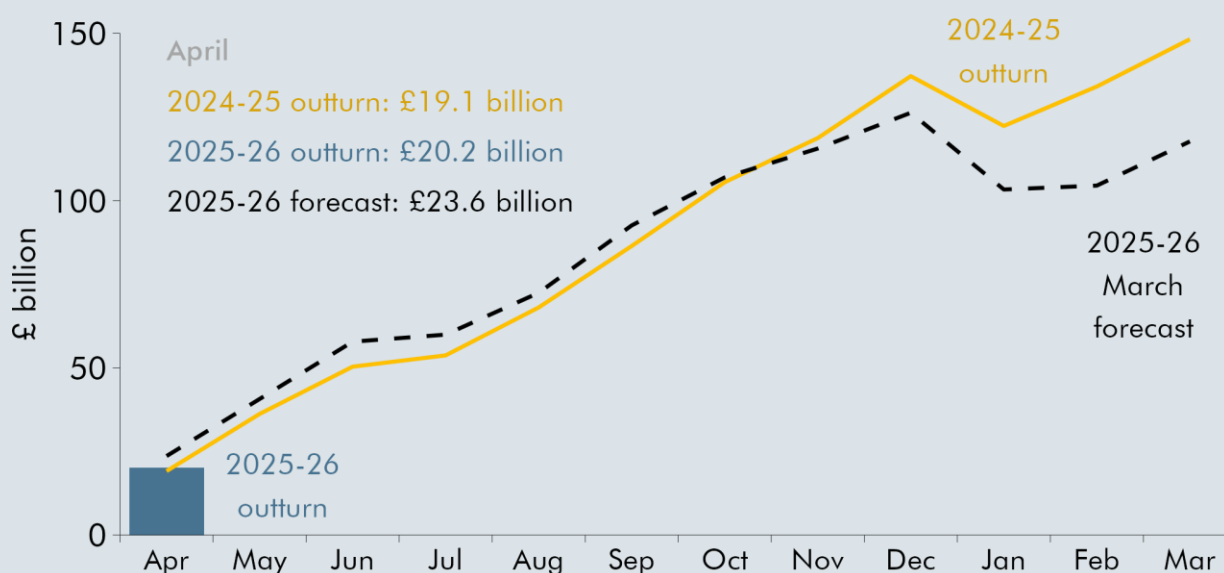


Latest receipts data close to forecast

In this morning's ONS release, estimated borrowing over 2024-25 has been revised down to £148.3 billion, while borrowing in April 2025 was estimated to be £20.2 billion. Borrowing in April is £1.0 billion above last year and £3.5 billion below the monthly profile consistent with our March forecast, with cash receipts slightly above profile and central government net investment lower than expected. The downward revision to estimated borrowing in 2024-25 is mainly explained by additional cash receipts in April that accrue to the previous year. Further revisions to 2024-25 are likely later in the year when additional data on spending and local authority borrowing becomes available.

Public sector net borrowing in the year to date: March 2025 OBR forecast vs latest ONS outturns



Data remain highly provisional in the early months of the fiscal year, particularly on departmental spending, and are subject to revision.

Alongside this commentary we have published monthly profiles for receipts and spending over 2025-26 consistent with our March 2025 Economic and fiscal outlook, against which we compare the latest outturns. These are largely based on the historic pattern of spending and receipts. Lower borrowing relative to last year in the second half of 2025-26 reflects the sharp rise in capital gains tax expected around the end-January due date, lower debt interest payments in the second half of the year, and lower central government net social benefits which were unusually backloaded in 2024-25.

Borrowing and debt

Public sector net borrowing was estimated to be £20.2 billion in the April. This was £1.0 billion (5.3 per cent) above the same period last year and £3.5 billion (14.7 per cent) below forecast. Within this, central government net borrowing was £26.9 billion, £2.1 billion (7.1 per cent) below forecast, while borrowing by local authorities was -£3.8 billion (a £2.0 billion higher surplus than forecast) and borrowing by public corporations was -£2.9 billion (a £0.6 billion lower surplus than forecast).

The current budget deficit was £13.9 billion in April, £0.2 billion (1.7 per cent) below forecast, while the central government net cash requirement was £15.8 billion, £6.1 billion (27.9 per cent) below forecast.

Net debt in April stood at 95.5 per cent of GDP, up 0.7 per cent of GDP on a year earlier, and 0.5 per cent of GDP below forecast.

