

Office for  
**Budget  
Responsibility**

## **November 2025 Economic and fiscal outlook**

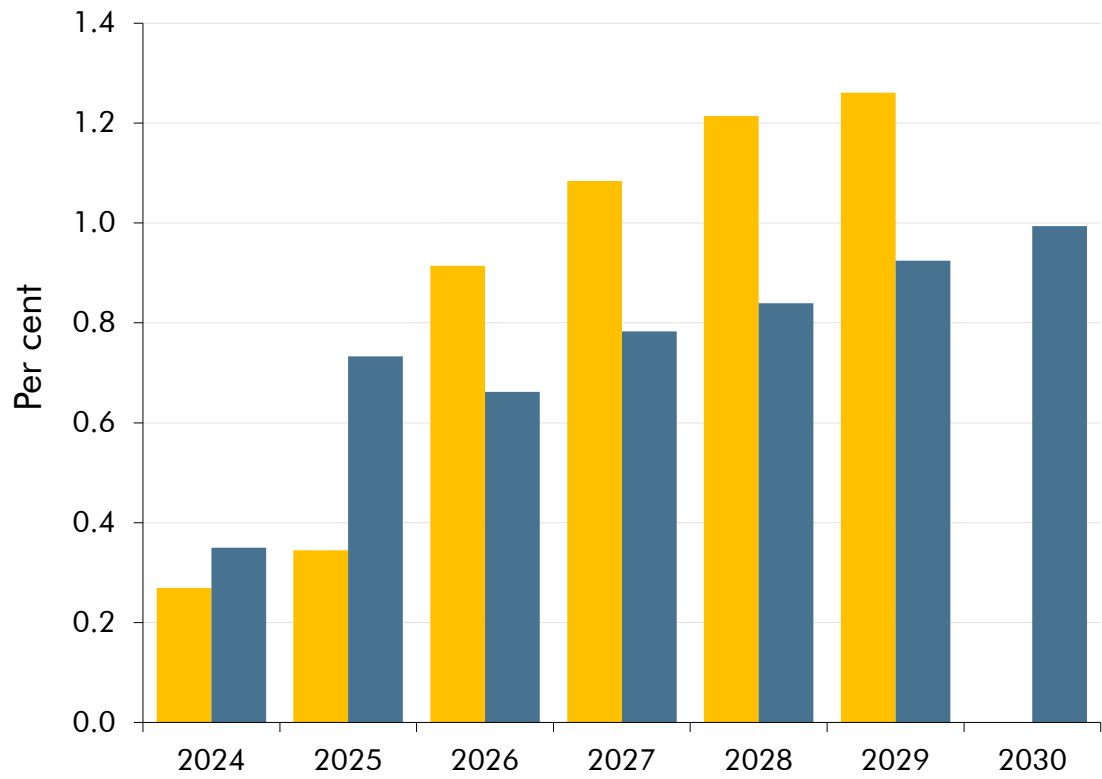
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**Richard Hughes**  
Chair

