

Article

Recent and upcoming changes to public sector finance statistics: July 2023

Recent and upcoming changes to our public sector finance statistics, including planned annual updates, classification announcements, and impact on government spending and debt.



Contact:
Fred Firth
public.sector.inquiries@ons.gov.uk
+44 1329 447544

Release date:
22 August 2023

Next release:
21 September 2023

Table of contents

1. [Overview](#)
2. [Upcoming data updates in September 2023](#)
3. [Classification announcements](#)
4. [Related links](#)
5. [Cite this article](#)

1 . Overview

This article increases transparency around our current methodology work, the implementation of classification decisions into the public sector, and provides impacts on the public sector aggregates. The need for statistics to keep pace with the evolving economy prompts most methodological changes to the public sector finances (PSF) statistics. These changes bring PSF statistics closer in line to government's true fiscal exposure, as measured by the fiscal aggregates, such as public sector net borrowing (PSNB), or public sector net debt (PSND). For example, the Energy Bills Discount Scheme, which involved subsidies on products from central government to households, increased both PSNB and PSND.

2 . Upcoming data updates in September 2023

We will implement our regular annual data updates in September 2023 to incorporate the latest available data. This includes data updates for Network Rail, public sector funded pensions, student loans, and capital consumption. The most noticeable impact on PSF fiscal aggregates from the upcoming data update will be from public sector funded pensions.

In accordance with our transparency strategy, and to provide predictability to users, data updates usually occur on an annual basis, and we aim to package methodological changes to PSF at a single point in the year, where possible. For example, in June 2023, we implemented the classification of Bulb Energy Limited into PSF. Further information on the Bulb Energy Limited reclassification into the public sector is available in our [Recent and upcoming changes to public sector finance statistics: May 2023 article](#).

We will review and publish an update to our long-term work plan later in the year. In the meantime, further information about developments expected in the future is available in our [Looking ahead – developments in public sector finance statistics: 2022 article](#).

Public sector funded pensions

In September 2023, we will be updating our pensions estimates to include the latest available data.

Provisional estimates of how the data update for public sector funded pensions will affect the fiscal aggregates are presented in Table 1. The provisional impacts presented in this article may change between now and September 2023, as we are continuing to work on these changes. Over the coming month, we will continue to quality assure the data and methods and incorporate further data as it becomes available.

We expect that the largest revisions from this data update will occur in the financial year ending (FYE) March 2023. This is mostly because of improvements to our forecast methods for estimating pensions data in periods for which there are no outturn data available, particularly for data on financial assets held by pension funds. These estimates in particular are highly provisional until outturn data become available.

Looking across each of our headline fiscal statistics, the largest impact for FYE March 2023 is to public sector net financial liabilities (PSNFL), which is expected to increase by £11.8 billion. This is primarily because of changes to our forecasting methods, which have led to higher estimated liabilities and lower assets than previously forecast. These changes have also led to an estimated £5.3 billion increase in public sector net borrowing (PSNB) in FYE March 2023.

There are also notable revisions for FYE March 2022, because of updated data. The most significant effect of these revisions is an estimated £2.3 billion decrease in PSNFL for FYE March 2022. This is despite a £0.6 billion increase in public sector net debt (PSND) for the same period. Furthermore, we expect a £0.4 billion decrease to PSNB in this period. There are smaller revisions for all the fiscal aggregates from FYE March 2017 to FYE March 2021 as a result of the updated data.

At the same time as this data update, there will also be some small revisions to public sector net investment (PSNI) and PSNB from FYE March 2002 onwards. This is because of improvements to the calculations for transfers in assets between different public sector pension schemes. These improvements have no effect on PSND.

Table 1: Provisional impacts of data updates to public sector funded pensions (to be introduced in September 2023) on the latest estimates of the headline fiscal aggregates, UK

Financial year (£ billion)

	PSCBD ex	PSNI ex	PSNB ex	PSND ex	PSNFL ex	PSNW ex
2001 to 2002	0.0	0.4	0.4	0.0	0.0	0.0
2002 to 2003	0.0	0.4	0.4	0.0	0.0	0.0
2003 to 2004	0.0	0.4	0.4	0.0	0.0	0.0
2004 to 2005	0.0	0.0	0.0	0.0	0.0	0.0
2005 to 2006	0.0	0.0	0.0	0.0	0.0	0.0
2006 to 2007	0.0	0.0	0.0	0.0	0.0	0.0
2007 to 2008	0.0	0.2	0.2	0.0	0.0	0.0
2008 to 2009	0.0	0.0	0.0	0.0	0.0	0.0
2009 to 2010	0.0	0.0	0.0	0.0	0.0	0.0
2010 to 2011	0.0	0.0	0.0	0.0	0.0	0.0
2011 to 2012	0.0	0.0	0.0	0.0	0.0	0.0
2012 to 2013	0.0	0.0	0.0	0.0	0.0	0.0
2013 to 2014	0.0	0.0	0.0	0.0	0.0	0.0
2014 to 2015	0.0	0.5	0.5	0.0	0.0	0.0
2015 to 2016	0.0	0.0	0.0	0.0	0.0	0.0
2016 to 2017	0.4	0.0	0.4	0.0	0.5	-0.5
2017 to 2018	0.1	0.0	0.1	0.0	0.6	-0.6
2018 to 2019	0.2	0.0	0.2	0.0	0.0	0.0
2019 to 2020	0.0	0.1	0.1	0.0	-0.2	0.2
2020 to 2021	0.0	0.0	0.0	0.0	-0.4	0.4
2021 to 2022	-0.3	-0.1	-0.4	0.6	-2.3	2.3
2022 to 2023	4.7	0.6	5.3	0.9	11.8	-9.9

Source: Public sector finances from the Office for National Statistics

Notes

1. PSCBD ex - represents public sector current budget deficit excluding public sector banks.
2. PSNI ex - represents public sector net investment excluding public sector banks.
3. PSNB ex - represents public sector net borrowing excluding public sector banks.
4. PSND ex - represents public sector net debt excluding public sector banks.
5. PSNFL ex - represents public sector net financial liabilities excluding public sector banks.
6. PSNW ex - represents public sector net worth excluding public sector banks.

Pensions estimates in the public sector finances are heavily based on actuarial modelling, which is a complicated process that uses a set of assumptions. This process often includes considerations for various factors, such as salary, age at retirement, and length of service for members of the scheme. Furthermore, there is a lag of approximately two years between the relevant period and the publication of data. Therefore, the latest two financial years are modelled based on different data sources, and as such will be subject to revisions as new data become available.

3 . Classification announcements

The following bodies were classified to the central government (S.1311) subsector in July 2023:

- Consumer Scotland as of 1 April 2022
- Foreign, Commonwealth and Development Office as of 2 September 2020
- Oak National Academy as of 23 August 2022

The following (former) central government bodies were reclassified as disbanded public sector bodies in July 2023:

- Department for International Development as of 2 September 2020
- Foreign and Commonwealth Office as of 2 September 2020

For more information on the classification decisions, see [Section 3 of our Economic statistics sector classification – classification update and forward work plan: July 2023 article](#).

4 . 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 sees as areas for future development in the public sector finance statistics.

[Public sector classification guide and forward work plan](#)

Article | Released 31 July 2023

The forward work plan sets out the units and transactions that we expect to assess and classify in the coming 12 to 18 months.

5 . Cite this article

Office for National Statistics (ONS), released 22 August 2023, ONS website, article, [Recent and upcoming changes to public sector finance statistics: July 2023](#)