

Article

National Accounts articles: an update to assessment of changes to sector and financial accounts, 1997 to 2015

An update to indicative impact of changes to the main non-financial accounts estimates, being introduced when revised figures for the UK National Accounts are published on 29 September 2017.

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Release date:
22 September 2017

Next release:
To be announced

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1 . Main points

- The indicative estimates for revisions to Blue Book 2017 for the sector and financial accounts given in the previous National Accounts article have been updated with new tax on dividends data for 1997 to 2015.
- The impact of the new data is largest in 2015 due to forestalling in advance of an increase in tax on dividends; the dividends revision in 2016 will be published on 29 September 2017.

2 . Changes to article published on 21 August 2017

A National Accounts article [Detailed assessment of changes to sector and financial accounts, 1997 to 2015](#) was published on 21 August 2017. It contained indicative Blue Book 2017 values for the household saving ratio, private non-financial corporation net lending and borrowing, and household and non-profit institutions serving households (NPISH) net lending and borrowing. The full UK Economic Accounts dataset will be published on 29 September 2017 containing the latest quarter of data and the time series consistent with Blue Book 2017.

As previously announced, improvements to the measurement of household dividend income will result in a significant upward revision to household sector gross income. We are able to give further updates to replace the indicative estimates given in Figures 1, 2, 3, 9 and 17 in the previously published article, in Figures 1, 2, 3, 4 and 5 here respectively, to include improved data on dividends paid to households.

The largest difference is an increase in dividends for 2015, due to forestalling. Consequently, the indicative values given for household sector gross disposable income and gross saving are higher in 2015, and private non-financial corporation net lending borrowing lower in 2015, than published in the previous article.

The revision in 2015 is large, as income was forestalled in anticipation of an increase in tax on dividends, and smaller in the years before 2015. In 2015, the indicative estimate of the household and NPISH saving ratio is 9.2%, revised up from the latest published value of 6.5%. The indicative estimate for growth in real household and NPISH gross disposable income is 5.3%, revised up from the latest published value of 3.6%.

The article published on 21 August contains further detail on Blue Book 2017 methods improvements and the impacts on all other sectors.

Figure 1: Indicative impact on households and non-profit institutions serving households (NPISH) gross saving (left-hand side, £ billion) and household and NPISH saving ratio (right-hand side, percentage points)

