



PRESS RELEASE

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Opposition Speculation on Debt is Incorrect

The Government does not agree with the statements made by the Opposition regarding the information on the public debt provided in answer to questions in Parliament, or that this information is about the Opposition holding the Government to account.

The recent questions asked for a level of additional detail which has never been asked of, or provided by, any previous government.

The aggregate debt figure which the Opposition says it wants is what the GSD has always argued was not important when they were in government. This figure was £447.7 million in March 2015, was forecast to have dropped to £446 million by March 2016, continues at this level and was estimated at the time of the budget session to drop to £442 million by March next year.

This is still expected to be the figure at the end of this current financial year.

The manifesto in the 2011 election contained a target figure for the net debt of £300 million for the financial year 2019/20 and the Government still stands by this target and expects to meet it.

The net debt calculation continues to be done in accordance with the formula provided in the legislation introduced by the GSD government when they decided that aggregate debt did not matter.

This net debt was £374.5 million on 31 March 2015 was forecast at £345.7 million for 31 March 2016 and is estimated to continue at this level by 31 March 2017.

This net debt figure is not static however, not because there is an increase in borrowing, but because the level of payments by the government and receipt of revenue constantly changes throughout the period of the month. Indeed there are peak and trough months in the year arising from the ordinary course of government business. None of this is an indication that the figures approved in the estimates of expenditure are not being adhered to and therefore has nothing to do with holding the government to account for the public finances.

The variations in the timing of payments and the receipts of revenue may involve sums of the order of a few million pounds but never of the order of the £200 million flagged by the Opposition as an aside in their statements.



This speculation by the Opposition that the Government may be planning to increase the aggregate debt by £200 million is incorrect and as already stated, the figures in the estimates made at budget are and continue to be the expected level.