

## **REVISION TO THE DMO FINANCING REMIT 2024-25**

1. The DMO's financing remit has been revised today following publication by the Office for National Statistics of the 2023-24 outturn Central Government Net Cash Requirement (excluding NRAM Ltd, Bradford & Bingley, and Network Rail) (CGNCR (ex NRAM, B&B, and NR)). The details are below.

### **The DMO's revised Net Financing Requirement (NFR) in 2024-25<sup>1</sup>**

2. The revised NFR for the DMO in 2024-25 is forecast to be £277.7 billion; this represents an increase of £12.4 billion compared with the forecast published at the Spring Budget 2024. The increase in the NFR will be managed by:
  - An increase in planned gilt sales of £12.4 billion (taking planned gilt sales in 2024-25 to £277.7 billion), achieved by:
    - An increase of £5.4 billion in sales of short conventional gilts via auctions and the scheduling of one additional auction;
    - An increase of £3.9 billion in sales of medium conventional gilts via auctions and the scheduling of one additional auction;
    - An increase of £1.0 billion in sales of long conventional gilts via auctions and the scheduling of one additional auction;
    - An increase of £1.1 billion in sales of index-linked gilts via auctions and the scheduling of one additional auction; and
    - An increase of £1.0 billion in the unallocated portion of gilt issuance.
3. The £12.4 billion increase in the NFR in 2024-25 reflects:
  - The outturn CGNCR (ex NRAM, B&B, and NR) in 2023-24, which, at £158.8 billion, is £9.8 billion higher than the forecast published at the Spring Budget 2024;
  - NS&I's overall Net Financing provisional outturn for 2023-24 of £11.3 billion, £0.4 billion higher than the forecast published at the Spring Budget 2024. NS&I will publish the final audited outturn figure in its 2023-24 Annual Report and Accounts, which are due to be laid before Parliament in summer 2024; and
  - A contribution to financing in 2023-24 of -£1.7 billion from other items<sup>2</sup>, £4.7 billion lower than the forecast published at the Spring Budget 2024.

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<sup>1</sup> Figures in this announcement may not sum due to rounding.

<sup>2</sup> These comprised financing through non-governmental deposits, revenue from coinage, certificates of tax deposit and foreign exchange transactions relating to the Exchange Equalisation Account.

- These three factors increased the DMO’s NFR in 2023-24 by £14.1 billion to £240.7 billion; however, this increase was partially offset by the outturn for gilt sales in 2023-24, which at £239.1 billion, was £1.8 billion higher than the plans announced at the Spring Budget 2024.
  - The contribution to financing from Treasury bills sales for debt management purposes in 2023-24 was -£5.1 billion, £0.1 billion lower than the forecast published at Spring Budget 2024.
  - As a result of the above factors, the DMO’s net cash position at end March 2024 was -£4.2 billion, £12.4 billion below that published at the Spring Budget 2024, with the result that the offsetting short term financing adjustment carried forward to 2024-25, at £6.5 billion, is £12.4 billion higher than planned at Spring Budget 2024.
4. The revised financing arithmetic for 2023-24 and 2024-25 is in the Annex.

### Planned gilt sales

5. The split of the £12.4 billion increase in planned gilt sales, in absolute and proportionate terms, is shown in Table 1 below. Planned green gilt sales in 2024-25 are unchanged at £10.0 billion; these will form part of the medium and long conventional gilt issuance programmes.

**Table 1: Changes to planned gilt sales in 2023-24 and 2024-25**

	2023-24			2024-25		
	Spring Budget 2024	April outturn 2024	Change April 2024 outturn vs Spring Budget 2024	Spring Budget 2024	April 2024 revision	Change April 2024 outturn vs Spring Budget 2024
<b>£bn</b>						
Short	86.6	86.7	0.1	95.3	100.7	5.4
Medium (including green gilts)	68.3	69.2	0.9	82.1	86.0	3.9
Long (including green gilts)	53.0	53.5	0.5	49.0	50.0	1.0
Index-linked	28.6	29.7	1.1	28.9	30.0	1.1
Unallocated	0.8	0.0	-0.8	10.0	11.0	1.0
<b>Total</b>	<b>237.3</b>	<b>239.1</b>	<b>1.8</b>	265.3	277.7	12.4
<b>%</b>						
Short	36.5%	36.3%	-0.2%	35.9%	36.3%	0.3%
Medium (including green gilts)	28.8%	29.0%	0.2%	30.9%	31.0%	0.0%
Long (including green gilts)	22.3%	22.4%	0.8%	18.5%	18.0%	-0.5%
Index-linked	12.1%	12.4%	0.4%	10.9%	10.8%	-0.1%
Unallocated	0.3%	0.0%	-1.1%	3.8%	4.0%	0.2%
<i>Figures may not sum due to rounding.</i>						

### Gilt auctions

6. The four additional auctions, which take the total number planned in 2024-25 to 77, are planned to take place on:
- Wednesday 17 July 2024 (a conventional gilt)
  - Wednesday 28 August 2024 (an index-linked gilt)
  - Wednesday 5 February 2025 (a conventional gilt)
  - Wednesday 26 March 2025 (a conventional gilt).

