

Government borrowing soars to record level for November

Government borrowing reached the highest amount for November since records began in 1993, official data shows.

Last month, net public sector borrowing – excluding public sector banks – totalled £22bn, according to figures from the Office for National Statistics (ONS).

The figure was up by £13.9bn compared to November 2021 and nearly £9bn higher than the total [for October](#).

The rise comes as the energy bills support scheme continued to be rolled out and interest payments rose to £7.3bn.

The Energy Bills Support Scheme – which is paying out £400 to households over a six-month period – cost the government £1.9bn in November.

It also confirmed that the Energy Price Guarantee, which has capped energy costs to £2,500 for a typical household, was the main driver of a £4.7bn year-on-year increase in subsidies.

[Interest rate](#) payments rose and were £2.4bn higher than a year ago.

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As [inflation](#) drove up prices, it also drove up the cost of government borrowing.

As the retail price index rose so too did the government bonds linked to inflation, index-linked gilts. Payments on those index-linked gilts accounted for £4.2bn of the total interest rate payments made by the government last month.

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[Debt](#) as a whole across the public sector – excluding public sector banks – was £2,477.5bn at the end of last month.

That is up £125.9bn on the same period last year but is now a lower portion of gross domestic product (GDP) – a measure of economic output. The amount of debt accounts for around 98.7% of GDP.

Borrowing will only increase, according to economic research group Pantheon Macroeconomics.

“We continue to expect public borrowing to overshoot the OBR’s (Office of Budget Responsibility’s) forecast in future years,” the group said.

Chancellor Jeremy Hunt blamed the figures on the pandemic and Russia’s invasion of Ukraine.

“Faced with the twin global emergencies of a pandemic and Putin’s war in Ukraine, we have taken significant action to support millions of businesses and families here in the UK,” he said.

“We have a clear plan to help halve inflation next year, but that requires some tough decisions to put our public finances back on a sustainable footing.”

Despite the increasing debt, the Institute of Chartered Accountants in England and Wales said there is cause for relief in the figures.

“Chancellor Jeremy Hunt will be relieved that the deficit for the year-to-date only exceeded £100bn by £5bn, on track to stay within the Office for Budget Responsibility’s latest forecast of £177bn for the full year,” it said.