

REVISION TO THE DMO'S FINANCING REMIT 2024-25: AUTUMN BUDGET 2024

1. Following the publication today of the Office for Budget Responsibility's (OBR's) Economic and Fiscal Outlook (EFO), the DMO's Net Financing Requirement (NFR) for 2024-25 is rising by £22.2 billion to £299.9 billion, relative to the most recent NFR update published at the previous remit revision on 23 April 2024¹.
2. The increase will be managed by:
 - Additional gilt sales of £19.2 billion, taking planned total gilt sales in 2024-25 to £296.9 billion; and
 - An increase in net (cash) sales of Treasury bills for debt management purposes of £3.0 billion, taking the planned net contribution to financing from such bills in 2024-25 from zero to £3.0 billion.
3. The OBR's new forecast for the Central Government Net Cash Requirement (excluding NRAM Ltd, Bradford & Bingley, and Network Rail) (CGNCR (ex NRAM, B&B, and NR)) for 2024-25 is £165.1 billion, an increase of £22.3 billion since the forecast published at the Spring Budget on 6 March 2024.
4. The updated financing arithmetic for 2024-25 is at Annex A.

Gilt sales

5. Planned gilt sales are being increased as shown in Table 1 below, which sets out the changes by type and maturity of gilt, the associated issuance percentages and comparisons with plans announced in March and updated in April 2024².

Table 1: The evolution of planned gilt sales by maturity and type in 2024-25

	2024-25					
	Spring Budget 2024	April 2024 revision	Issuance split prior to Autumn Budget	Autumn Budget October 2024	Autumn Budget 2024 vs April 2024 revision	Autumn Budget 2024 vs Issuance split prior to Autumn Budget
£bn						
Short	95.3	100.7	102.6	103.8	3.1	1.2
Medium (including green gilts)	82.1	86.0	88.4	92.0	6.0	3.6
Long (including green gilts)	49.0	50.0	52.0	59.2	9.2	7.2
Index-linked	28.9	30.0	31.6	33.4	3.4	1.8
Unallocated	10.0	11.0	3.1	8.5	-2.5	5.4
Total	265.3	277.7	277.7	296.9	19.2	19.2
%						
Short	35.9%	36.3%	36.9%	35.0%	-1.3%	-2.0%
Medium (including green gilts)	30.9%	31.0%	31.8%	31.0%	0.0%	-0.8%
Long (including green gilts)	18.5%	18.0%	18.7%	19.9%	1.9%	1.2%
Index-linked	10.9%	10.8%	11.4%	11.2%	0.4%	-0.1%
Unallocated	3.8%	4.0%	1.1%	2.9%	-1.1%	1.7%

Figures may not sum due to rounding.

¹ All numbers in this announcement are in cash terms unless stated otherwise.

² The DMO's remit was revised on 23 April 2024 to coincide with the publication of the outturn for the 2023-24 CGNCR (ex NRAM, B&B, and NR).

Green gilt sales

6. Planned green gilt sales in 2024-25 remain unchanged at £10.0 billion.

Gilt auctions

7. Planned gilt sales via auctions are increasing by £0.7 billion to £236.4 billion. One long conventional gilt auction is being added, and one medium conventional gilt auction is being removed, both in Q4 2024-25. There is no change to the planned total number of auctions in 2024-25, with 77 planned in total.
8. An updated planned auction calendar for Q4 2024-25 will be published at 3.30pm on Monday 4 November 2024, in the agenda for the consultation meetings to inform issuance in Q4 2024-25.

Gilt syndications

9. Planned gilt sales via syndication are being increased by £13.1 billion to £50.1 billion, relative to the position prior to this remit revision:
 - Planned sales of medium conventional gilts via syndication are being increased by £8.5 billion, to £19.4 billion. One additional medium conventional gilt syndication is planned for Q4 2024-25;
 - Planned sales of long conventional gilts via syndication are being increased by £3.3 billion, to £18.8 billion. One long conventional gilt syndication is planned for Q4 2024-25; and
 - Planned sales of index-linked gilts via syndication are being increased by £1.3 billion, to £11.9 billion. Two index-linked gilt syndications are planned; one for Q3 2024-25 and one for Q4 2024-25.

Unallocated portion of gilt issuance

10. At the April 2024 remit revision the unallocated portion of issuance was £11.0 billion. Since April, a total of £7.9 billion has been drawn down leaving a remaining size of £3.1 billion prior to this remit revision, with the draw down split as follows:
 - a. £1.9 billion to short conventional gilts (£1.9 billion via gilt tender);
 - b. £2.4 billion to medium conventional gilts (£2.4 billion to syndications);
 - c. £2.0 billion to long conventional gilts (£2.0 billion to syndications); and
 - d. £1.6 billion to index-linked gilts (£1.6 billion to syndications).
11. The size of the unallocated portion of gilt issuance is being increased by £5.4 billion, relative to the position prior to this remit revision. As a result, the unallocated portion of gilt issuance for the remainder of the financial year is now £8.5 billion. This may be used to issue any type or maturity of gilt by any issuance method.
12. The revised planned split of gilt issuance by type, maturity and issuance method is at Annex B.