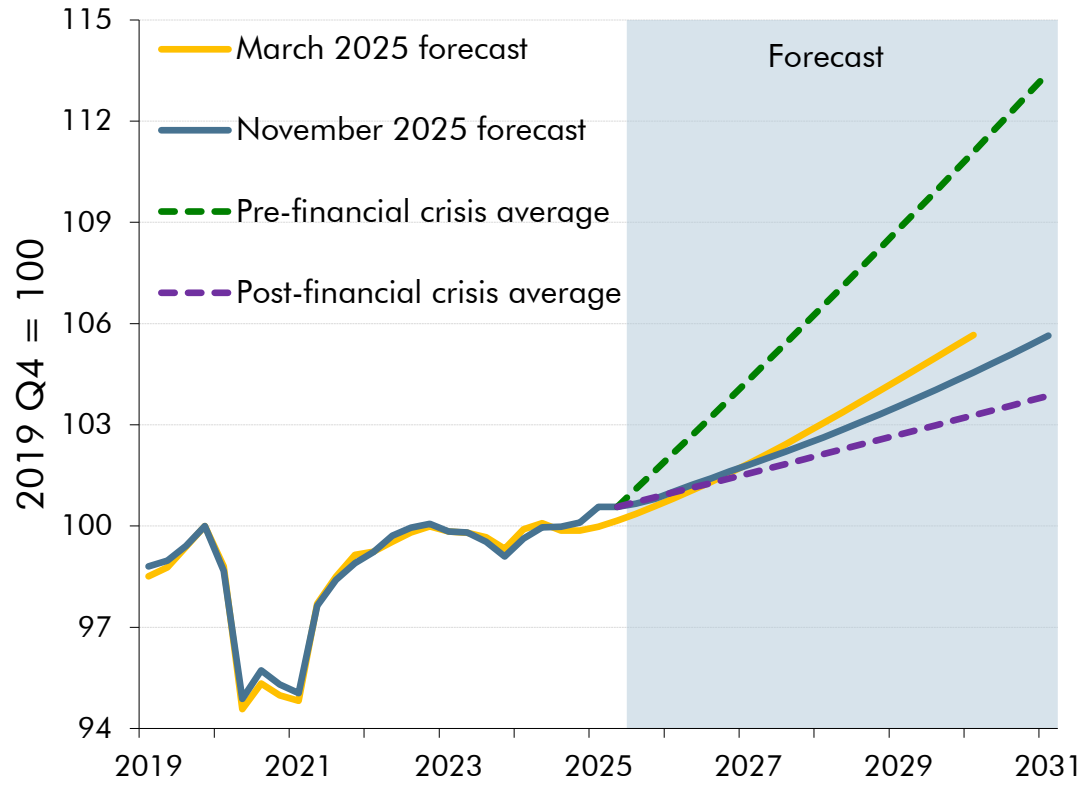
26 November 2025

# Productivity

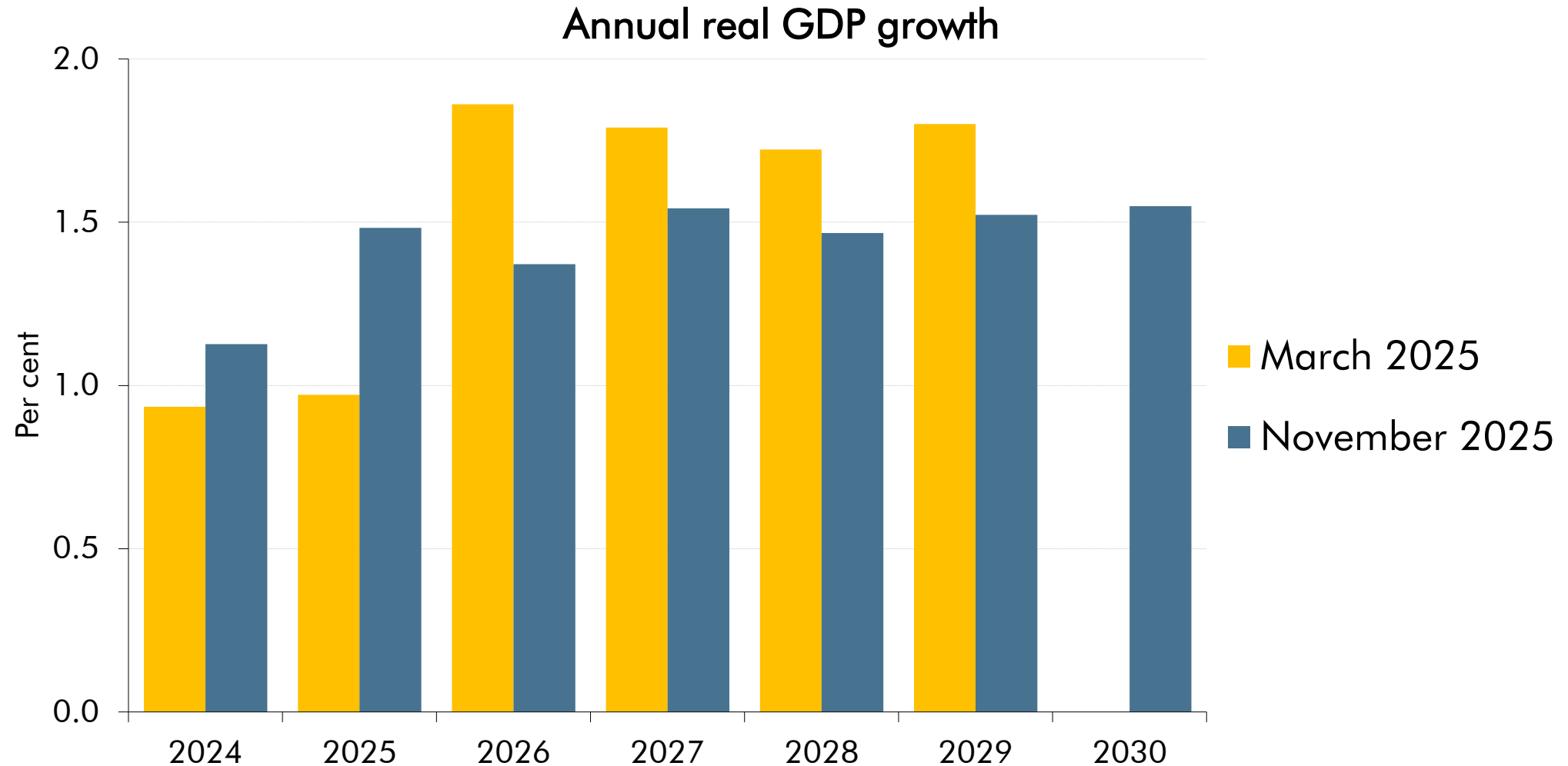
Trend productivity growth



Trend productivity level

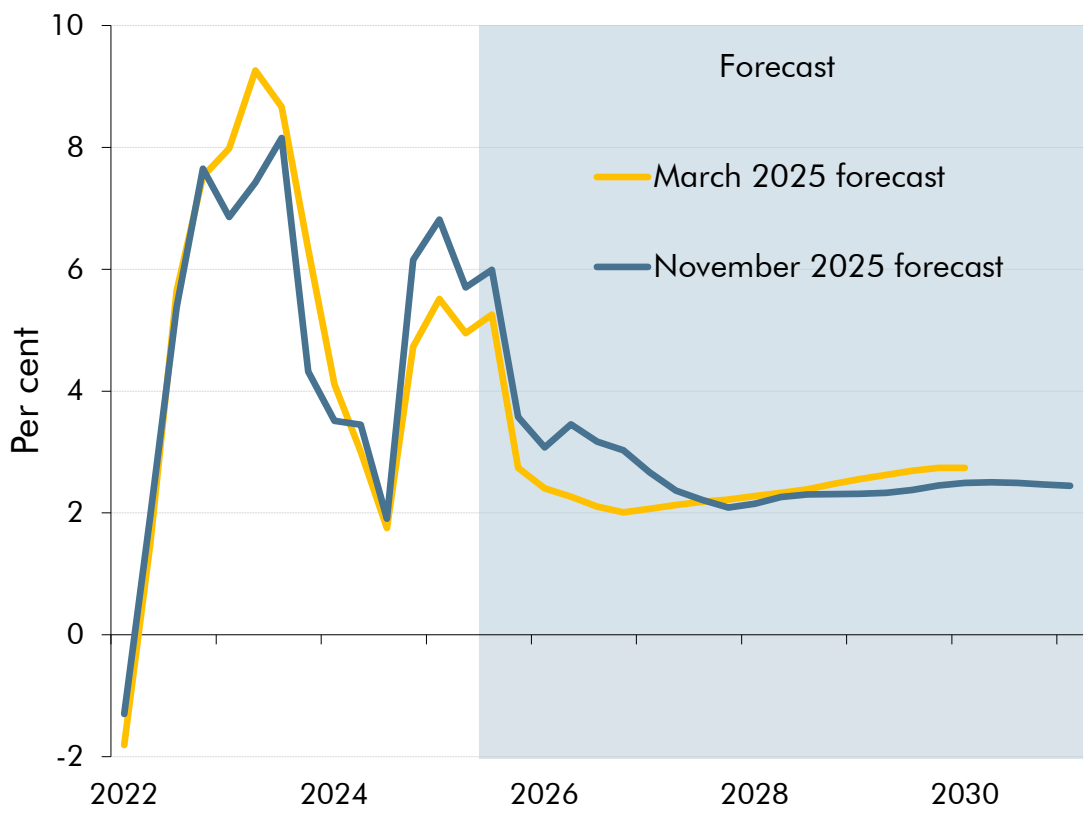


# Real GDP

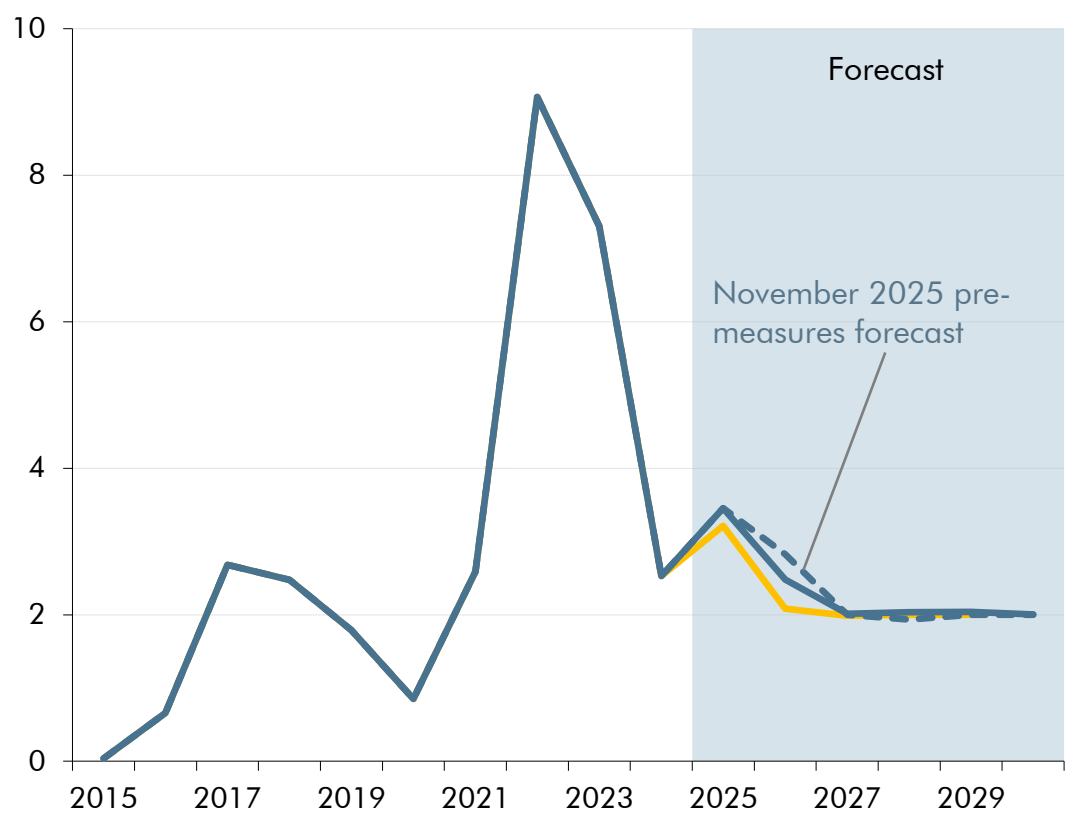


# Earnings and inflation

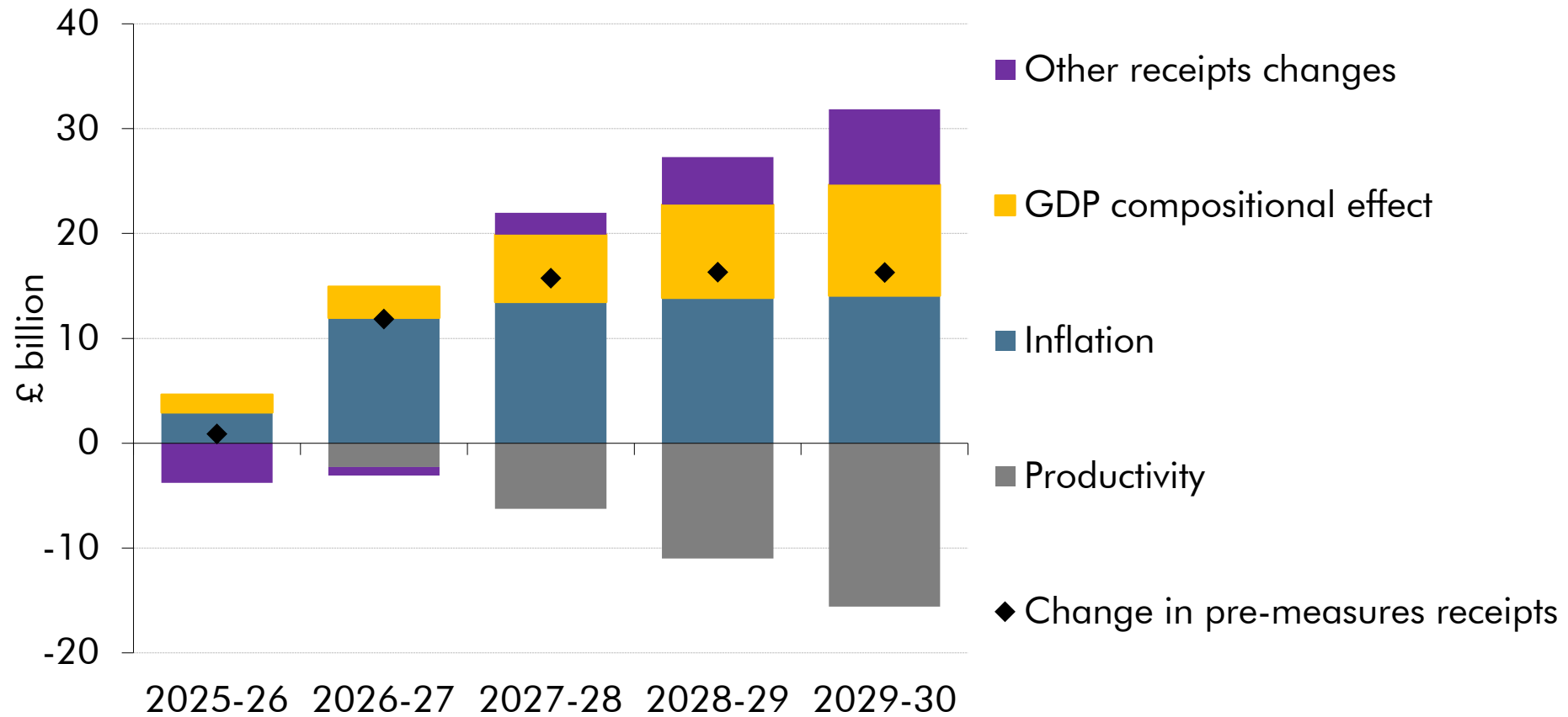