Central government receipts

Central government accrued receipts in April were estimated to be £0.5 billion (0.6 per cent) above forecast. Monthly HMRC cash receipts, a more timely indicator of tax performance albeit one that can be influenced by timing effects and one-offs, were £1.1 billion (1.4 per cent) above forecast and £4.3 billion (5.6 per cent) above last year in April. Within this:

- **PAYE income tax and NICs** cash receipts were £48.3 billion in April, £1.0 billion (2.1 per cent) above forecast, and £3.0 billion (6.6 per cent) above last year. Cash receipts in April mainly reflect March salaries with receipts boosted by strong growth in financial sector bonuses, which were more concentrated in March than previous years.
- **Cash VAT receipts** were £18.4 billion in April, exactly on profile, and £0.7 billion (3.8 per cent) above last year. April cash receipts mainly reflect consumer spending in the first quarter of 2025. The first estimate of GDP indicates that nominal consumer spending in the first three months of 2025 was 4.3 per cent up on a year earlier.
- **Corporation tax** cash receipts were £4.5 billion in April, £0.5 billion (9.7 per cent) below forecast, and £0.1 billion (3.0 per cent) above last year.
- Receipts of **stamp duty land tax (SDLT)** were £1.3 billion in April, £0.4 billion (45.2 per cent) above forecast, and £0.3 billion (36.5 per cent) above last year. There was an 89 per cent year-on-year rise in residential property transactions in March, related to the ending of the temporary reduction in the nil-rate SDLT thresholds. Some of this SDLT was received by HMRC in early April.

Central government accrued spending

Central government accrued spending was provisionally estimated to be £1.6 billion (1.4 per cent) below forecast in April. Within this:

- **Central government net investment (CGNI)** was £1.7 billion (12.0 per cent) below forecast, though monthly data on departmental spending is highly provisional and prone to revision, especially in the early part of the fiscal year.

- **Debt interest** spending was £0.6 billion (6.6 per cent) below forecast, reflecting lower-than-expected RPI inflation and spending on conventional gilts
- **Net current grants, subsidies** and **net social benefits** were all close to forecast, £0.4 billion (2.0 per cent) below forecast, £0.2 billion (6.3 per cent) below forecast and £0.1 billion (0.4 per cent) below forecast respectively.
- Partially offsetting this, **consumption expenditure on goods and services** was £1.4 billion (3.8 per cent) above forecast over the first one months of 2025-26. This figure remains highly provisional.

Revisions

Borrowing over 2024-25 has been revised down by £3.7 billion, reflecting:

- An upward revision of £4.6 billion in central government accrued receipts, bringing the shortfall relative to the March EFO forecast to £3.2 billion. This reflects a £1.0 billion upward revision to 2024-25 HMRC cash receipts, stronger-than-expected PAYE income tax and NICs cash receipts in April accruing back to March and ONS fully incorporating information consistent with the March forecast. Of the remaining shortfall, £1.3 billion is accounted for by the capacity market scheme, which is not yet included in receipts or spending.
- Offsetting revisions within central government spending, principally explained by £0.8 billion higher net investment by central government departments.
- Offsetting downward and upward revision to borrowing by local authorities and public corporations of £1.0 billion.

These revisions leave public sector net borrowing over 2024-25 £11.0 billion higher than forecast in March. Further revisions to 2024-25 are likely later in the year when additional data on spending and local authority borrowing becomes available.

Table 1.1: Public sector receipts, expenditure and net borrowing¹

	April				
	2025 outturn	2024 outturn	Change	2025 forecast	Outturn vs forecast
Public sector net borrowing	20.2	19.1	1.0	23.6	-3.5
of which:					
Central government net borrowing	26.9	32.7	-5.8	29.0	-2.1
Local authorities net borrowing	-3.8	-4.1	0.3	-1.8	-2.0
Public corporations net borrowing	-2.9	-9.4	6.5	-3.6	0.6
Central government current receipts	82.9	77.9	5.1	82.4	0.5
of which:					
Income tax	21.5	19.8	1.7	21.2	0.3
National Insurance contributions	14.5	12.8	1.7	14.5	0.0
VAT ²	14.6	14.1	0.5	14.6	0.0
Onshore corporation tax ³	7.4	7.3	0.1	7.5	-0.1
Other taxes and receipts	25.0	23.8	1.2	24.7	0.3
Central government expenditure	109.9	110.6	-0.7	111.4	-1.6
of which:					
Interest payments	9.0	9.5	-0.5	9.7	-0.6
Net social benefits	26.8	25.5	1.3	26.9	-0.1
Net current grants	17.9	18.7	-0.8	18.2	-0.4
Consumption expenditure on goods and services	37.9	33.7	4.2	36.5	1.4
Subsidies	2.3	2.3	0.0	2.5	-0.2
Central government depreciation	3.8	3.4	0.3	3.8	0.0
Central government net investment	12.2	17.5	-5.3	13.9	-1.7

¹ Data and forecasts contained in this table can be found from the following sources:

ONS public sector finances:

<https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance/bulletins/publicsectorfinances/april2025>

HMRC tax receipts and national insurance contributions: <https://www.gov.uk/government/statistics/hmrc-tax-and-nics-receipts-for-the-uk>

OBR economic and fiscal outlook March 2025: <https://obr.uk/efo/economic-and-fiscal-outlook-march-2025>

² Excluding VAT refunds.

³ Less bank surcharge, residential property developer tax, electricity generators levy and Pillar 2.