Treasury bills

- **Debt management**

13. The DMO is planning a £3.0 billion (cash) increase in the contribution of Treasury bills to financing for debt management purposes in 2024-25, taking the planned net contribution to financing from such bills from zero, in the plans published on 23 April 2024, to £3.0 billion.

- **Cash management**

14. Treasury bills issued for cash management purposes will not contribute to the stock of Treasury bills issued to meet the NFR. Outturn information on the total stock of outstanding Treasury bills will continue to be published on the DMO website alongside information about the outturn stock of Treasury bills for debt financing purposes.

Future financing projections

15. Table 2 below shows annual gross financing projections from 2025-26 to 2029-30 using the OBR's updated projections of the CGNCR (ex NRAM, B&B, and NR), together with the latest estimate of gilt redemptions in these years³. These projections are not forecasts of future gilt sales. Rather, they are a broad indication of future finance to be raised through a combination of gilt sales, Treasury bills, NS&I and other financing sources.

Table 2: Illustrative gross financing projections 2025-26 to 2029-30

£ billion	2025-26	2026-27	2027-28	2028-29	2029-30
CGNCR (ex NRAM, B&B, and NR)	134.8	115.0	123.8	127.3	103.3
Gilt redemptions	164.7	141.5	109.1	146.6	75.2
Illustrative gross financing requirement (IGFR)	299.6	256.5	233.0	273.9	178.4

Figures may not sum due to rounding.

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³ The redemption totals include gilt auction sizes announced up to 29 October 2024. To the extent that issuance takes place of gilts that redeem in any of the financial years covered in Table 2, the redemption totals for the relevant financial years will increase accordingly. In financial years in which index-linked gilt redemptions take place, the nominal amount in issue (excluding any government holdings) will form part of the redemption total, whereas the inflation uplift will be split between the redemption total and the CGNCR (ex NRAM, B&B, and NR).

Annex A: Revised financing arithmetic 2024-25

(£ billions)	2024-25 April revision	2024-25 Autumn Budget
CGNCR (ex NRAM, B&B, and NR) ¹	142.8	165.1
Gilt redemptions ²	139.9	139.9
Financing adjustment carried forward from previous financial years ³	6.5	6.5
Gross Financing Requirement	289.2	311.5
<i>Less:</i>		
NS&I net financing	9.0	9.0
NS&I Green Savings Bonds	0.5	0.5
Other financing ⁴	2.0	2.1
Net Financing Requirement (NFR) for the DMO	277.7	299.9
DMO's NFR will be financed through:		
Gilt sales, through sales of:		
- Short conventional gilts	100.7	103.8
- Medium conventional gilts (including green gilts)	86.0	92.0
- Long conventional gilts (including green gilts)	50.0	59.2
- Index-linked gilts	30.0	33.4
- Unallocated amount of gilts	11.0	8.5
Total gilt sales for debt financing	277.7	296.9
Total net contribution of Treasury bills for debt financing	0.0	3.0
Total financing	277.7	299.9
DMO net cash position	2.3	2.3
<i>Figures may not sum due to rounding.</i>		
¹ Central Government Net Cash Requirement (excluding NRAM Ltd, Bradford & Bingley, and Network Rail).		
² The redemption total for 2024-25 includes the final redemption amount of £6.083 billion for 2 ½% Index-linked Treasury Stock 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.		
³ The £6.5 billion adjustment in 2024-25 carried forward from previous years reflects the 2023-24 outturn for the CGNCR (ex NRAM, B&B, and NR), as first published on 23 April 2024. 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.		
⁴ This financing item is typically comprised of estimated income from coinage and unhedged reserves.		

Annex B: Revised planned split of gilt issuance by type, maturity and issuance method

	Auction	Syndication	Gilt tender	Unallocated	Total
Short conventional £ billion	101.9		1.9		103.8 35.0%
Medium conventional¹ £ billion	72.6	19.4			92.0 31.0%
Long conventional² £ billion	40.4	18.8			59.2 19.9%
Index-linked £ billion	21.5	11.9			33.4 11.2%
Unallocated £ billion				8.5	8.5 2.9%
Total £ billion	236.4	50.1	1.9	8.5	296.9
<i>Total percentage</i>	79.6%	16.9%	0.6%	2.9%	
<i>Figures may not sum due to rounding.</i>					
¹ Including green gilt sales.					
² Including green gilt sales.					