finance analysis, can be found at: [http://www.ifs.org.uk/publications/6003](http://www.ifs.org.uk/publications/6003)

ENDS

Notes to Editors:

1. Central government current spending includes depreciation.
2. Where possible we compare figures on an accruals basis with the Office for Budget Responsibility forecast.