

Government borrowed fourth highest amount last month since records began

Government borrowing leapt above COVID-19 levels to reach the fourth highest monthly amount since records began in 1993, official data shows.

The Office for National Statistics (ONS) reported that public sector net borrowing came in at £13.5bn in October as the energy bills support scheme were rolled out.

The figure is actually £7.5bn less than economists had expected, despite borrowing being £4.4bn more than the same month last year and £1.8bn more than in pre-COVID-19 October 2019.

It's also a decrease from the £20bn [borrowed in September](#).

Total expenditure in the public sector was £91.2bn as of October 2022; of this, central government current day-to-day spending was £76.8bn, £6.5bn more than in October 2021.

Spending was partially up due to the launch of the energy schemes, on which the ONS said £1.9bn had been spent

Under the scheme, households are to [receive £400](#) towards the cost of [energy bills](#).

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That cost [could rise to £140bn](#) in an “extreme” scenario, according to Cornwall Insight, which became a prominent voice in predicting levels for the energy price cap before it was replaced by the government's energy price guarantee (EPG) last month.

It said its findings showed a near doubling of the forecasts between the best and worst cases.

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Borrowing for the year up to October was £84.4bn, less than

last year but above the pre-[COVID-19](#) year of 2019, and the fifth highest in a financial year since records began in 1993.

For the first time since the 1960s, public sector net debt, excluding public sector banks, was £2,459.9bn at the end of October, equating to around 97.5% of gross domestic product (GDP). It's an increase of £148.3bn compared with October 2021.

The state's interest rate payment on that [debt](#) was £6.1bn in October. Britain's debt interest bill has doubled over the last year to £120bn as rising interest rates have piled pressure on the public finances.

The Office for Budget Responsibility (OBR) estimated that the debt interest payable on central government's debt will be £120.4bn for the whole of 2022.

Responding to the figures, Chancellor Jeremy Hunt said it was "right that the government increased borrowing to support millions of business and families throughout the pandemic, and the aftershocks of Putin's illegal invasion of Ukraine".

Michal Stelmach, said senior economist at KPMG UK said: "The public finances continue to face a tug of war between demand for energy support and the overarching need to balance the books.

"As things stand, the headroom against meeting the new fiscal targets is hanging by a thread, and we expect that they could easily be missed thanks to a less favourable economic outlook compared to the OBR's forecast."