

Statistical bulletin

# UK government debt and deficit: December 2020

Quarterly estimates of UK government debt and deficit.



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# 1 . Main points

- General government gross debt was £2,206.5 billion at the end of December 2020, equivalent to 104.5% of gross domestic product (GDP); this is 13.7 percentage points above the average of the 27 European Union (EU) member states for the same point in time.
- The general government deficit (or net borrowing) was £65.3 billion during Quarter 4 (Oct to Dec) 2020, equivalent to 11.9% of GDP; this is 4.9 percentage points above the average of the 27 EU member states for the same period.
- The general government gross debt and deficit figures published here (for 1997 onwards) are fully consistent with those published in the [Public sector finances, UK: February 2021 statistical bulletin](#), published on 19 March 2021; GDP at market prices used to calculate government gross debt and deficit as a ratio of GDP are consistent with those published in the [GDP quarterly national accounts, UK: October to December 2020](#), published 31 March 2021.

In this release, we present statistics for the general government sector. These are used for international comparisons and include central and local government only. The public sector finances release has a wider scope, adding data for other public sector bodies, such as public corporations and the Bank of England.

## 2 . Government debt

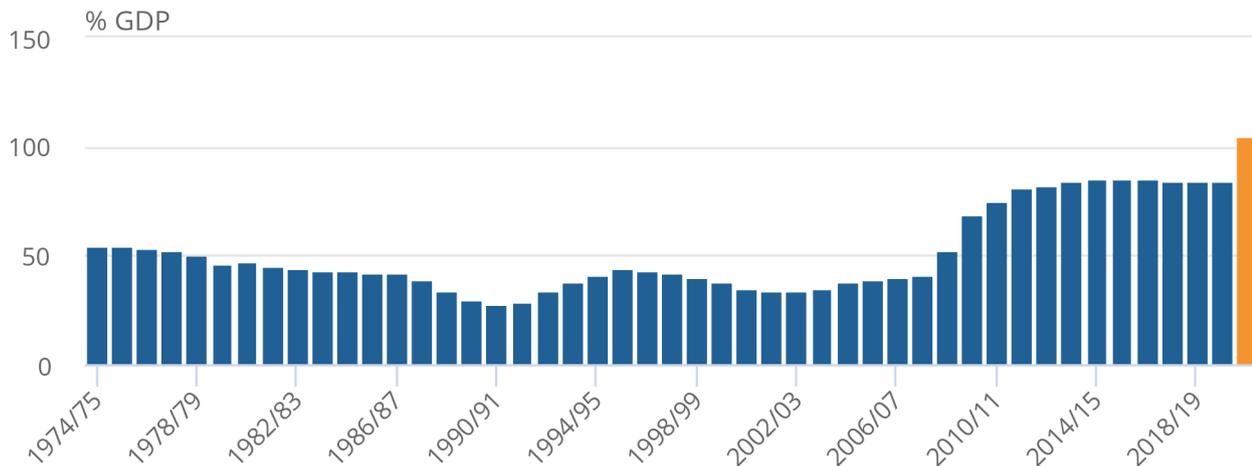
The extra funding required to support government coronavirus support schemes combined with reduced cash receipts and a fall in gross domestic product (GDP) have all helped push general government gross debt as a ratio of GDP to more than 100% of GDP, and around two-and a half times higher than the financial year ending March 2008, the year of the global financial crisis.

## Figure 1: Debt as a percentage of GDP has nearly doubled since the early seventies

General government gross debt as a percentage of gross domestic product (GDP), UK, March 1975 to December 2020

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General government gross debt as a percentage of gross domestic product (GDP), UK, March 1975 to December 2020



Source: Office for National Statistics - UK government debt and deficit

#### Notes:

1. GDP – gross domestic product.

Debt at the end of December 2020 was £2,206.5 billion, £315.4 billion higher than at the same point a year earlier.

Debt represents the total amount of money owed by the government sector to other sectors and is largely made up of gilts issued to investors by central government.

At the end of December 2020, there was £1825.0 billion of central government gilts in circulation. These gilts are auctioned by the Debt Management Office (DMO), on behalf of central government in accordance with its [financing remit](#).

There has been a substantial increase in gilts issuance in the last year, partially reflecting the need for extra funding to support government coronavirus support schemes and to compensate for the fall in tax revenue.

Table 1: General government gross debt  
 UK, at the end of Quarter 1 (March) 2019 to the end of Quarter 4 (December) 2020

<b>£ billion<sup>1</sup></b>								
<b>Quarter</b>	<b>2019 Q1</b>	<b>2019 Q2</b>	<b>2019 Q3</b>	<b>2019 Q4</b>	<b>2020 Q1</b>	<b>2020 Q2</b>	<b>2020 Q3</b>	<b>2020 Q4</b>
<b>Debt<sup>2</sup></b>	1,820.9	1,849.3	1,848.5	1,891.1	1876.8	2,070.6	2,140.5	2,206.5
<b>as % GDP<sup>3</sup></b>	84.2	84.9	84.1	85.3	84.4	96.2	100.5	104.5