UK, 1997 to 2015

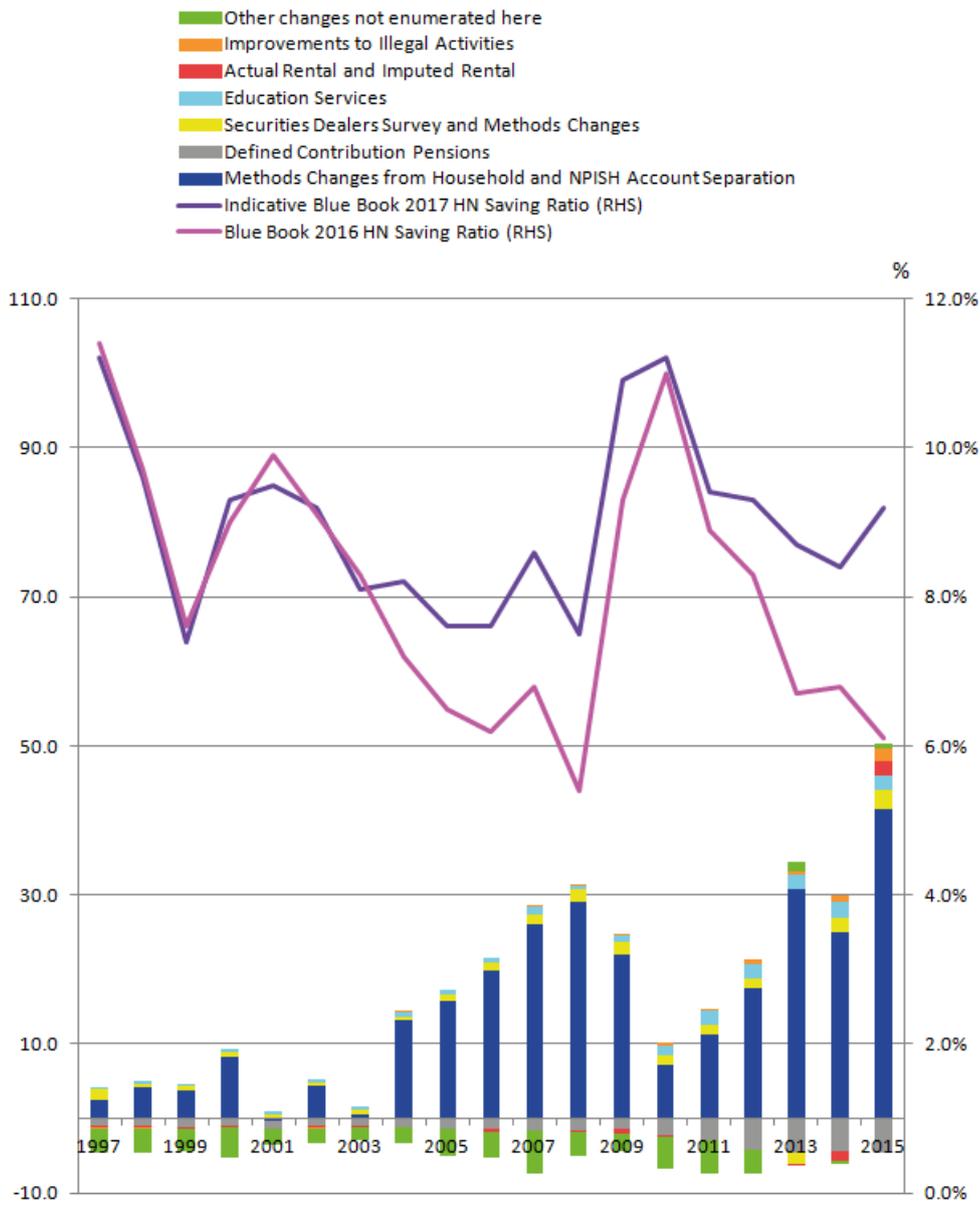
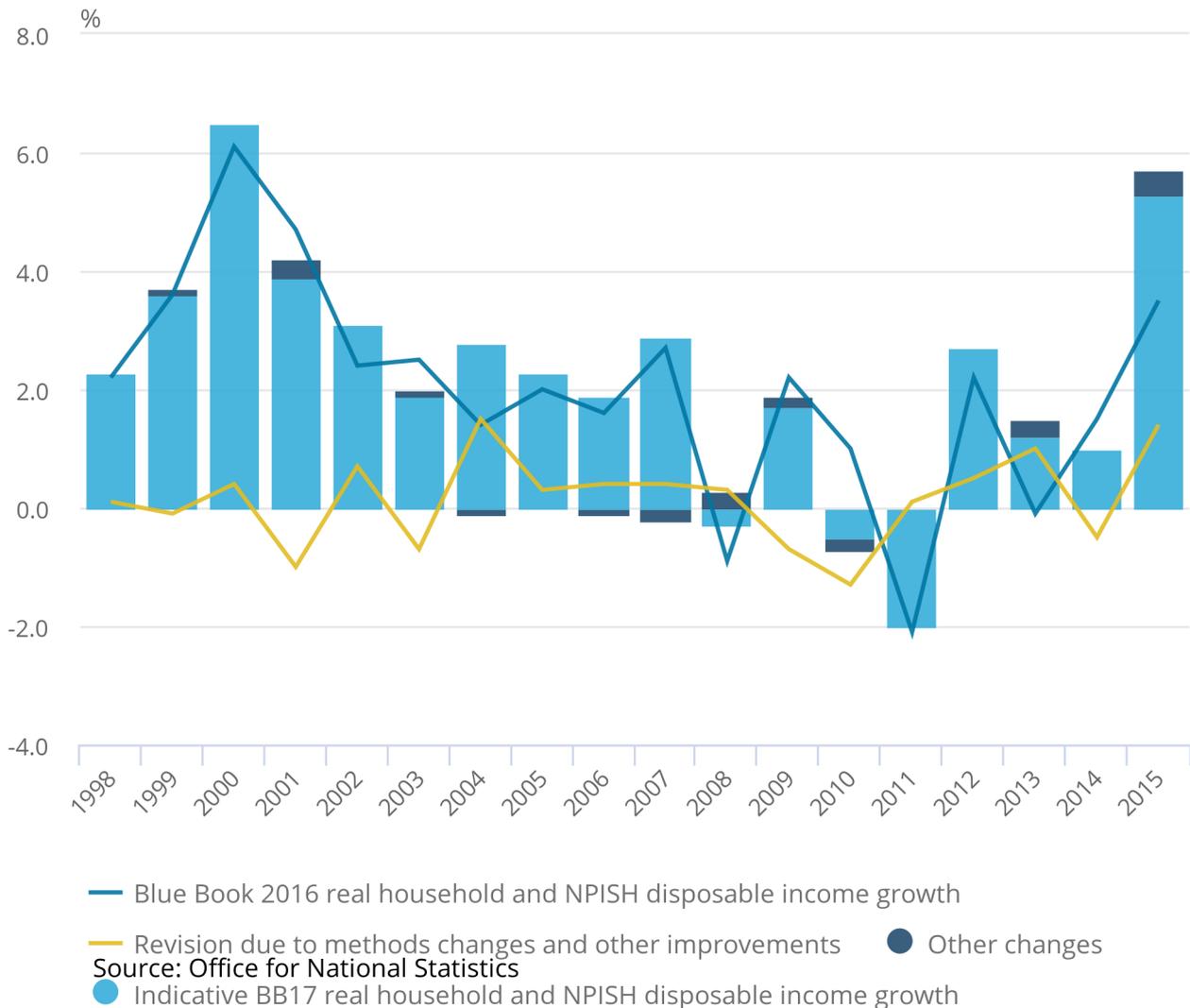


