

## REVISION TO THE DMO'S FINANCING REMIT 2023-24: AUTUMN STATEMENT 2023

- 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 2023-24 is falling by £10.5 billion to £232.3 billion, relative to the most recent NFR update published on 25 April 2023<sup>1</sup>.
- The reduction will be managed by:
  - A reduction in net (cash) sales of Treasury bills for debt management purposes of £10.0 billion, taking the planned net contribution to financing from such bills in 2023-24 to -£5.0 billion and currently implying a stock at end-March 2024 of £65.0 billion; and
  - A reduction in planned gilt sales of £0.5 billion, taking the planned total in 2023-24 to £237.3 billion.
- The OBR's new forecast for the Central Government Net Cash Requirement (excluding NRAM Ltd, Bradford & Bingley and Network Rail) (CGNCR ex) for 2023-24 is £150.5 billion, a reduction of £9.0 billion since the forecast published at the Spring Budget on 15 March 2023.
- The updated financing arithmetic is at Annex A.

### Gilt sales

- Planned gilt sales are being reduced 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 April 2023.<sup>2</sup>

**Table 1: The evolution of planned gilt sales by maturity and type in 2023-24**

2023-24	Spring Budget 2023	April 2023 update	Autumn Statement 2023	Change Autumn Statement 2023 vs Spring Budget 2023	Change Autumn Statement 2023 vs April 2023 update
<b>£bn</b>					
Short	86.7	84.6	86.6	-0.1	2.0
Medium (including green gilts)	65.3	65.3	68.3	3.0	3.0
Long (including green gilts)	50.9	49.7	51.3	0.4	1.6
Index-linked	26.2	26.2	28.6	2.4	2.4
Unallocated	12.0	12.0	2.5	-9.5	-9.5
<b>Total</b>	<b>241.1</b>	<b>237.8</b>	<b>237.3</b>	<b>-3.8</b>	<b>-0.5</b>
<b>%</b>					
Short	36.0%	35.6%	36.5%	0.5%	0.9%
Medium (including green gilts)	27.1%	27.5%	28.8%	1.7%	1.3%
Long (including green gilts)	21.1%	20.9%	21.6%	0.5%	0.7%
Index-linked	10.9%	11.0%	12.1%	1.2%	1.0%
Unallocated	5.0%	5.0%	1.1%	-3.9%	-4.0%
<i>Figures may not sum due to rounding.</i>					

<sup>1</sup> All numbers in this announcement are in cash terms unless stated otherwise.

<sup>2</sup> The DMO's remit was revised on 25 April 2023 to coincide with the publication of the outturn for the 2022-23 CGNCR ex.

### **Green gilt sales**

6. Planned green gilt sales in 2023-24 remain unchanged at £10.0 billion.

### **Gilt auctions**

7. Planned gilt sales via auctions are rising by £4.3 billion to £203.1 billion. Three gilt auctions are being added, taking the planned total number of auctions in 2023-24 to 69.
8. The auctions being added are:
  - a. A long conventional gilt auction on 13 December 2023;
  - b. A medium conventional gilt auction on 19 December 2023; and
  - c. An index-linked gilt auction on 16 January 2024 (with the conventional gilt auction previously scheduled for that date being moved to 17 January 2024).
9. The revised auction dates for December 2023 to March 2024 are at Annex B.

### **Gilt syndications**

10. Planned gilt sales via syndication are being increased by £3.4 billion to £31.4 billion, relative to the position prior to this remit revision:
  - Planned sales of long conventional gilts via syndication are being increased by £2.8 billion, to £20.8 billion; and
  - Planned sales of index-linked gilts via syndication are being increased by £0.6 billion to £10.6 billion.
  - One long conventional and one index-linked gilt syndication are planned for Q4 2023-24.

### **Unallocated portion of gilt issuance**

11. The remaining unallocated portion of issuance prior to this remit revision was £10.7 billion. This has been reduced by £0.5 billion and two transfers have also been made from the unallocated portion: £4.3 billion to the gilt auction programmes (short and medium conventional, and index-linked) and £3.4 billion to the syndication programme. As a result, the remaining unallocated portion of gilt issuance is £2.5 billion. This may be used to issue any type or maturity of gilt by any issuance method in the remainder of 2023-24.
12. The revised planned split of gilt issuance by type, maturity and issuance method is at Annex C.

### **Treasury bills**

- **Debt management**

13. The DMO is planning a £10.0 billion (cash) reduction in the contribution of Treasury bills to financing for debt management purposes in 2023-24 compared with the plans published on 15 March 2023, implying a net contribution of -£5.0 billion, which in turn currently implies a stock of such bills of £65.0 billion by end-March 2024.

- **Cash management**

14. Treasury bills issued for cash management purposes will not contribute to the stock of 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 management purposes.