Source: Office for National Statistics - UK government debt and deficit

Notes

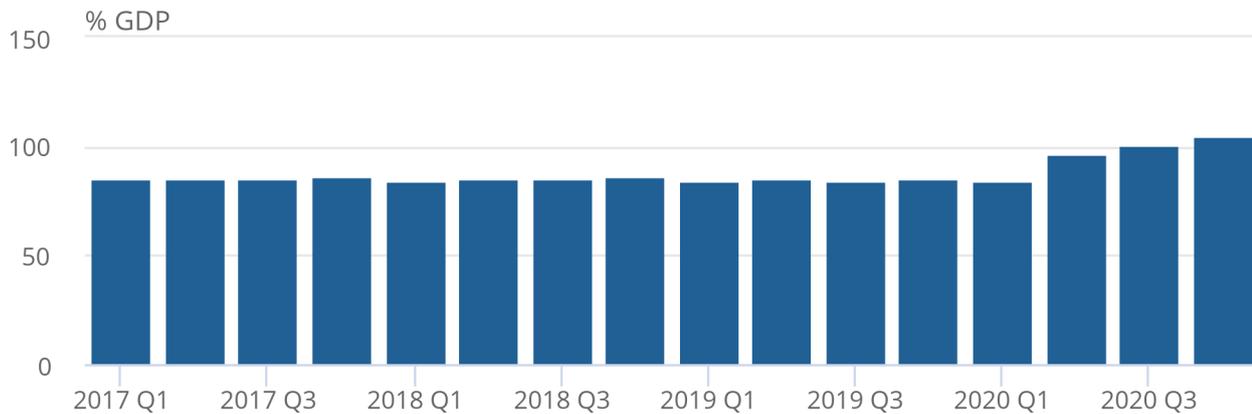
1. Unless otherwise stated.
2. Debt is recorded as at the end of each calendar quarter.
3. GDP – Gross domestic product.

## Figure 2: Debt as a percentage of GDP has grown substantially in recent quarters

General government gross debt as a percentage of GDP, UK, at the end of Quarter 1 (March) 2018 to the end of Quarter 4 (December) 2020

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Source: Office for National Statistics - UK government debt and deficit

#### Notes:

1. GDP – gross domestic product.
2. The ratio is recorded as at the end of each calendar quarter.

The general government debt figures published in this statistical bulletin (for the time period 1997 onwards) are fully consistent with those published in the [Public sector finances, UK: February 2021 statistical bulletin](#), published on 19 March 2021. [Table PSA8A](#) that accompanies the February statistical bulletin breaks down debt into its broad components.

GDP at market prices used to calculate government gross debt as a ratio of GDP are consistent with those published in the [GDP quarterly national accounts, UK: October to December 2020](#), published 31 March 2021.

A comparison of general government gross debt as a percentage of GDP for UK and EU member states can be found in [general government gross debt and general government deficit as percentage of GDP, UK and EU member states – Annex A](#), which accompanies this bulletin.

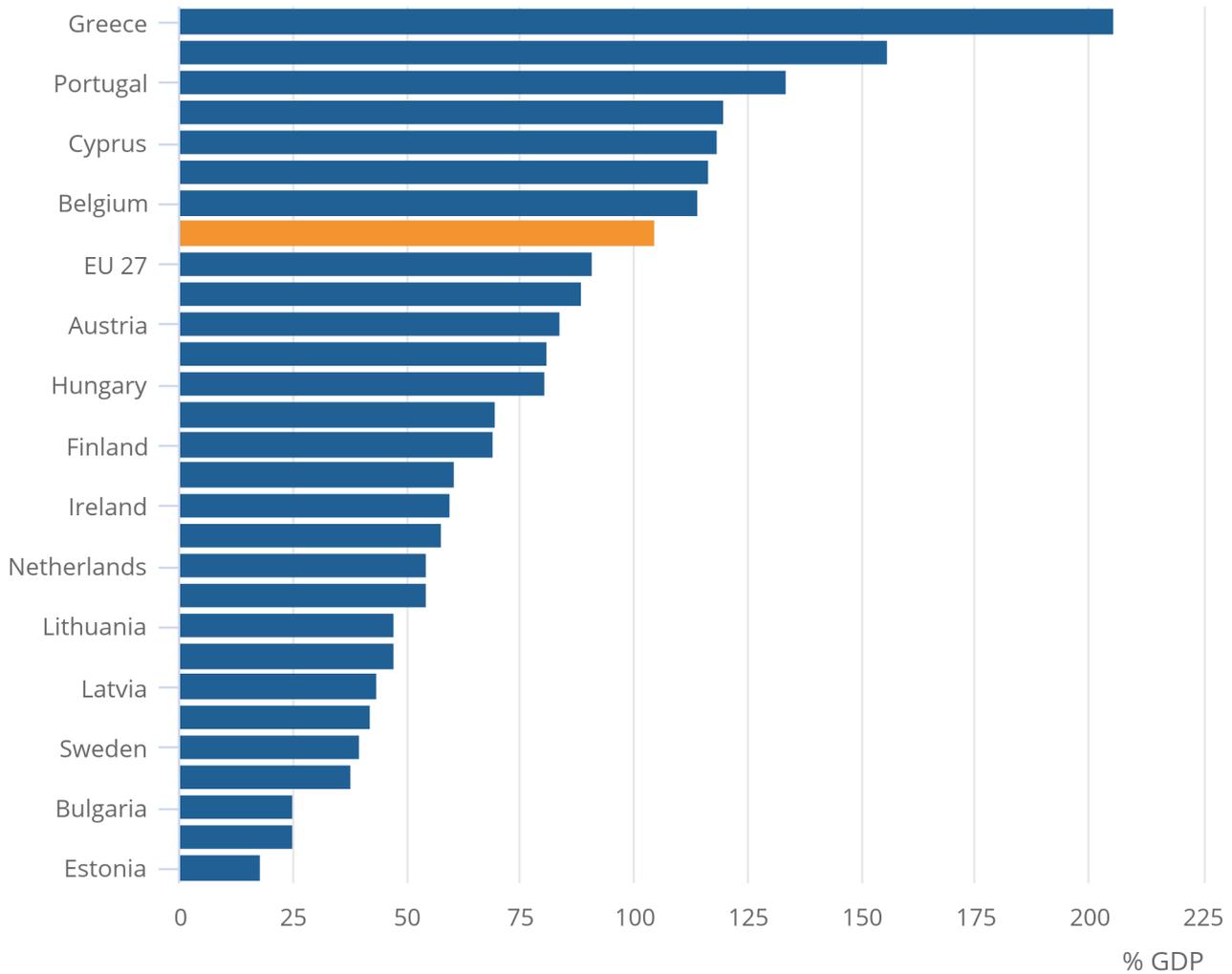
Annex A reports quarterly general government deficit as a percentage of GDP for UK and EU member states for at the end of Quarter 1 (March) 2018 to the end of Quarter 4 (December) 2020.

