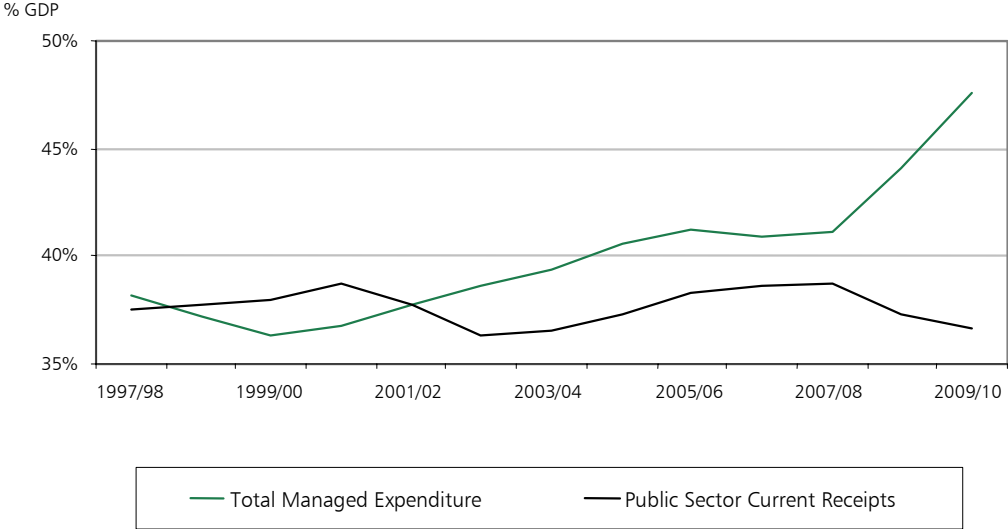


1.6 Under the previous Government, public expenditure was set to reach £704 billion this year, a historically high level of 48 per cent of GDP.¹ Government receipts have averaged around 38 per cent over the past 20 years, not exceeding 40 per cent in that time.² Chart 1.A shows a widening gap between government expenditure and receipts in recent years, reaching 11 per cent of GDP this year.³

Chart 1.A: Total Expenditure and Current Receipts as a percentage of GDP



Source: HM Treasury⁴

1.7 Total deficit of this and previous governments. The Government has had a total