

PUBLICATION OF THE CGNCR OUTTURN FOR 2000-01

There is no change to the planned level of gilt sales in 2001-02 as a result of the publication today of the CGNCR outturn for 2000-01; this remains at £13.5 billion (cash).

The CGNCR outturn for 2000-01 of -£35.2 billion represents an increase of £1.9 billion in the surplus since the Budget forecast. The corresponding net financing requirement for 2000-01 has fallen by £1.4 billion to -£13.2 billion. The fall reflects slightly higher debt buy-backs (£0.2 billion), a slightly higher DMO cash deposit at the Bank of England (£0.3 billion), a slight increase in the level of prefinancing of foreign exchange reserves (£0.1 billion) and a lower negative contribution to financing by National Savings (£0.1 billion), than forecast at the time of the Budget.

With final gilt sales for 2000-01 of £10.0 billion cash – in line with Budget forecasts and the DMO remit – the total reduction in net short term debt in 2000-01 was £23.2 billion, £1.4 billion more than forecast at the time of the Budget. Part of this was accommodated by a slightly lower (£0.2 billion) outstanding stock of Treasury bills at the end of the March 2001 and the remainder was accounted for by an increase of £1.2 billion in the DMO's net cash position (excluding the deposit at the Bank of England). Given the lower stock of Treasury bills at the end of the 2000-01 financial year, this stock is now expected to rise to £8.3 billion by the end of March 2002. Compared to the Budget estimate, the 2001-02 net financing requirement has fallen by £0.3 billion, to £23.1 billion, reflecting the unwinding of the higher than anticipated DMO cash deposit at the Bank of England.

2000-01 and 2001-02 Financing Requirements (£ billions)			
	<u>2000-01</u>	<u>2000-01</u>	<u>2001-02</u>
	<u>Budget</u>	<u>23 April</u>	
CGNCR	-33.3	-35.2	0.3
Prefinancing forex debt	9.3	9.4	1.3
Gilt redemptions	18.6	18.6	17.8
Buy-backs	5.5	5.7	1.0
Net short term debt adjustment	-12.8	-12.8	
Financing Requirement	-12.7	-14.3	20.4
<i>less</i>			
National Savings	-0.7	-0.6	-3.0
DMO Cash Deposit at Bank of England	-0.2	-0.5	0.3
Net Financing Requirement	-11.8	-13.2	23.1
<i>Financed by:</i>			
Planned gilts sales	10.0	10.0	13.5
Planned short term debt sales	-21.8	-23.2	9.6
<u>Short term debt</u>			
Change in Ways & Means	-3.6	-3.6	0.0
Change in T bill stock	-6.5	-6.7	5.0
Change in DMO net cash position*	-11.7	-12.9	4.6
Total	-21.8	-23.2	9.6
<u>Short term debt levels</u>			
Ways & Means at end of FY	13.4	13.4	13.4
T bill stock at end of FY	3.5	3.3	8.3
DMO net cash position at end of FY**	11.9	13.4	8.5
<i>*Excl deposit at BoE</i>			
<i>**Inc deposit at BoE</i>			