## Nominal hourly wage growth



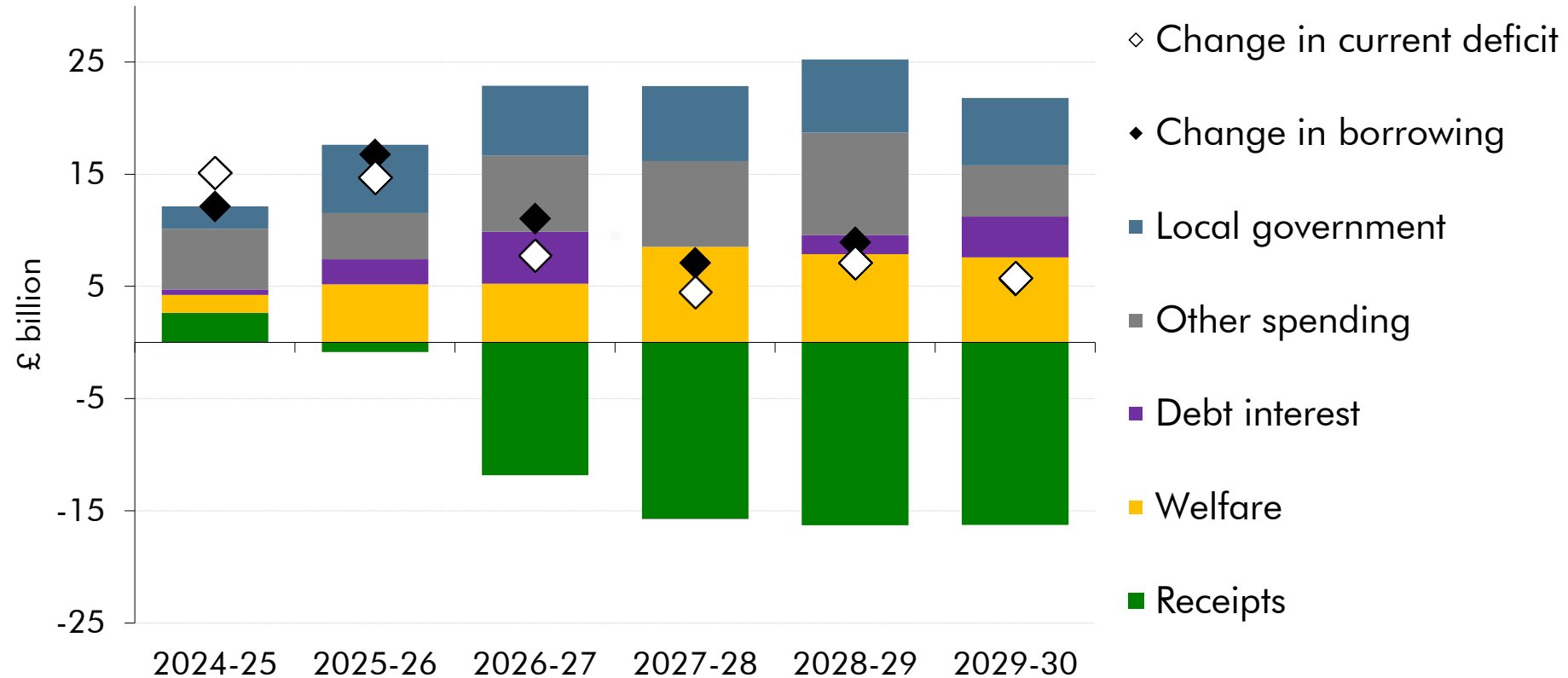
## CPI inflation



# Pre-measures change in receipts since March



# Pre-measures change in borrowing since March



# Autumn Budget policies

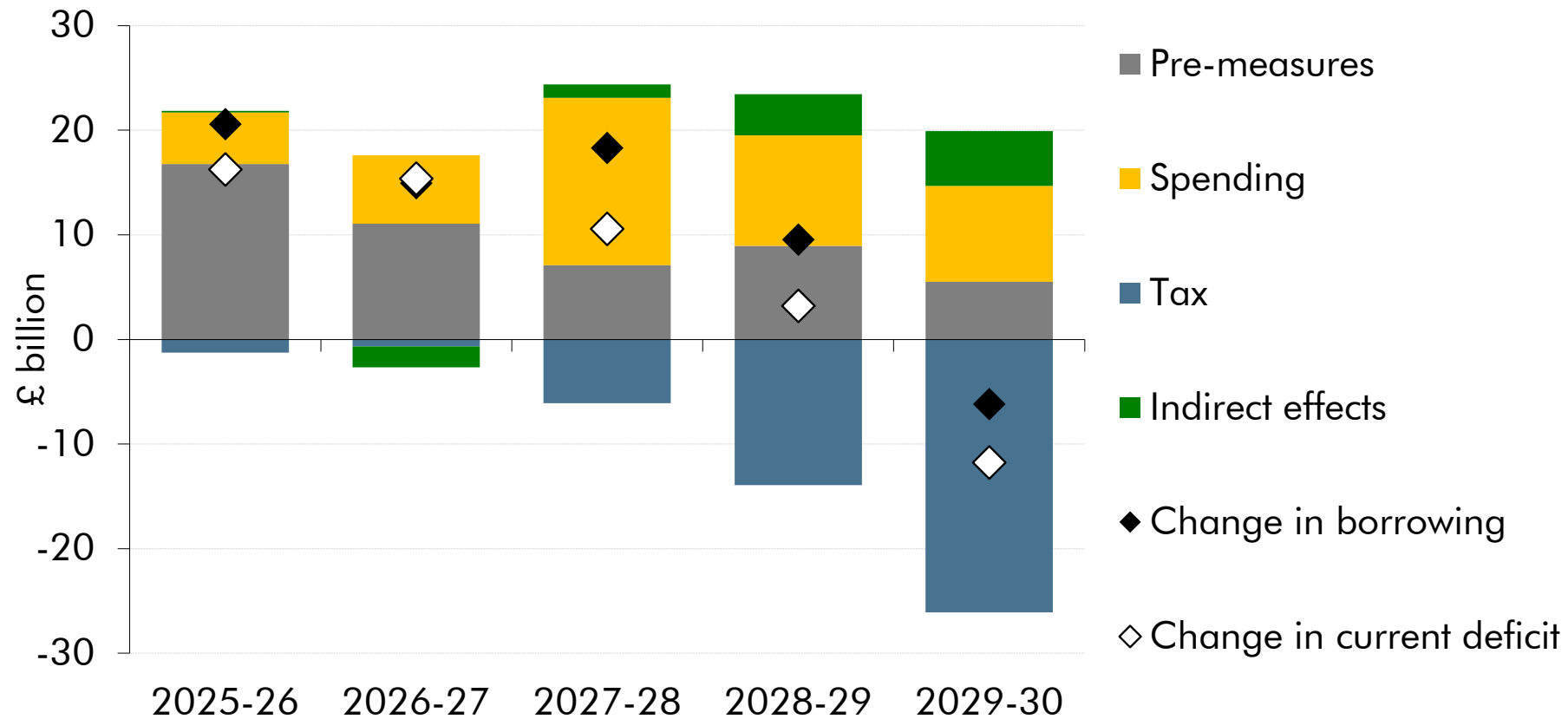
## Spending

- Welfare reversals
