

Energy support and debt costs drive record public borrowing in December

Government borrowing hit its highest December figure since records began last month, according to official figures.

The Office for National Statistics (ONS) reported a total of £27.4bn – a leap of almost £17bn on the same month a year ago.

It blamed £7bn in costs from energy support schemes.

Added to that was interest payments on debt, reaching £17.3bn.

The ONS said that sum was the second largest in any single month behind the £20bn recorded in June 2022.

It added that £13.7bn within the figure reflected the impact of inflation, as many government bonds are linked to the Retail Prices Index measure.

The independent Office for Budget Responsibility has forecast that the government's debt interest bill alone will come in at almost £116bn in the financial year to March.

December's figure took the total to date to £87.8bn.

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The overall net borrowing figure was around £10bn higher than many economists had forecast.

It could be used by ministers to bolster their tough stance over public sector pay increases as [strikes](#) continue to

cripple many services.

The government has argued that settlements must be affordable as unions representing the likes of nurses, ambulance staff and firefighters continue to demand hikes that will better shield their members from the [cost of living crisis](#).

Chancellor Jeremy Hunt said in reaction to the borrowing figures: "Right now we are helping millions of families with the cost of living, but we must also ensure that our level of debt is fair for future generations.

"We have already taken some tough decisions to get debt falling, and it is vital that we stick to this plan so we can halve inflation this year and get growth going again – creating better paid jobs across the country."