**Figure 3: The UK's debt as percentage of GDP is currently 13.7 percentage points above the EU average**

General government gross debt as a percentage of GDP<sup>1</sup>, UK and EU member states, at the end of Quarter 4 (December) 2020

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General government gross debt as a percentage of GDP<sup>1</sup>, UK and EU member states, at the end of Quarter 4 (December) 2020



Source: Office for National Statistics - UK government debt and deficit, Eurostat

Notes:

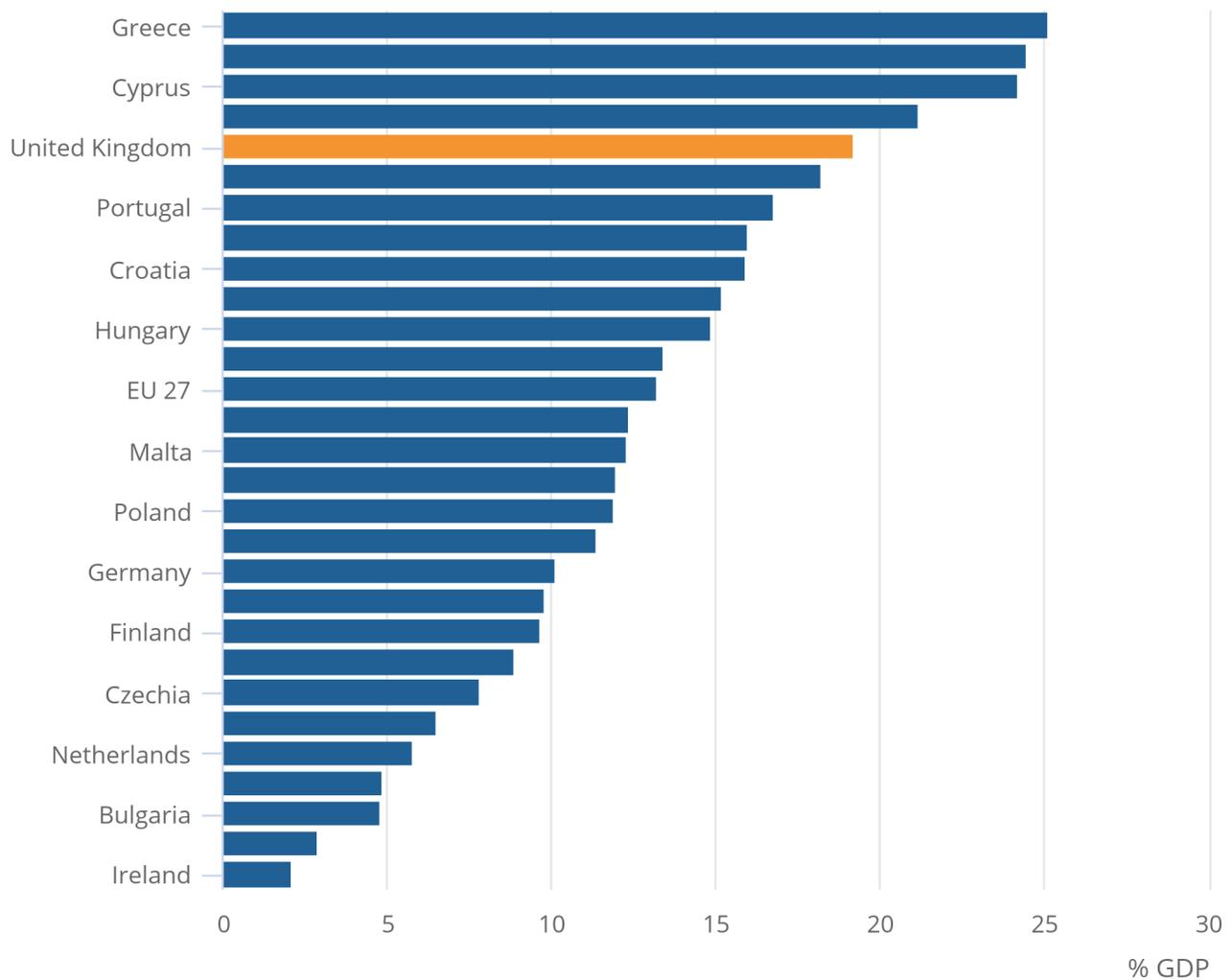
1. GDP – Gross Domestic Product.
2. EU 27 - Average of the 27 EU member states.