- Departmental expenditure
- Lifting two-child limit on benefits
- Reduction in electricity bills

## Taxation

- Personal tax threshold freeze
- NICs on sal-sac pensions
- IT on dividends, property & savings
- Other tax measures

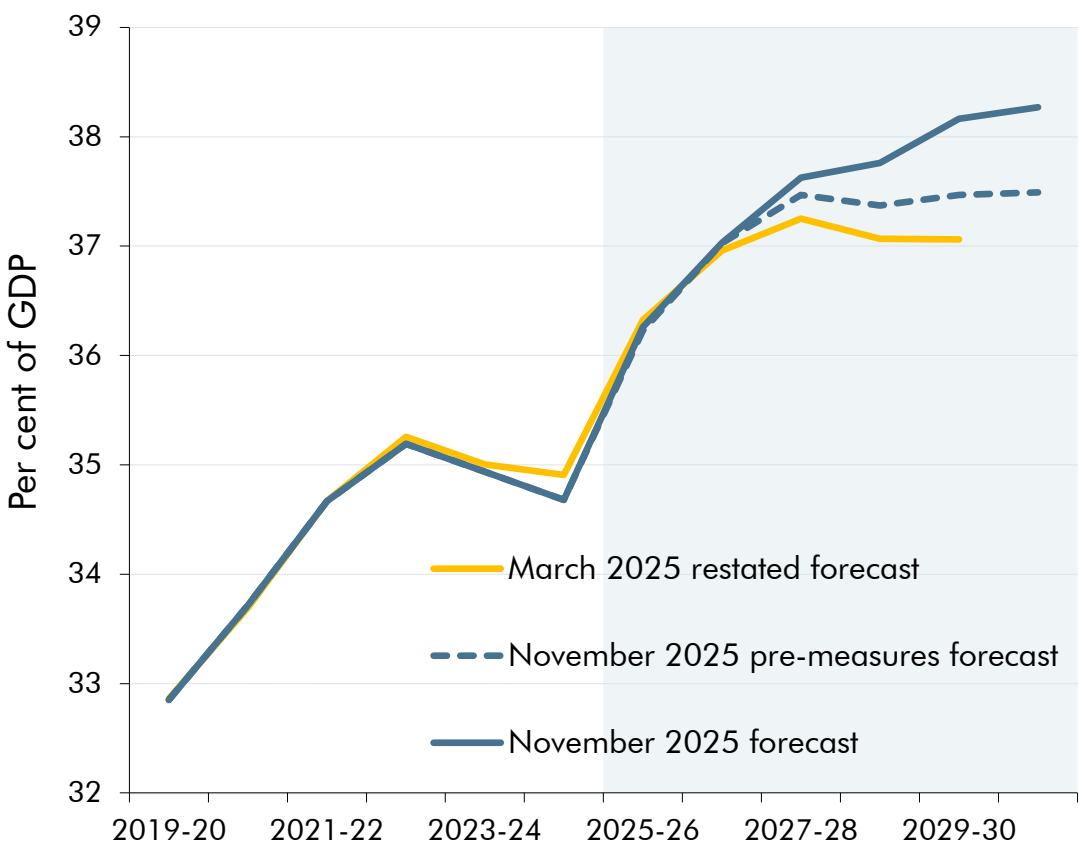
# Overall change in borrowing since March



