

Article

Recent and upcoming changes to public sector finance statistics: December 2022

Information on recent and upcoming changes to our public sector finance statistics



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1 . Overview

Most methodological changes to the public sector finance (PSF) statistics are prompted by the need for statistics to keep pace with the evolving economy. These changes can alter perceptions of the government's fiscal exposure, as measured by the fiscal aggregates, such as public sector net borrowing (PSNB), or public sector net debt (PSND). This article increases transparency around the methodology work, including the classification reviews that are currently underway.

2 . Items under review

Public sector net worth (PSNW)

In the coming months, we plan to publish PSNW, a new balance sheet aggregate, and present a newly formatted public sector finance (PSF) bulletin.

PSNW is a broad statistical aggregate that summarises the value of both financial and non-financial assets, as well as liabilities held by the public sector. More information can be found in our [Wider measures of public sector balance sheet: public sector net worth article](#). Further information about future changes are available in our [Looking ahead – developments in public sector finance statistics: 2022 article](#).

Autumn Statement

In the [November 2022 Autumn Statement](#), the UK government announced the Electricity Generator Levy and a Business Rates – Transitional Relief Scheme, along with changes to some existing policies. These will be reflected in PSF statistics at the earliest opportunity, effective from the dates when the new terms apply.

The Electricity Generator Levy applies from 1 January 2023. It is a temporary levy on low carbon UK electricity generators who are less impacted by the increased cost of gas, and therefore receiving exceptional generation receipts from the wholesale energy market. It is intended to help fund cost of living support. The design and calculation of this levy can be found in HM Treasury's [Electricity generator levy technical note](#).

The Business Rates – Transitional Relief Scheme takes effect from 1 April 2023, to help businesses adjust to the revaluation of their properties. This will cap business rates bill increases to a set percentage each year for the following three years, at an estimated cost of £1.6 billion for the new scheme. Further information on the scheme can be found in HM Treasury's [Business Rates Factsheet](#).

We, at the Office for National Statistics (ONS), will review and classify these in due course.

Energy policy announcements

Energy Bills Discount Scheme

The [Energy Bills Discount Scheme](#) was announced on 9 January 2023. This will provide support to non-domestic customers from 1 April 2023 to 31 March 2024, when the existing [Energy Bill Relief Scheme](#) ends on 31 March 2023. This new policy will be reviewed and classified in due course.

Classification updates

In 2022, the UK Government announced several plans, such as the [Energy Price Guarantee](#), to help manage the cost of energy for UK households and businesses and to provide support for energy companies. Over the last four months, we have worked to classify the energy policy announcements. Below is a summary of the policies that have been classified in compliance with international guidance, and those that we are yet to classify. More information on the separate energy policy announcements can be found in our [Recent and upcoming changes to public sector finance statistics: October 2022 article](#).

Classified policies

- The Energy Bills Support Scheme provides financial support for households with a domestic electricity contract in Great Britain; in August 2022, the scheme was classified as a current transfer payment from central government to households.
- The Energy Price Guarantee Scheme for households, and the equivalent Energy Bill Relief Scheme for businesses and non-domestic customers, provides further support to help manage energy costs; both schemes were classified as a subsidy on products from central government to energy suppliers in October 2022.
- The Alternative Fuel Payment (AFP) scheme provides support to UK households and non-domestic customers that are not on the mains grid by providing a one-off payment; in October 2022, the domestic element of AFP was classified as a current transfer payment from central government to households.

Unclassified policies

- The Energy Bills Support Scheme for households in Northern Ireland, which will be reviewed and classified as more detailed information becomes available.
- The AFP for non-domestic customers.
- The Energy Markets Financing Scheme, which provides short-term financial support to energy firms operating in the UK wholesale gas electricity markets.

We will review and classify these policies in due course.

Classification announcements

Education Workforce Council

The Education Workforce Council (EWC) is the independent regulator for the education workforce in Wales. In December 2022, we assessed the classification status of the EWC, which was previously classified to the central government subsector in March 2019. We concluded that EWC will continue to be classified to the central government subsector, effective from 1 April 2015, the date on which the EWC was established.

2023 Cycling World Championships Ltd

In December 2022, we carried out a classification assessment of 2023 Cycling World Championships (CWC) Ltd, a subsidiary of VisitScotland. We concluded that 2023 CWC Ltd should be classified to the central government subsector, effective from 28 February 2020, the date 2023 CWC Ltd was incorporated.

National Citizen Service Trust

We also carried out a classification assessment of the National Citizen Service Trust (NCS Trust) in December 2022. We concluded that the NCS Trust should be classified to the central government subsector, effective from 26 April 2017, the date NCS Trust was incorporated.

The reasons for the classification decisions can be found in Section 3 of our [December 2022 economic statistics sector classification update article](#). These classifications will be implemented in the public sector finances in due course.

HM Revenue and Customs (HMRC) receipts publication investigation

Following an investigation, HMRC found a small error in their receipts publication affecting the financial year ending March 2022. This is detailed in their [HMRC tax receipts & National Insurance contributions for the UK annual bulletin](#).

The outcome of this investigation is reflected in our [Public sector finances bulletin](#) for this month. It involves increasing our previous estimate of accrued value-added tax (VAT) receipts by £0.7 billion over the financial year ending March 2022. Public sector net borrowing has been reduced by the same amount, while the central government net cash requirement was not affected by the error and remains unchanged.

Changes to higher education student loans

On 24 February 2022, the UK Government announced [a policy to amend the student loans repayment regulations in England](#). On 15 December 2022, these changes to the regulations were [laid in parliament](#). The changes will affect both new students entering higher education and existing borrowers. For new cohorts of students, the changes will apply from the academic year starting 2023. The changes will also affect current, and former, students with Plan 2 loans. For more information on Plan 2 loans, see the government's [Repaying your student loan web page](#).

In combination, we expect these changes to reduce the proportion of student loan outlay recorded as government expenditure. We will implement these changes to our student loan estimates at the earliest opportunity, ensuring the correct time of recording for the various elements of the package.

3 . Related links

[Public sector finances, UK](#)

Bulletin | Released monthly

How the relationship between UK public sector monthly income and expenditure leads to changes in deficit and debt.

[Looking ahead – developments in public sector finance statistics: 2022](#)

Article | Released 22 February 2022

What the Office for National Statistics (ONS) sees as areas for future development in the public sector finance statistics.

4 . Cite this article

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