#### Figure 4: UK debt has risen more quickly than the EU average during the pandemic

General government debt growth change in percentage points, UK and EU member states, at the end of Quarter 4 (December) 2020 compared with the end of Quarter 4 (December) 2019

### Figure 4: UK debt has risen more quickly than the EU average during the pandemic

General government debt growth change in percentage points, UK and EU member states, at the end of Quarter 4 (December) 2020 compared with the end of Quarter 4 (December) 2019



Source: Office for National Statistics - UK government debt and deficit, Eurostat

Notes:

1. GDP – Gross Domestic Product.
2. EU 27 - Average of the 27 EU member states.

Since the onset of the coronavirus (COVID-19) pandemic, all EU member states have seen a rise in their levels of government debt. For the 27 EU member states as a whole, the average debt as a ratio to GDP increased by 13.2 percentage points between Quarter 4 (Oct to Dec) 2019 and Quarter 4 2020. The increase in the UK debt ratio was 6.0 percentage points larger than the EU average at 19.2 percentage points.

### 3 . Government deficit

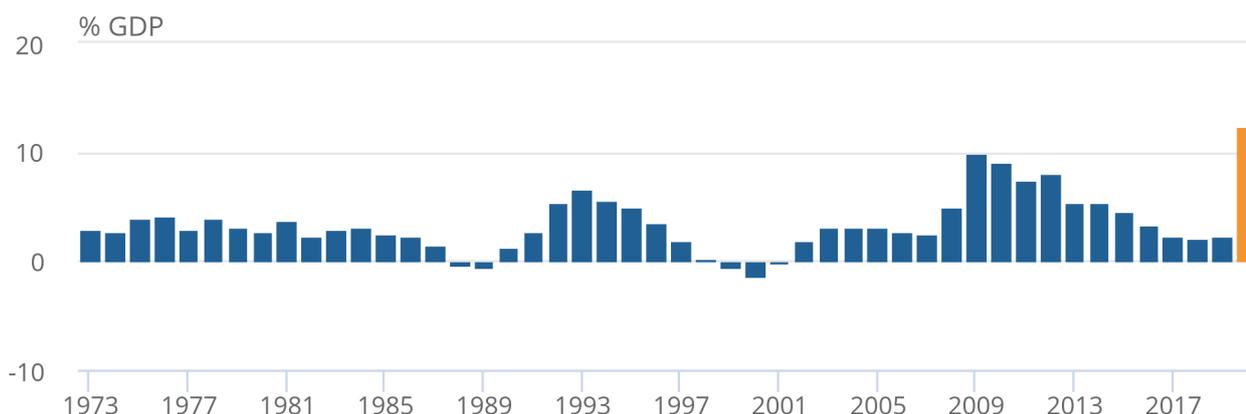
The latest deficit (or net borrowing) figures reflect the ongoing unprecedented impact of the coronavirus (COVID-19) pandemic and the UK government's support for individuals and businesses. At the end of Quarter 4 (Oct to Dec) 2020, UK general government deficit was £65.3 billion, £42.2 billion higher than in the same quarter a year earlier.

**Figure 5: Deficit as a percentage of GDP in 2020 was 2.3 percentage points more than in 2009, the height of the global financial crisis**

General government gross debt as a percentage of GDP<sup>1</sup>, UK, calendar years 1973 to 2020

Figure 5: Deficit as a percentage of GDP in 2020 was 2.3 percentage points more than in 2009, the height of the global financial crisis

General government gross debt as a percentage of GDP<sup>1</sup>, UK, calendar years 1973 to 2020



Source: Office for National Statistics - UK government debt and deficit

Notes:

1. GDP – gross domestic product.
2. Calendar year represents the period of January to December.

Deficit (or net borrowing) makes up the shortfall between the spending of the government and their income, such as tax receipts.

In Quarter 4 2020, central government bodies spent £225.9 billion, £43.7 billion more than in the same quarter a year earlier.

This increase was in part because of central government paying £17.8 billion more in subsidies to businesses and households in Quarter 4 2020 than in the same quarter a year earlier. This included the additional £13.0 billion cost of the [Coronavirus Job Retention Scheme \(CJRS\)](#) and [Self Employment Income Support Scheme \(SEISS\)](#) during this period.

Central government expenditure on goods and services was £16.2 billion higher in Quarter 4 2020 than the same period a year earlier. This was partly caused by increased expenditure by the Department of Health and Social Care, devolved administrations and other departments in response to the coronavirus pandemic.

In the same period, and using provisional data, central government tax revenue was about the same as in the same period a year earlier.

Local government paid £2.0 billion more in subsidies to businesses and households in Quarter 4 2020 than in the same quarter a year earlier. This included subsidies paid from the Coronavirus Small Business Grant Fund.