### Gilt syndications

7. There are no changes to the planned syndication programme in 2024-25. Gilt sales by syndication of £31.0 billion are planned as follows:

- approximately £22.0 billion of conventional gilts in four transactions; and
- approximately £9.0 billion of index-linked gilts in three transactions.

### Unallocated gilt sales

8. The size of the unallocated portion of gilt issuance is being increased by £1.0 billion to £11.0 billion.

9. The currently planned split of gilt issuance is shown in Table 2 below.

**Table 2: Currently planned split of gilt issuance by type, maturity and issuance method in 2024-25**

	Auction	Syndication	Gilt tender	Unallocated	Total
<b>Short conventional</b> £ billion	<b>100.7</b>				<b>100.7</b> 36.3%
<b>Medium conventional<sup>1</sup></b> £ billion	<b>77.5</b>	<b>8.5</b>			<b>86.0</b> 31.0%
<b>Long conventional<sup>2</sup></b> £ billion	<b>36.5</b>	<b>13.5</b>			<b>50.0</b> 18.0%
<b>Index-linked</b> £ billion	<b>21.0</b>	<b>9.0</b>			<b>30.0</b> 10.8%
<b>Unallocated</b> £ billion				<b>11.0</b>	<b>11.0</b> 4.0%
<b>Total £ billion</b>	<b>235.7</b>	<b>31.0</b>	<b>0.0</b>	<b>11.0</b>	<b>277.7</b>
<b>Total per cent</b>	<b>84.9%</b>	<b>11.2%</b>	<b>0.0%</b>	<b>4.0%</b>	
<i>Figures may not sum due to rounding.</i>					
<sup>1</sup> Including green gilt sales.					
<sup>2</sup> Including green gilt sales.					

### Treasury bill sales for debt management purposes

10. The net contribution to financing by Treasury bills for debt management purposes in 2023-24 was -£5.1 billion, and the resultant stock of Treasury bills for debt management purposes at end March 2024 was £68.5 billion.

11. There is no change to the planned contribution to financing via sales of Treasury bills for debt management purposes in 2024-25: this remains at zero.

## ANNEX: Revised financing arithmetic 2023-24 and 2024-25

(£ billions)	2023-24	2024-25
CGNCR (ex NRAM, B&B, and NR) <sup>1</sup>	158.8	142.8
Gilt redemptions <sup>2</sup>	117.0	139.9
Financing adjustment carried forward from previous financial years <sup>3</sup>	-24.6	6.5
<b>Gross Financing Requirement</b>	<b>251.1</b>	<b>289.2</b>
Less:		
NS&I net financing	11.3	9.0
NS&I Green Savings Bonds	1.0	0.5
Other financing <sup>4</sup>	-1.7	2.0
<b>Net Financing Requirement (NFR) for the DMO</b>	<b>240.6</b>	<b>277.7</b>
DMO's NFR will be financed through:		
<b>Gilt sales, through sales of:</b>		
- Short conventional gilts	86.7	100.7
- Medium conventional gilts (including green gilts) <sup>5</sup>	69.2	86.0
- Long conventional gilts (including green gilts) <sup>6</sup>	53.5	50.0
- Index-linked gilts	29.7	30.0
- Unallocated amount of gilts	0.0	11.0
<b>Total gilt sales for debt financing</b>	<b>239.1</b>	<b>277.7</b>
<b>Total net contribution of Treasury bills for debt financing</b>	<b>-5.1</b>	<b>0.0</b>
<b>Total financing</b>	<b>234.0</b>	<b>277.7</b>
DMO net cash position	-4.2	2.3
<i>Figures may not sum due to rounding.</i>		
<sup>1</sup> Central Government Net Cash Requirement (excluding NRAM Ltd, Bradford & Bingley, and Network Rail).		
<sup>2</sup> The redemption total for 2024-25 includes the final redemption amount of £6.083 billion for 2½% Index-linked Treasury Gilt 2024, compared to the estimate of £6.084 billion published in Annex E of the DMO's 2024-25 remit announcement on 6 March 2024.		
<sup>3</sup> The -£24.6 billion financing adjustment in 2023-24 carried forward from previous years reflects the 2022-23 outturn for the CGNCR (ex NRAM, B&B, and NR), as first published on 25 April 2023. The £6.5 billion adjustment in 2024-25 is the amount required to restore the estimated DMO net cash position at end-March 2025 to £2.3 billion.		
<sup>4</sup> This financing item is typically comprised of estimated income from coinage and unhedged reserves.		
<sup>5</sup> Including green gilt sales of £6.6 billion in 2023-24 and planned green gilt sales in 2024-25.		
<sup>6</sup> Including green gilt sales of £3.4 billion in 2023-24 and planned green gilt sales in 2024-25.		