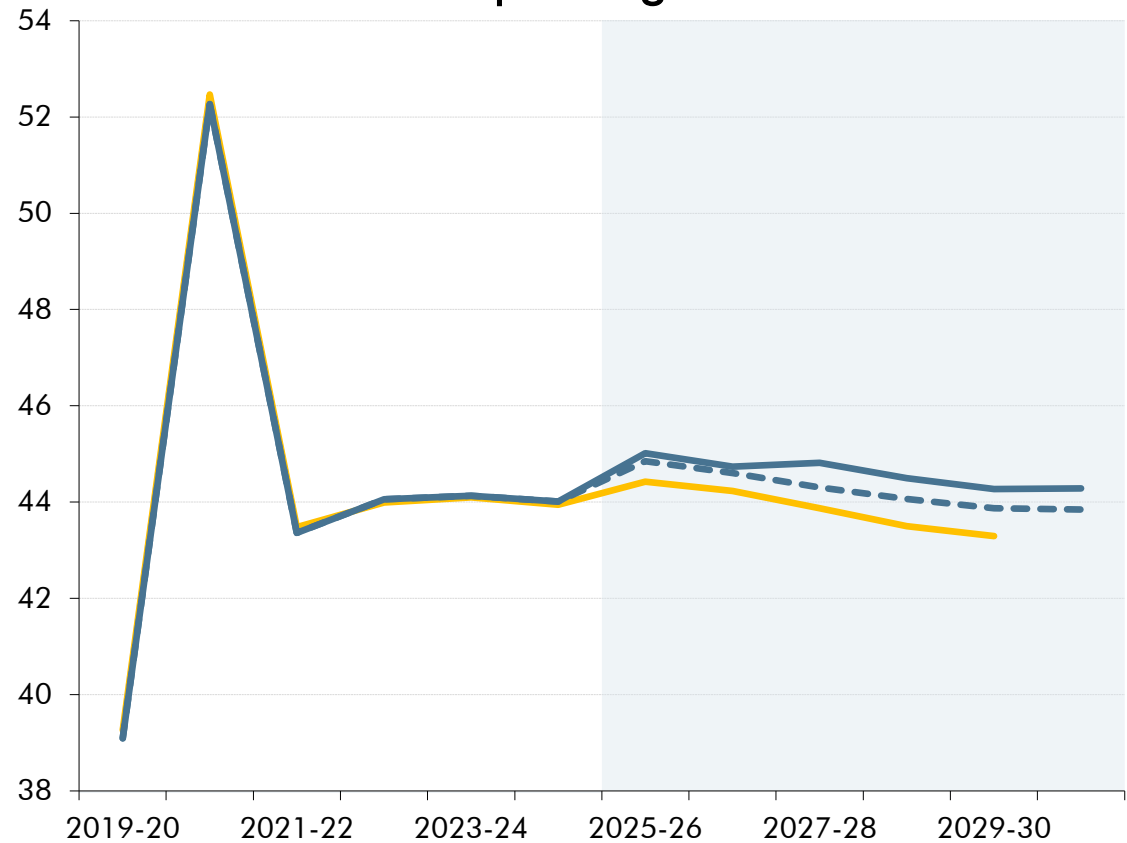


# Receipts and spending

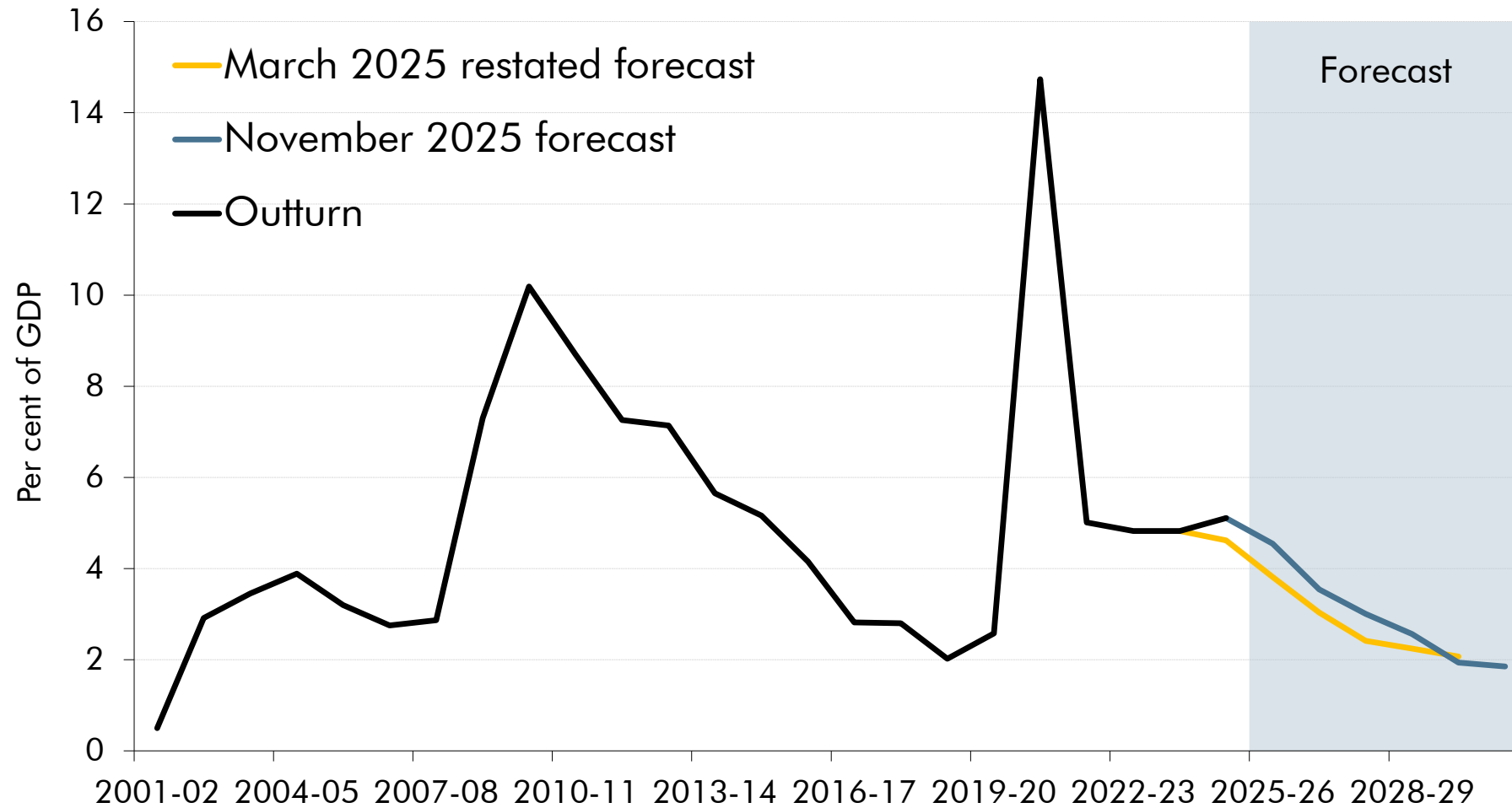
Taxes