Table 2: General government deficit  
UK, Quarter 1 (Jan to Mar) 2019 to Quarter 4 (Oct to Dec) 2020

	<b>£ billion<sup>1</sup></b>							
<b>Quarter</b>	<b>2019 Q1</b>	<b>2019 Q2</b>	<b>2019 Q3</b>	<b>2019 Q4</b>	<b>2020 Q1</b>	<b>2020 Q2</b>	<b>2020 Q3</b>	<b>2020 Q4</b>
<b>Deficit</b>	-9.5	23.1	15.0	23.1	2.4	118.5	73.5	65.3
<b>as % GDP<sup>2</sup></b>	-1.7	4.2	2.7	4.1	0.4	25.0	13.9	11.9

Source: Office for National Statistics - UK government debt and deficit

#### Notes

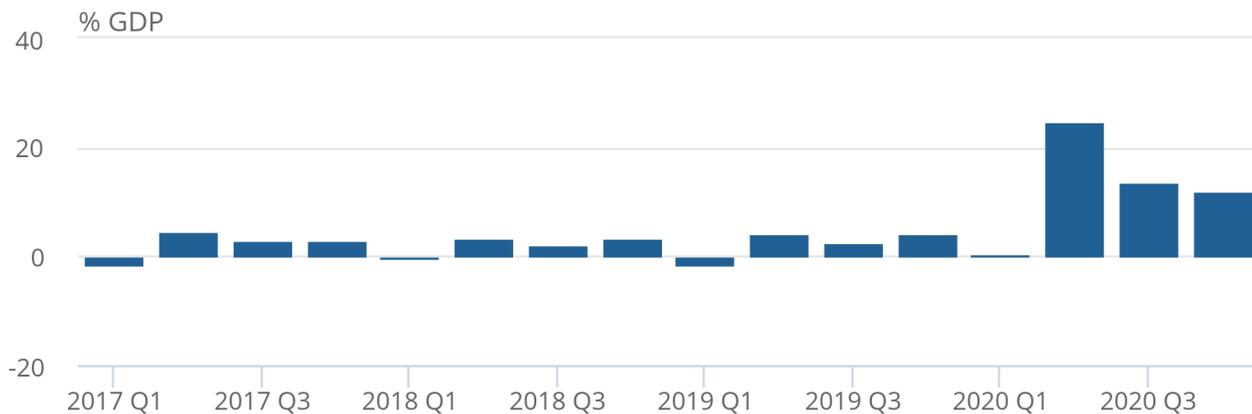
1. Unless otherwise stated.
2. GDP – Gross domestic product.

## Figure 6: Deficit as a percentage of GDP is particularly high in recent quarters

General government deficit (net borrowing) as a percentage of GDP<sup>1</sup>, UK, Quarter 1 (Jan to Mar) 2018 to Quarter 4 (Oct to Dec) 2020

### Figure 6: Deficit as a percentage of GDP is particularly high in recent quarters

General government deficit (net borrowing) as a percentage of GDP<sup>1</sup>, UK, Quarter 1 (Jan to Mar) 2018 to Quarter 4 (Oct to Dec) 2020



Source: Office for National Statistics - UK government debt and deficit

#### Notes:

1. GDP – gross domestic product.

The general government deficit figures published in this statistical bulletin (for the time period 1997 onwards) are fully consistent with those published in the [Public sector finances, UK: February 2021 statistical bulletin](#) and [Public sector finances borrowing by sub-sector](#), both published on 19 March 2021. In these publications deficit is referred to as net borrowing.

[Table PSA6B](#) that accompanies the February statistical bulletin breaks down central borrowing into its broad components, while tables PSA6D-F present central government receipts and expenditure in more detail. Tables PSA6G and PSAI-K present similar detail for local government.

GDP at market prices used to calculate government gross deficit as a ratio of GDP are consistent with those published in the [GDP quarterly national accounts, UK: October to December 2020](#), published 31 March 2021.

A comparison of general government deficit as a percentage of GDP for UK and EU member states can be found in [general government gross debt and general government deficit as percentage of GDP, UK and EU member states – Annex A](#) which accompanies this bulletin.

