

19 December 2014

Personal tax credits forecast at Autumn Statement 2010 and Autumn Statement 2014

The OBR are releasing the information below following a request for information on the forecasts for personal tax credits at Autumn Statement 2010 compared with the latest outturn. The OBR will where possible meet requests to release supplementary forecast information, where this will improve the quality of public debate on the public finances. Our full release policy can be found on our website.

Table 1 below shows the breakdown of personal tax credits in annual managed expenditure and receipts as published in our *November 2010 Economic and Fiscal Outlook*. The table also shows total tax credits as published at Autumn Statement 2010, and the total for personal tax credits, as presented in the *December 2014 Economic and fiscal outlook*.

Table 2 shows total spending on personal tax credits as presented in Table 4.28 of our *December 2014 Economic and fiscal outlook*. This includes tax credits that are currently treated as negative tax in the National Accounts, but which will be treated as spending under ESA10.

Table 1. Tax credits forecast at Autumn Statement 2010

		£ billion					
		Forecast					
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Annual Managed Expenditure							
a	Personal tax credits (spending)	23.3	25.2	26.4	26.3	26.3	26.8
b	Tax credits (other)	0.1	0.1	0.1	0.1	0.1	0.1
c	Child allowances in IS/JSA ¹	0.7	0.3	0.0	0.0	0.0	0.0
d=a+b+c	Total tax credits in annual managed expenditure	24.1	25.6	26.5	26.3	26.4	26.9
Receipts							
e	Personal tax credits (negative tax)	5.5	4.7	4.3	4.3	4.3	4.4
f=d+e	Total tax credits as published at Autumn Statement 2010	29.6	30.3	30.8	30.6	30.8	31.4
g=a+e	Total personal tax credits on a comparable Autumn Statement 2014 basis²	28.9	29.9	30.7	30.5	30.7	31.3

¹For 2010-11 and 2011-12, child allowance in income support and jobseeker's allowance was switched out from social security benefits and included in tax credits, to give a comparable series because this child allowance was replaced by child tax credits.

²The forecast for personal tax credits is on a comparable basis to outturn and forecast as presented in the December 2014 Economic and fiscal outlook (EFO), as shown in Table 2 below. In the December 2014 EFO, the spending on tax credits (other) is included within spending on company and other tax credits, and the spending on child allowances in IS/JSA is included within DWP's spending on income support and jobseeker's allowance.

Table 2. Total personal tax credits outturn and forecast at Autumn Statement 2014

		£ billion					
		Outturn				Forecast	
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total personal tax credits		28.9	29.8	29.9	29.7	30.1	29.8