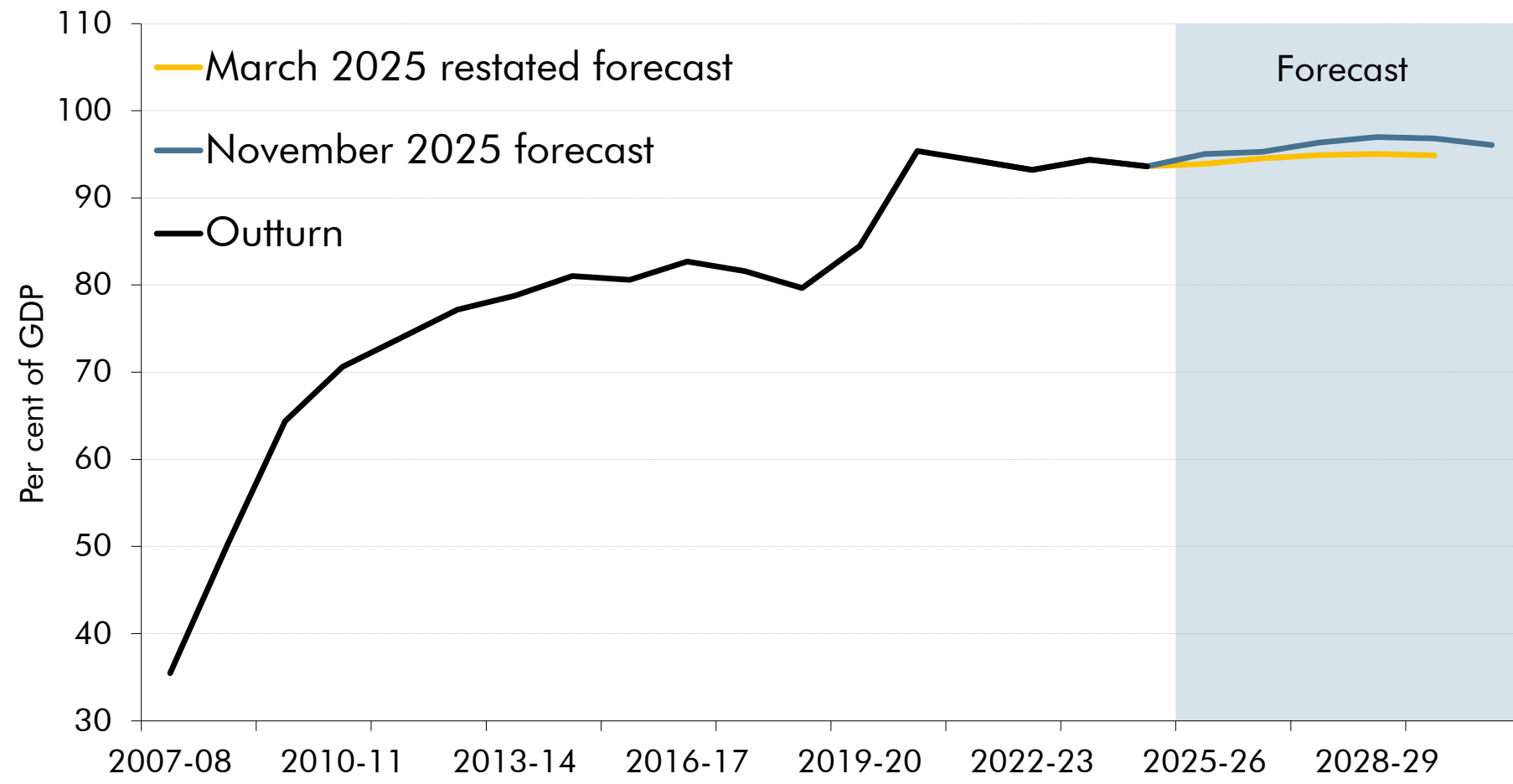
Spending



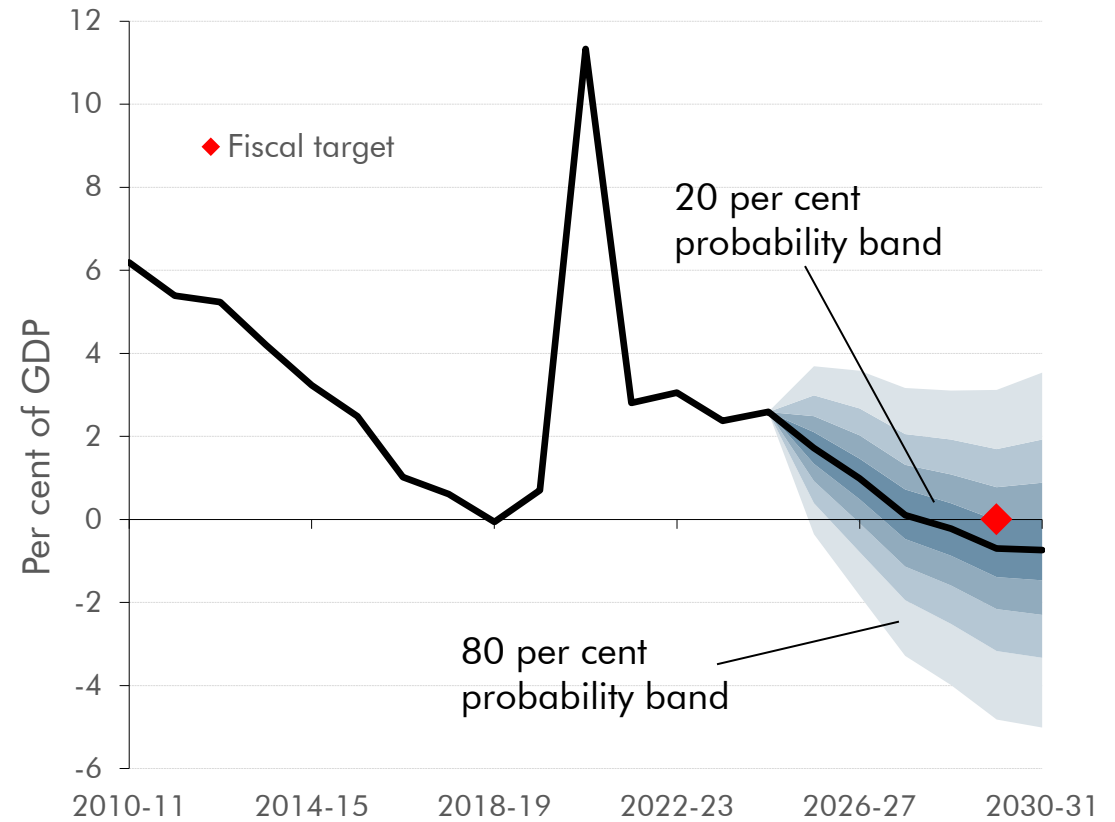
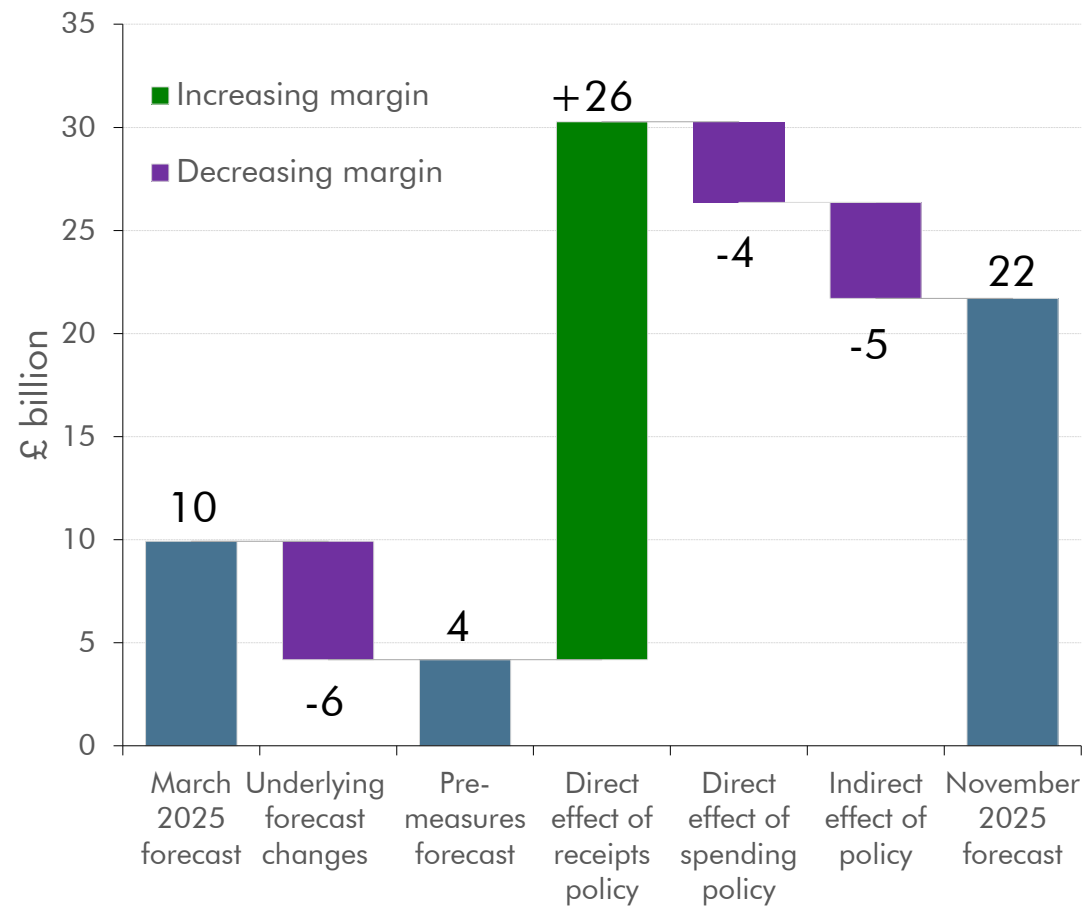
# Borrowing