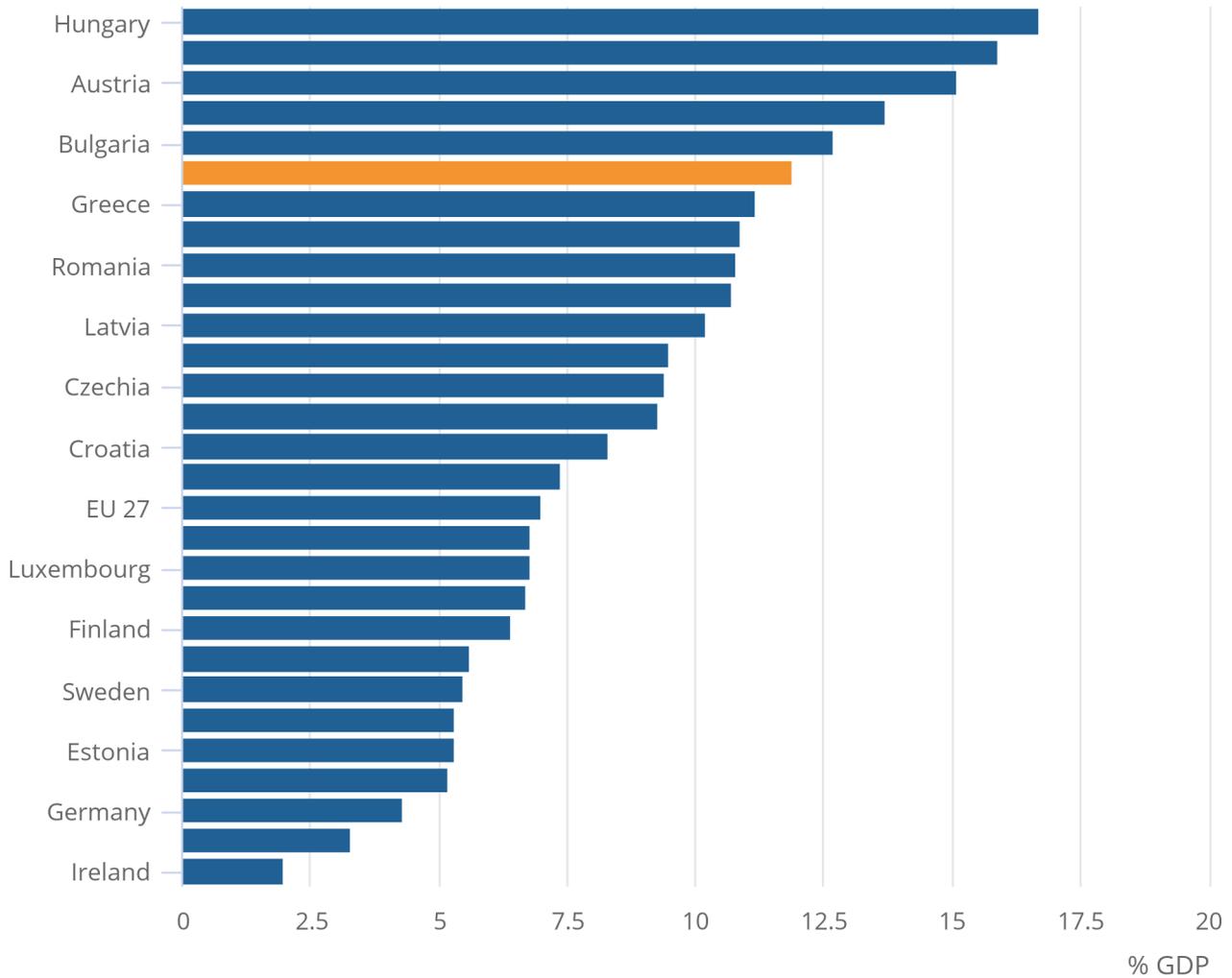
Annex A reports quarterly general government deficit as a percentage of GDP for UK and EU member states for Quarter 1 (Jan to Mar) 2018 to Quarter 4 (Oct to Dec) 2020.

**Figure 7: The UK's deficit as a percentage of GDP in Quarter 4 2020 is 4.9% higher than the EU average**

General government deficit (net borrowing) as a percentage of GDP<sup>1</sup>, UK and EU member states, Quarter 4 (Oct to Dec) 2020

**Figure 7: The UK's deficit as a percentage of GDP in Quarter 4 2020 is 4.9% higher than the EU average**

General government deficit (net borrowing) as a percentage of GDP<sup>1</sup>, UK and EU member states, Quarter 4 (Oct to Dec) 2020



Source: Office for National Statistics - UK government debt and deficit, Eurostat

Notes:

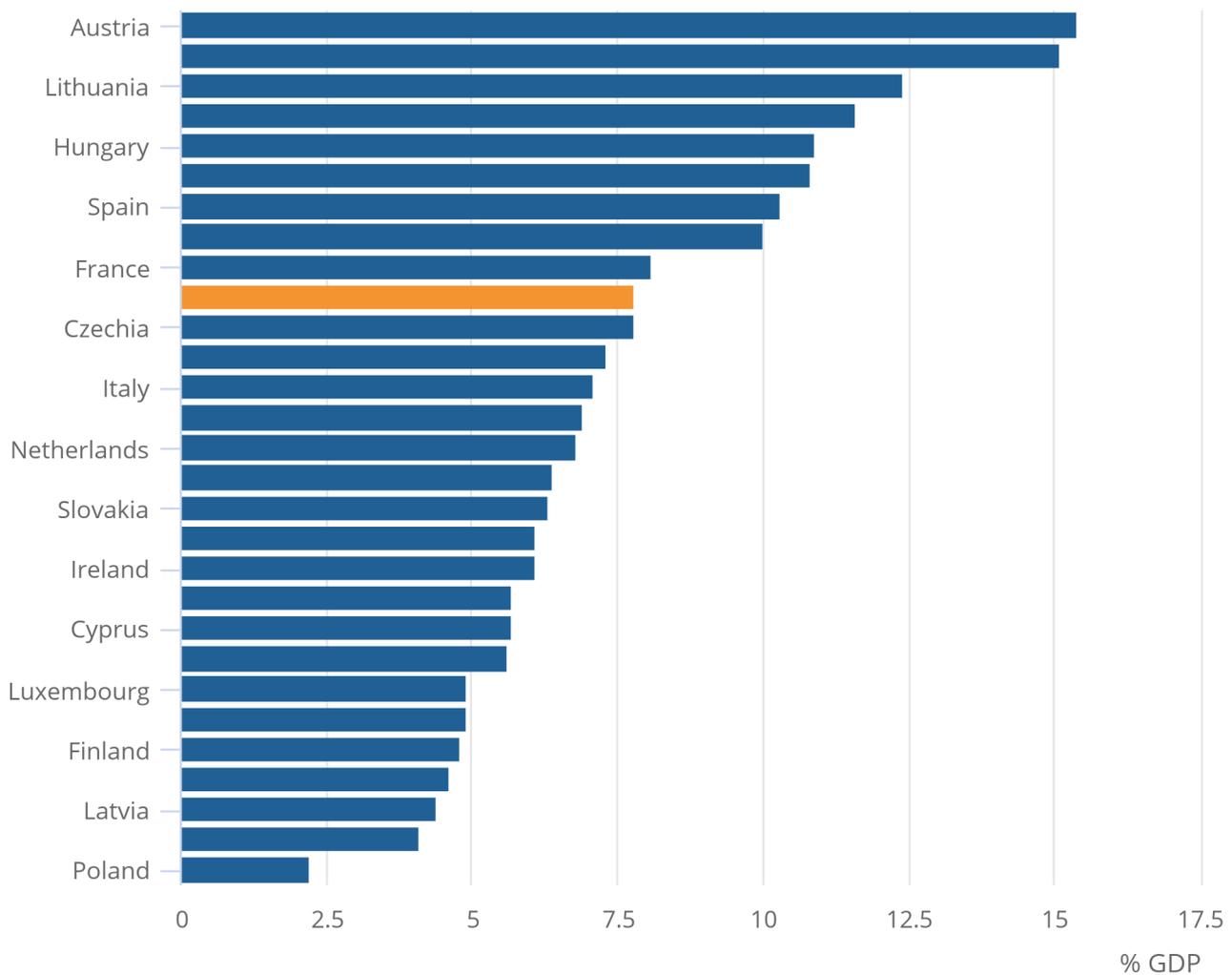
1. GDP – Gross Domestic Product.
2. EU 27 - Average of the 27 EU member states.