Figure 2: Indicative impact to real household and non-profit institutions serving households (NPISH) disposable income growth rates

UK, 1998 to 2015

Figure 2: Indicative impact to real household and non-profit institutions serving households (NPISH) disposable income growth rates
UK, 1998 to 2015



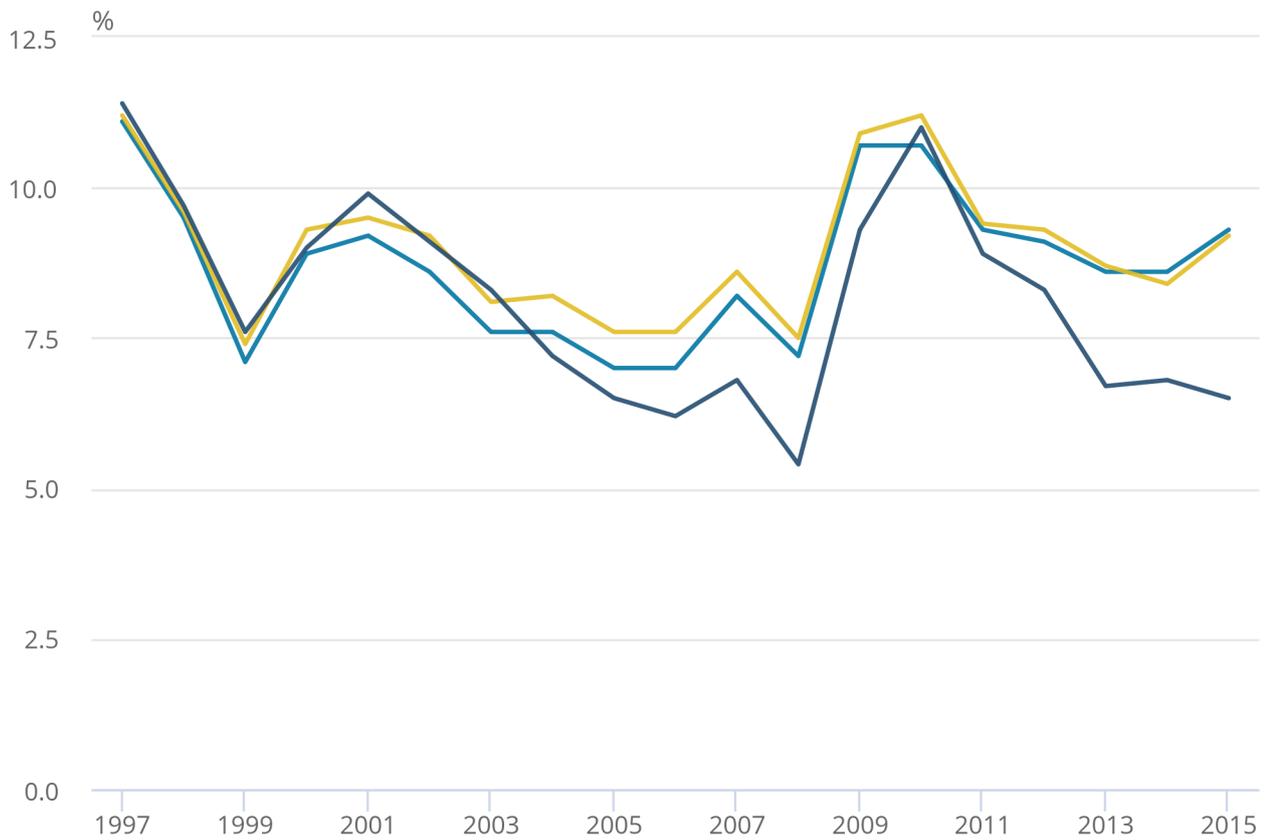
Source: Office for National Statistics

Figure 3: Indicative household saving ratio

UK, 1997 to 2015