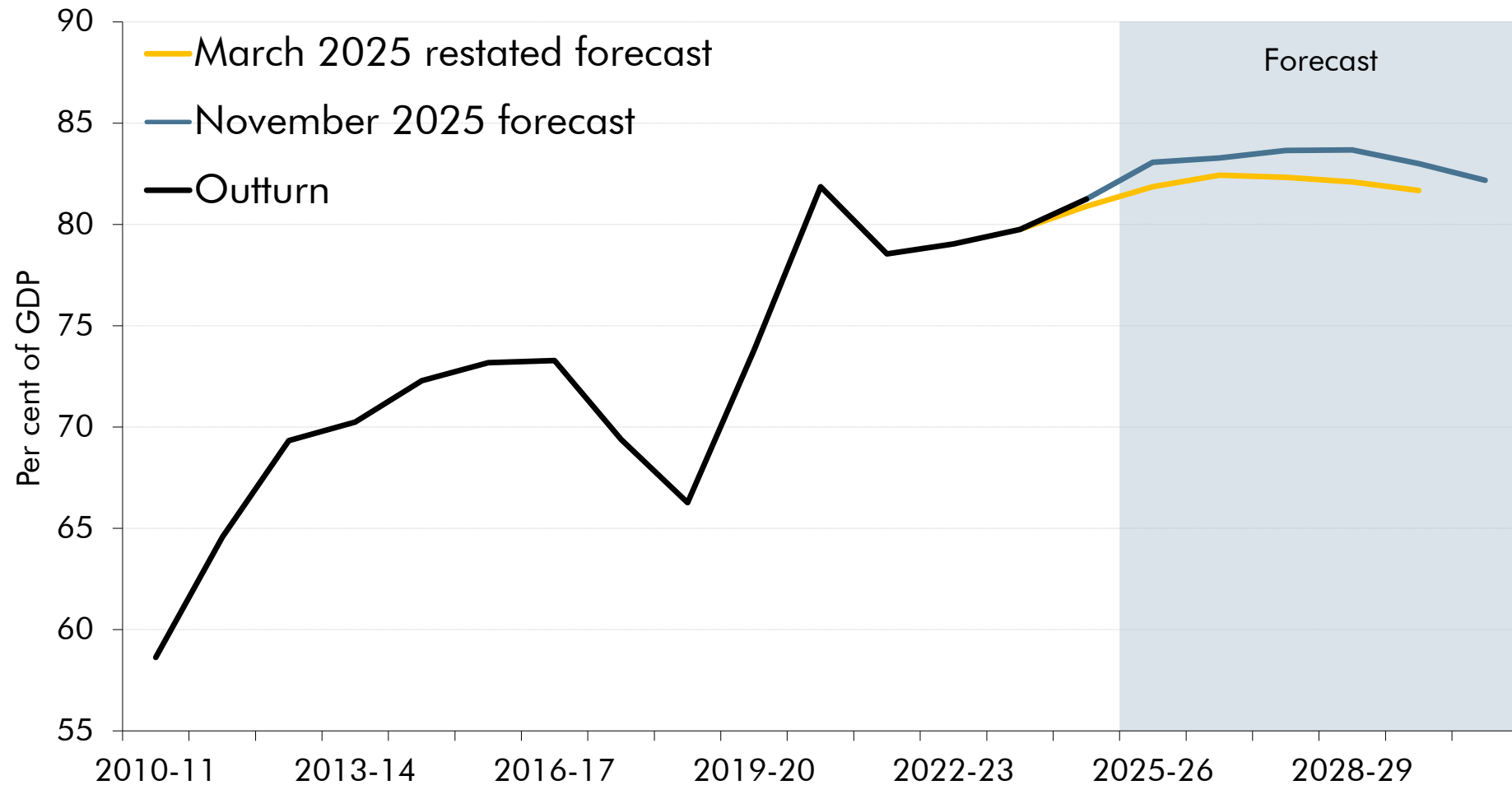
# Debt



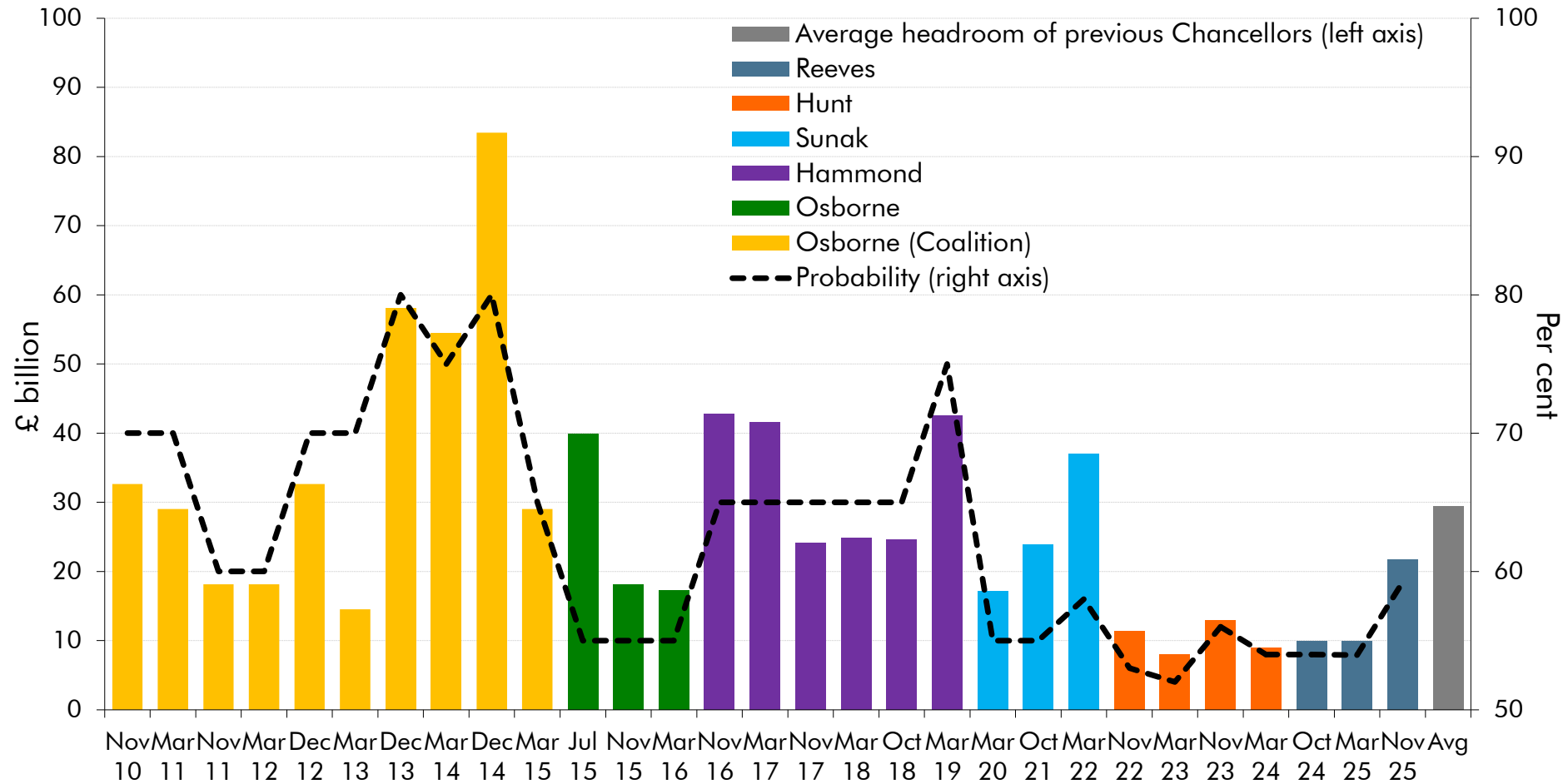
# Current balance target



# Net financial liabilities target

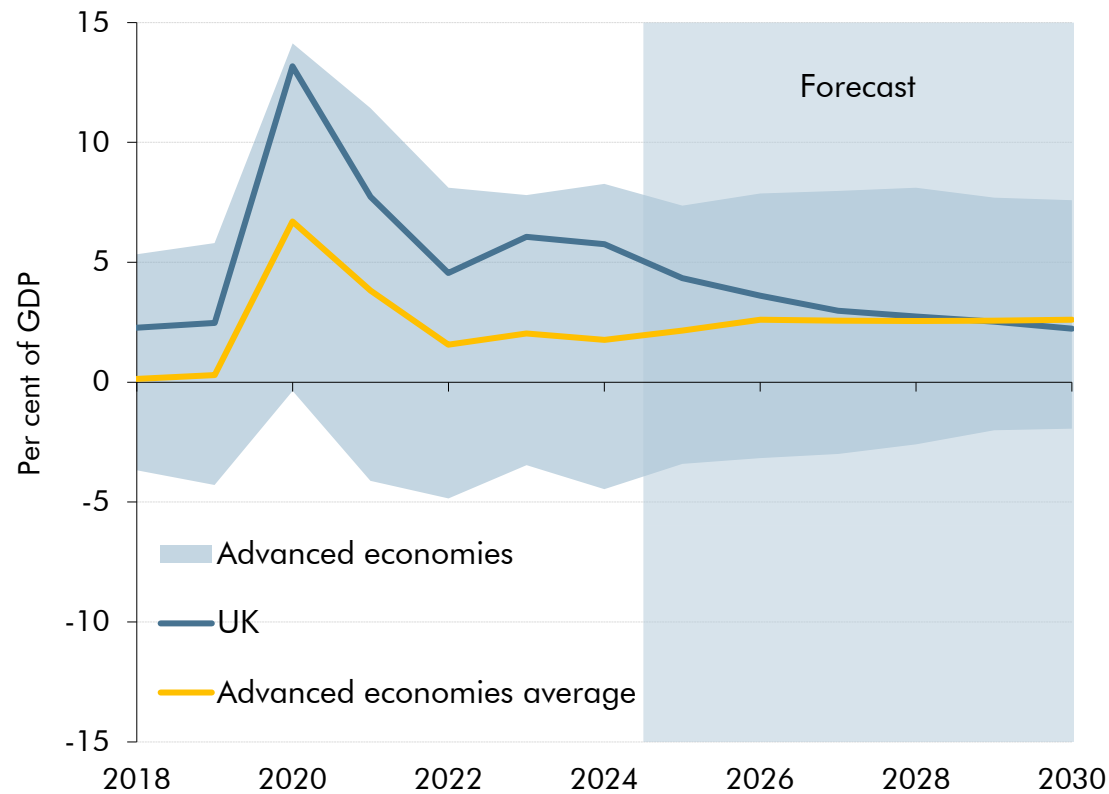


# Margin against fiscal rules

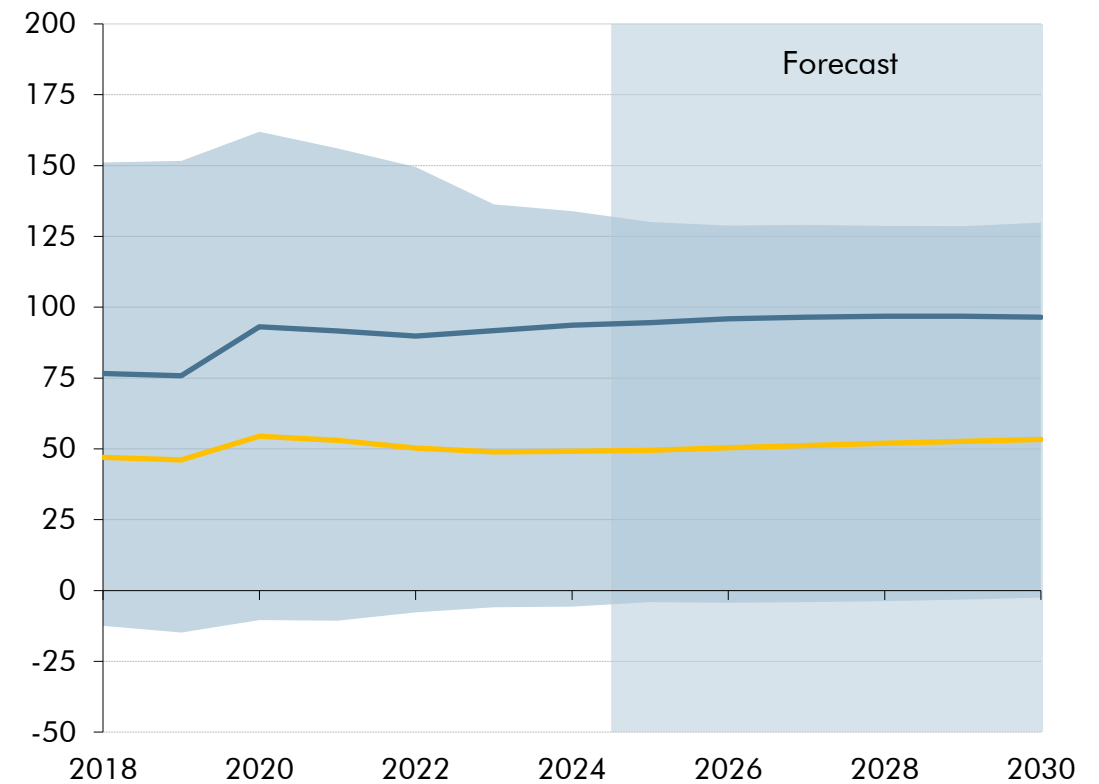


# Wider fiscal context

## Government borrowing



## Government debt



# Risks to the outlook

## Economy

- Productivity
- Interest rates
- Global equity markets

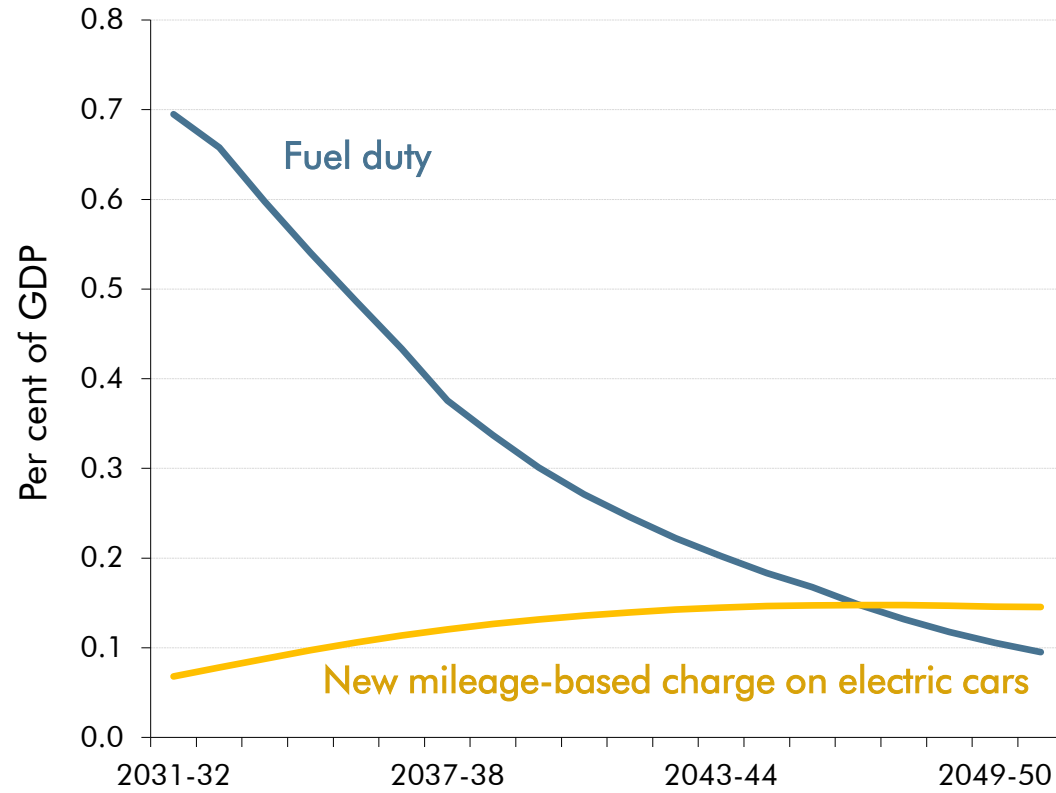
## Fiscal

- Defence
- Local authorities & SEND
- Uncertain tax yield

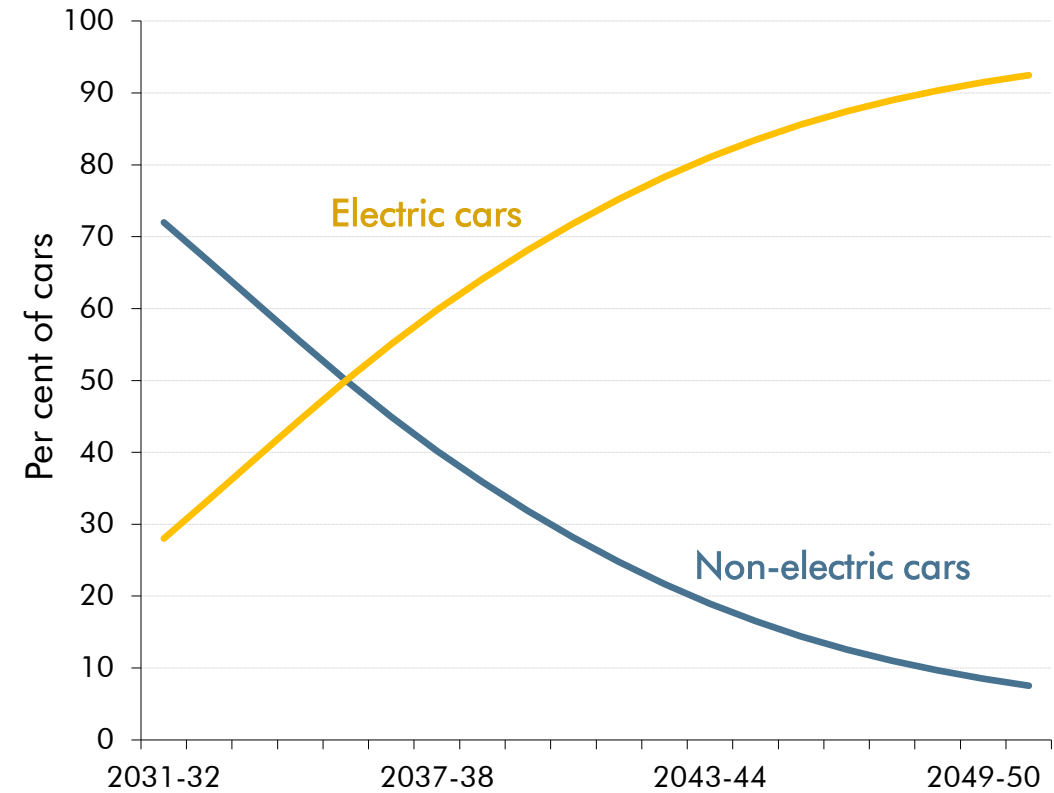


# Fuel duty and electric vehicles

## Tax revenue as a share of GDP



## Share of total car stock



# Summary

- GDP growth averages of 1.5% over forecast, 0.3ppts slower due to lower productivity growth
- Higher wages and inflation deliver a net boost to underlying receipts
- Local government, welfare, and other pressures raise underlying spending by more
- Leaves pre-measures borrowing slightly higher and current surplus slightly lower in 2029-30
- Against this backdrop, Autumn Budget policies increase both spending and tax
- Borrowing higher over next three years, but lower in the following two
- Current surplus in 2029-30 boosted from £10bn in March to £22bn in November