## Figure 8: UK deficit has increased more quickly than the EU average during the pandemic

General government deficit (net borrowing) growth change in percentage points, UK and EU member states, Quarter 4 (Oct to Dec) 2020 compared with Quarter 4 (Oct to Dec) 2019

### Figure 8: UK deficit has increased more quickly than the EU average during the pandemic

General government deficit (net borrowing) growth change in percentage points, UK and EU member states, Quarter 4 (Oct to Dec) 2020 compared with Quarter 4 (Oct to Dec) 2019



Source: Office for National Statistics - UK government and deficit, Eurostat

#### Notes:

1. GDP – Gross Domestic Product.
2. EU 27 - Average of the 27 EU member states.

Since the onset of the coronavirus pandemic, all EU member states have seen a rise in their levels of government deficit. For the 27 EU member states as a whole, the average deficit as a ratio to GDP increased by 6.9 percentage points between Quarter 4 (Oct to Dec) 2019 and Quarter 4 (Oct to Dec) 2020. The increase in the UK deficit ratio was 0.9 percentage points larger than the 27 EU member states average at 7.8 percentage points.

## 4 . UK government debt and deficit data

### [Government deficit and debt return](#)

Dataset | Released 30 April 2021

Summary, reconciliation, and revisions information on UK government deficit and debt figures by calendar and financial year since the last publication.

### [General government main aggregates: ESA Table 2](#)

Dataset | Released 30 April 2021

Breakdown of general government expenditure (both current and capital) and general government revenue.

### [General government quarterly non-financial accounts: ESA Table 25](#)

Dataset | Released 30 April 2021

Breakdown of general government expenditure (both current and capital) and general government revenue.

### [General government quarterly financial accounts: ESA Table 27](#)

Dataset | Released 30 April 2021

Complete set of quarterly financial accounts of the general government sector and its sub-sectors, compiled according to the ESA.

### [General government quarterly debt \(Maastricht debt\): ESA Table 28](#)

Dataset | Released 30 April 2021

Summary of government debt on a quarterly basis, for general government and its sub-sectors.

### [General government gross debt and general government deficit as percentage of GDP, UK and EU member states: Annex A](#)

Dataset | Released 30 April 2021

Comparison of UK and EU member states general government gross debt and general government deficit as percentage of GDP.

## 5 . The impact of the coronavirus (COVID-19) support schemes on government finance statistics

In total, at least 50 schemes have been announced by the UK government and the devolved administrations to support individuals and businesses during the pandemic. In this section, we list the largest of the active schemes by implementation status within the UK's government finance statistics.

[Recent and upcoming changes to public sector finance statistics: February 2021](#) (published 19 March 2021) describes how the most significant coronavirus support schemes are, or will be, recorded in the UK's government finance statistics. It also provides information about methodological changes and presents areas for future development.

Here we have listed the larger coronavirus support schemes by implementation status.

Schemes fully recorded in compliance with existing international statistical guidance are:

- COVID-19 Corporate Financing Facility
- Coronavirus Job Retention Scheme (CJRS)
- Self-employment Income Support Scheme (SEISS)
- Eat Out to Help Out
- Local Restrictions Support Grant
- Closed Businesses Lockdown Payment
- miscellaneous subsidies paid out to businesses

The following schemes are partially or not yet implemented in the UK's government finance statistics:

- Coronavirus Business Interruption Loan Scheme
- Coronavirus Large Business Interruption Loan Scheme
- Bounce Back Loan Scheme
- Future Fund
- Emergency Measures Agreements for train operating companies
- Trade Credit Reinsurance Scheme

Finally, some schemes have been announced but relate to future periods. This category includes cases where the scheme may be open for applications, but no payments have yet been made. Schemes that have been postponed and remain inactive are also included in this category, which include:

- Job Support Scheme (JSS)
- Recovery Loan Scheme

In the Budget 2021, the Chancellor announced several new schemes in addition to the extension and expansion of some of these schemes. These include Restart Grants for businesses, a mortgage guarantee scheme and a UK-wide Recovery Loan Scheme aimed to replace the existing loan guarantee schemes. We will carry out an assessment of these schemes and explain their statistical impacts at the earliest possible opportunity.