Figure 3: Indicative household saving ratio

UK, 1997 to 2015



— Indicative Blue Book 2017 Household Saving Ratio

— Indicative Blue Book 2017 Household and NPISH Saving Ratio

Source: Office for National Statistics

— Previously Published (June 2017) Household and NPISH Saving Ratio

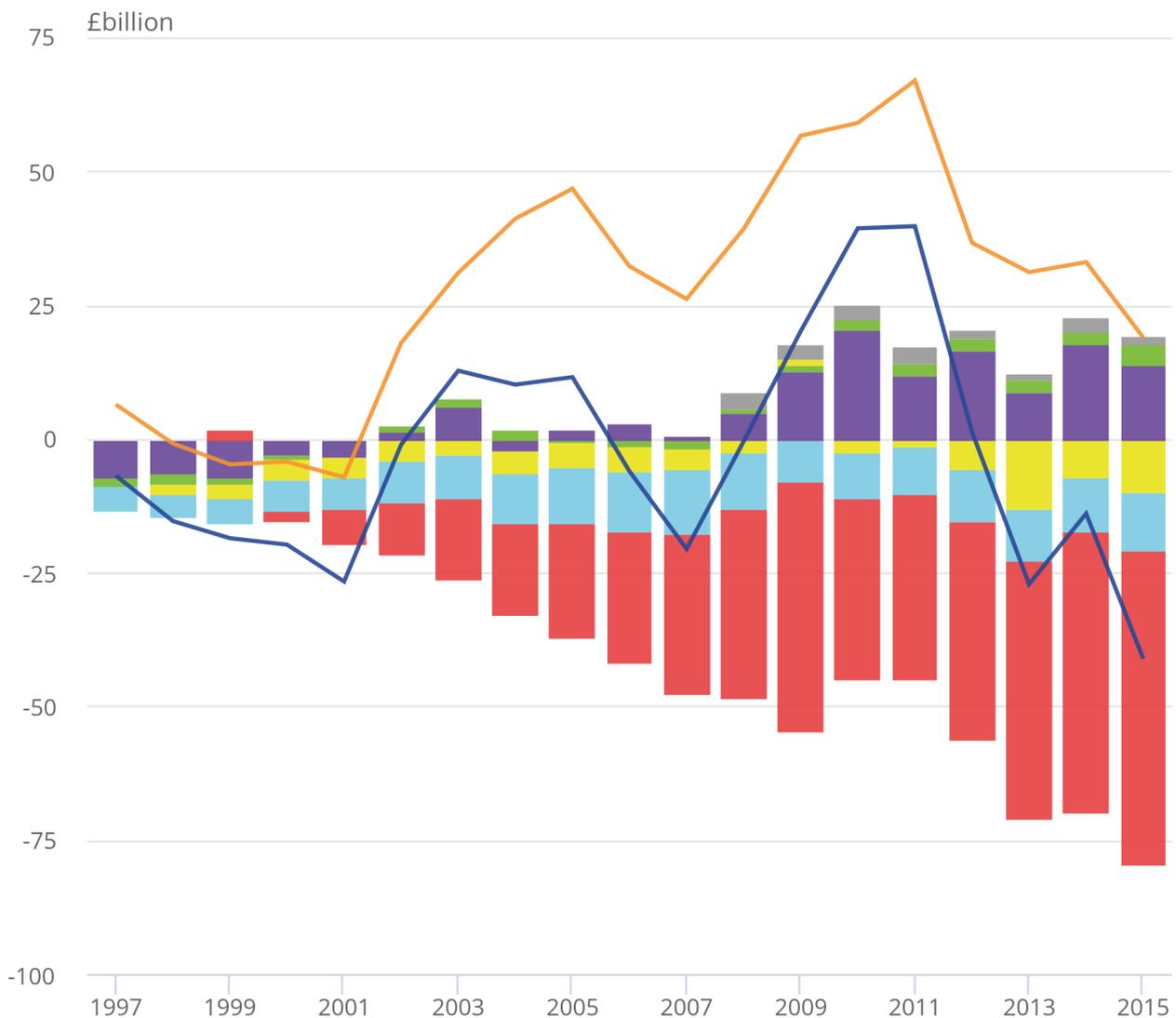
Source: Office for National Statistics

Figure 4: Private non-financial corporations net lending or net borrowing from the non-financial account