**Future financing projections**

15. Table 2 below shows annual gross financing projections from 2024-25 to 2028-29 using the OBR’s updated projections of the CGNCR ex, together with the latest estimate of gilt redemptions in these years. These projections are not forecasts of future gilt sales. Rather, they provide an illustration of the gross financing requirements on the assumption that these are financed entirely via gilt sales.

**Table 2: Illustrative gross financing projections 2024-25 to 2028-29**

<b>£ billion</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>
CGNCR (ex NRAM, B&B and NR)	137.0	111.1	100.1	102.7	93.1
Gilt redemptions	139.9	158.6	104.9	109.1	129.9
<b>Illustrative gross financing requirement (IGFR)</b>	<b>276.9</b>	<b>269.7</b>	<b>205.0</b>	<b>211.8</b>	<b>223.0</b>
<i>Figures may not sum due to rounding.</i>					

**22 November 2023**

## Annex A: Revised financing arithmetic 2023-24

(£ billions)	2023-24 April update	2023-24 Autumn Statement
CGNCR (ex NRAM, B&B, and NR) <sup>1</sup>	159.5	150.5
Gilt redemptions	117.0	117.0
Financing adjustment carried forward from previous financial years <sup>2</sup>	-24.6	-24.6
<b>Gross Financing Requirement</b>	<b>251.9</b>	<b>242.8</b>
Less:		
NS&I net financing	7.5	7.5
NS&I Green Savings Bonds	-	-
Other financing <sup>3</sup>	1.5	3.0
<b>Net Financing Requirement (NFR) for the DMO</b>	<b>242.8</b>	<b>232.3</b>
DMO's NFR will be financed through:		
<b>Gilt sales, through sales of:</b>		
- Short conventional gilts	84.6	86.6
- Medium conventional gilts (including green gilts)	65.3	68.3
- Long conventional gilts (including green gilts)	49.7	51.3
- Index-linked gilts	26.2	28.6
- Unallocated amount of gilts	12.0	2.5
<b>Total gilt sales for debt financing</b>	<b>237.8</b>	<b>237.3</b>
<b>Total net contribution of Treasury bills for debt financing</b>	<b>5.0</b>	<b>-5.0</b>
<b>Total financing</b>	<b>242.8</b>	<b>232.3</b>
DMO net cash position	2.3	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 -£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 26 April 2023. The -£24.6 billion adjustment in 2023-24 is the amount required to reduce the estimated DMO cash position at end-March 2024 to £2.3 billion.		
<sup>3</sup> This financing item is typically comprised of estimated income from coinage and unhedged reserves.		

## Annex B: Updated gilt auction calendar to March 2024<sup>3</sup>

28 November 2023	3¾% 2053
29 November 2023	3½% 2025
5 December 2023	0¾% IL 2033
6 December 2023	0¾% 2033 (G)
12 December 2023	4½% 2028
13 December 2023	Long conventional (added)
19 December 2023	Medium conventional (added)
4 January 2024	Conventional
9 January 2024	Conventional
10 January 2024	Conventional
16 January 2024	Index-linked (added)
17 January 2024	Conventional (moved from 16 January 2024)
24 January 2024	Conventional
30 January 2024	Index-linked (moved from 12 March 2024)
6 February 2024	Conventional
7 February 2024	Conventional
13 February 2024	Index-linked
14 February 2024	Conventional
20 February 2024	Conventional
21 February 2024	Conventional
27 February 2024	Index-linked
28 February 2024	Conventional
5 March 2024	Conventional (moved from 23 January 2024)
6 March 2024	Conventional
13 March 2024	Conventional
19 March 2024	Conventional

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<sup>3</sup> Dates subject to confirmation pending any decision by the Chancellor on the timing of fiscal events.

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

	Auction	Syndication	Gilt tender	Unallocated	Total
<b>Short conventional</b> £ billion	86.6				86.6 36.5%
<b>Medium conventional<sup>1</sup></b> £ billion	68.3				68.3 28.8%
<b>Long conventional<sup>2</sup></b> £ billion	30.2	20.8	0.3		51.3 21.6%
<b>Index-linked</b> £ billion	18.0	10.6			28.6 12.1%
<b>Unallocated</b> £ billion				2.5	2.5 1.1%
<b>Total £ billion</b>	<b>203.1</b>	<b>31.4</b>	<b>0.3</b>	<b>2.5</b>	<b>237.3</b>
<b>Total per cent</b>	<b>85.6%</b>	<b>13.2%</b>	<b>0.1%</b>	<b>1.1%</b>	
<i>Figures may not sum due to rounding.</i>					
<sup>1</sup> Including green gilt sales.					
<sup>2</sup> Including green gilt sales.					