All EU member states should be recording their own respective coronavirus schemes on a comparable basis, but there is a possibility that as guidance matures, there may be changes to these data.

## 6 . Glossary

### General government

UK general government consists of two sub-sectors: central government and local government.

## Debt

Debt represents the cumulative amount the general government sector owes to organisations in other UK sectors and overseas institutions, which is largely a result of government financial liabilities on the bonds (gilts) and Treasury bills it has issued.

## Deficit

Deficit (or net borrowing) measures the gap between total revenue and total spending. A positive value indicates borrowing while a negative value indicates a surplus.

## 7 . Measuring the data

The UK Government debt and deficit statistical bulletin is published quarterly in January, April, July and October each year. This is to coincide with when EU member states are required to report on their deficit (or net borrowing) and debt to the European Commission.

### End of EU exit transition period

As the UK enters into a new Trade and Cooperation Agreement with the EU, the UK statistical system will continue to produce and publish our wide range of economic and social statistics and analysis.

We are committed to continued alignment with the highest international statistical standards, enabling comparability both over time and internationally, and ensuring the general public, statistical users and decision makers have the data they need to be informed.

This means that the statistics included in this release, and our sector classifications process, will continue to draw on the [European System of Accounts \(ESA\) 2010](#) and the [Manual on Government Deficit and Debt](#), and associated guides following the end of the Transition period. We also intend to continue to produce the main fiscal aggregates that we have previously provided to Eurostat as part of the Excessive Deficit Procedure (EDP) process.

As the shape of the UK's future statistical relationship with the EU becomes clearer over the coming period, the Office for National Statistics (ONS) is making preparations to assume responsibilities that as part of our membership of the EU, and during the transition period, were delegated to the statistical office of the EU, Eurostat. This includes responsibilities relating to international comparability of economic statistics, deciding what international statistical guidance to apply in the UK context and to provide further scrutiny of our statistics and sector classification decisions.

In applying international statistical standards and best practice to UK economic statistics, we will draw on the technical advice of experts in the UK and internationally, and our work will be underpinned by the UK's well-established and robust framework for independent official statistics, set out in the Statistics and Registration Service Act 2007. Further information on our proposals will be made available later this year.

### Revisions since previous publication

The revisions between releases are primarily the result of improved departmental (and other government bodies) data replacing previous estimates.

The [Government deficit and debt return table](#) presents the revisions to our main aggregates since the last publication of the UK government debt and deficit return (published on 21 January 2021). These revisions are consistent with revisions incorporated within the [February 2021 Public sector finances statistical bulletin](#).

The [public sector finances revisions policy](#) provides information on when users of the statistics published in the [Public sector finances](#) and [UK government debt and deficit](#) statistical bulletins should expect to see methodological and data-related revisions.

## 8 . Strengths and limitations

The [public sector finances methodological guide](#) provides comprehensive contextual and methodological information concerning the monthly [Public sector finances statistical bulletin](#) and related publications, including this release.

The guide sets out the conceptual and fiscal policy context, identifies the main fiscal measures, and explains how these are derived and interrelated. Additionally, it details the data sources.

Information on strengths, limitations, appropriate uses, and how the data were created is available in the [Public sector finances QMI](#).

### Comparability with EU member states

This release is fully consistent with the latest data transmission of government deficit (or net borrowing) and debt submitted by each of the 27 EU member states to the European Commission on 31 March 2021.

### Comparability with monthly public sector finances

The general government debt and deficit figures published in this statistical bulletin (for the time period 1997 onwards) are fully consistent with those published in the [Public sector finances, UK: February 2021 statistical bulletin](#), published on 19 March 2021.

There are two main differences between the headline debt and deficit measures published in the public sector finances and those published in this bulletin.

Firstly, this bulletin includes only the debt and deficit of central and local government bodies. The public sector finances' measures also include the debt and deficit of other public sector bodies, including public non-financial corporations and the Bank of England.

Secondly, this bulletin reports gross debt, while the focus of the public sector finances is net debt. Gross debt represents only the financial liabilities (debt securities, loans and deposits) of central and local government, while net debt deducts any liquid assets (official reserve assets and other cash or cash-like assets) from these financial liabilities.

## 9 . Related links

### [Public sector finances, UK: February 2021](#)

Bulletin | Released 19 March 2021

How the relationship between UK public sector monthly income and expenditure leads to changes in deficit and debt.

### [Public sector finances borrowing by sub-sector](#)

Dataset | Released 19 March 2021

Public sector finances analytical tables (PSAT) showing transactions related to borrowing by sub-sector. Total Managed Expenditure (TME) is also provided.

### [Recent and upcoming changes to public sector finance statistics articles](#)

Article | Released 19 March 2021

Areas for future development in the public sector finance statistics.

### [The debt and deficit of the UK public sector explained](#)

Article | Released 16 March 2016

A detailed explanation of the debt and deficit of the UK public sector.

### [Eurostat Government Finance Statistics – quarterly data: 2020 Q4](#)

Bulletin | Released 23 April 2021

The latest debt and deficit quarterly statistics of the 27 European countries which make up the European Union