UK, 1997 to 2015

Figure 4: Private non-financial corporations net lending or net borrowing from the non-financial account

UK, 1997 to 2015



- Indicative Blue Book 2017 Net Lending or Net Borrowing
- Blue Book 2016 Net Lending or Net Borrowing
- Source: Office for National Statistics
- Methods changes resulting from household and NPISH account separation
- Introduction of new GFCF processing system

Source: Office for National Statistics

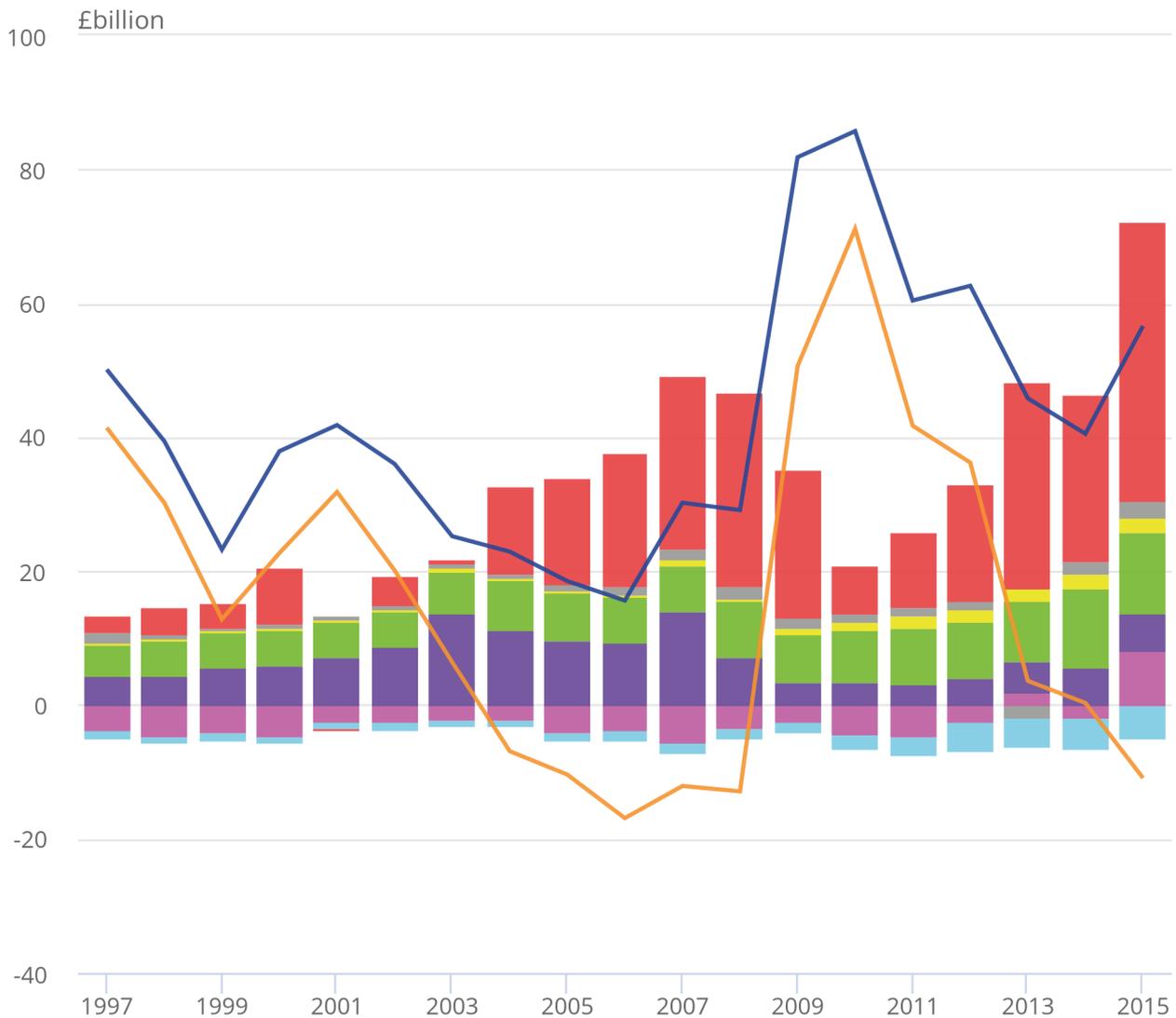
Notes:

1. This replaces Figure 9 in the article published on 21 August.

Figure 5: Households and non-profit institutions serving households (NPISH) net lending or net borrowing from the non-financial account

UK, 1997 to 2015

Figure 5: Households and non-profit institutions serving households (NPISH) net lending or net borrowing from the non-financial account
UK, 1997 to 2015



— Indicative Blue Book 2017 Net Lending or Borrowing

— Blue Book 2016 Net Lending or Borrowing

Source: Office for National Statistics

● Methods changes resulting from household and NPISH account separation

● Defined contribution pensions

Source: Office for National Statistics

Notes:

1. This replaces Figure 17 in the article published on 21 August.

3 . Annex

Updated tables for the indicative impact on sector and financial accounts.

Table 1: Latest indicative average impact of the changes to the net lending or net borrowing, UK, 1997 to 2015

				£billion
Sector	Average impact of the changes 1997 to 2015			
	Total Impact upon net lending/ borrowing from the non-financial account (B.9n)			
	Methodological changes	Data revisions separate to methodological changes	Indicative average revision to net lending (+) or borrowing (B.9n)	
Public corporations	-4.6	0.2	-4.4	
Private non-financial corporations	-33.1	2.1	-31.0	
Financial corporations	-2.3	1.8	-0.5	
Central government	0.5	-0.3	0.2	
Local government	-0.2	-0.2	-0.4	
Households and non-profit institutions serving households	29.3	-2.7	26.6	
Rest of the world	10.2	-0.9	9.3	

Source: Office for National Statistics

Table 2: Impact on households and non-profit institutions serving households saving ratio, UK, percentage points, 1997 to 2015

		Percentage points
		Average impact of changes for 1997 to 2015
Methods changes resulting from households and NPISH split		1.2
Actual rental and imputed rental		-0.1
Education services		0.1
Defined pension contributions		-0.2
Introduce Securities Dealers Survey and Methods Changes		0.1

Source: Office for National Statistics

Table 3: Estimated indicative impact on private non-financial corporations and household and NPISH non-financial accounts due to the methodological changes following the separation of households and NPISH, UK, 1997 to 2015

Sector impacted	Transaction impacted	Average revision to transaction	Average revision to net lending or borrowing	Largest downward revision to net lending or borrowing	Largest upward revision to net lending or borrowing	Average change to Household and NPISH saving ratio
S.11002+S.11003 - Private non-financial corporations	D.29 - Other taxes on production, uses	0.2				
	D.42 - Distributed income of corporations, resources	-8.9				
	D.45 - Rent, resources	0.0				
	D.42 - Distributed income of corporations, uses	12.0				
	D.45 - Rent, uses	0.2				
	D.75 - Miscellaneous current transfers, uses	3.9				
	B.9n - Net Lending /Borrowing			-25.0	-58.8	1.7
S.14+S.15 - Households and NPISH	B.2g - Gross operating surplus, resources	0.6				
	B.3g - Mixed income, resources	-6.8				
	D.41 - Interest, resources	1.3				
	D.42 - Distributed income of corporations, resources	15.4				
	D.44 - Other investment income, resources	0.4				
	D.45 - Rent, resources	0.0				
	D.45 - Rent, uses	-0.2				

D.623 - Social assistance benefits in cash, resources	-0.5				
D.75 - Miscellaneous current transfers, resources	15.1				
D.59 - Other current taxes, uses	-0.5				
D.75 - Miscellaneous current transfers, uses	10.3				
D.63 - Social transfers in kind, resources	0.7				
D.63 - Social transfers in kind, uses	0.7				
P.31 - Individual consumption expenditure, uses	0.7				
D.99 - Other capital transfers, receivable	2.7				
D.91 - Capital taxes, payable	0.0				
D.99 - Other capital transfers, payable	2.7				
B.9n - Net Lending /Borrowing		14.8	-0.3	41.6	1.2

Source: Office for National Statistics