

Mr Roman Paluch-Machnik

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6 May 2020

Dear Mr Paluch-Machnik

Ref: FOI2020/09787

Freedom of Information Act 2000

Thank you for your enquiry of 13 April 2020 which we have considered under the terms of the Freedom of Information Act 2000 (the FOI Act).

You asked for the following information:

"I would like to see a full breakdown of the stimulus measures introduced to support the UK economy in response to the Covid-19 outbreak.

In particular, what Government bonds have been issued by the Bank of England, and which Corporate bonds the Government have issued in order to stimulate spending."

Following a search of our records, I can confirm that HM Treasury does hold information within the scope of your request.

Section 21 of the FOI Act does not oblige the Treasury to reissue information which is already publicly accessible. However, we have provided you with the links below to be helpful.

The Government has recently announced an unprecedented package of measures to provide the critical support needed by individuals, families and businesses, in the wake of COVID-19.

The independent Office for Budget Responsibility (OBR) published a scenario on 14 April 2020 (https://cdn.obr.uk/Coronavirus_reference_scenario_commentary.pdf), in which it estimated that the size of the policy package – abstracting from Government guarantees – was £100 billion. On 30 April 2020, the OBR estimated that direct impact of new policy measures on cash borrowing in 2020-21 to be £103.7 billion. Coronavirus analysis conducted by the OBR can be found here:

<https://obr.uk/coronavirus-analysis/>

This will increase the Government's immediate financing requirements, which, as previously announced, will be fully funded by additional borrowing, through the Government's normal debt management operations.

UK Government bonds (gilts) are issued by the UK Debt Management Office (DMO), rather than the Bank of England. In response to an increase to the Government's net cash requirement as a result of disruption caused by Covid-19, an adjustment to the DMO's gilt issuance plans for April 2020 was published on 31 March 2020, outlining a planned £45 billion of gilt sales in April. The DMO's press notice can be found here:

<https://www.dmo.gov.uk/media/16367/pr310320.pdf>

Additionally, a revision to the DMO's gilt financing remit for May-July 2020 was announced on 23 April 2020. Planned gilt sales will now total £180 billion over this three-month period, based on the Government's assessment of its financing requirements. HM Treasury's announcement and the DMO's press notice can be found at the following links, respectively:

<https://www.gov.uk/government/news/hm-treasury-announces-revision-to-the-uk-debt-management-offices-financing-remit-2020-21>

<https://www.dmo.gov.uk/media/16478/sa230420.pdf>

A further update to the DMO's financing remit and planned issuance schedule for 2020-21 will be announced on Monday 29 June 2020.

A calendar of all the DMO's past and planned future gilt operations can be found here:

<https://www.dmo.gov.uk/data/pdfdatareport?reportCode=D5D>

Corporate bonds are issued by private companies; the Government does not issue these bonds.

Furthermore, at a special meeting on 19 March 2020, the Bank of England's Monetary Policy Committee (MPC) judged that a further package of measures was warranted to meet its statutory objectives. The market notice outlining the stimulus measures they introduced can be found here:

<https://www.bankofengland.co.uk/markets/market-notice/2020/apf-asset-purchases-and-tfsme-march-2020>

This included bond purchases for quantitative easing through the Asset Purchase Facility (APF). As of Friday 24 April, the Bank of England had completed £63 billion of additional gilt repurchases and £1.2 billion of sterling non-financial corporate bond purchases.

If you have any queries about this letter, please contact us. Please quote the reference number above in any future communications.

Yours sincerely

Information Rights Unit

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Email: foirequests@hmtreasury.gov.uk

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