

Article

# Recent and upcoming changes to public sector finance statistics: March 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 classification reviews, that is currently underway.

We have now resumed the annual publication of our longer-term work plan. More information about changes expected in the next annual package and beyond is available in [our Looking ahead – developments in public sector finance statistics: 2022 article](#). Information about the changes we implemented in September 2021 can be found in [our Recent and upcoming changes to public sector finance statistics: August 2021 article](#).

We will continue to publish this monthly article as needed to update users on ongoing short-term work, as well as the immediate impact of new policies or events on the public sector finance statistics.

## 2 . Items under review

### Spring Statement

On 23 March 2022, the UK government announced changes to some existing taxes and benefits in the [Spring Statement 2022](#).

Changes in the amounts of tax receipts and National Insurance contributions will be reflected in public sector finance (PSF) statistics from the dates when the new terms apply.

### New taxes and social contributions effective from April 2022

From April 2022, several new social contributions and taxes will come into effect. The impact of these will appear in the PSF statistics published in May 2022.

We classified the Plastic Packaging Tax in March 2022. This was classified within taxes on products. Full details of this classification are available in [our Public sector classification guide and forward work plan](#). More information on the tax itself is available in [the Introduction of Plastic Packaging Tax from April 2022 policy paper on the GOV.UK website](#).

Temporary increases to National Insurance contributions, introduced from April 2022, will be reflected in the PSF statistics once they apply. The Health and Social Care Levy effective from April 2023 will be classified at a later date. Further information about the Levy and the National Insurance changes can be found in [the Health and Social Care Levy policy paper on the GOV.UK website](#).

The [Economic Crime \(Anti-Money Laundering\) Levy](#) and [Government Residential Property Developer Tax](#), both of which apply from April 2022, will also be classified at a later date. Until they have been classified, income from these measures will appear under taxes on production and taxes on income respectively. The impact of these measures on the PSF statistics is expected to be small.

An additional tax, the [Public Interest Business Protection Tax \(PDF, 170KB\)](#), has been effective since January 2022. This measure is intended as a deterrent and so is not expected to affect the public sector finances.

### Government sale of shares in NatWest Group plc

On 28 March 2022, [the UK government announced a £1.2 billion sale of NatWest Group shares](#). This has reduced the government's shareholding in NatWest Group plc to 48.1%. Although the government's ownership is now less than 50%, an economic statistics classification review will not take place at this time. We will continue to monitor future sales of government shares in NatWest Group.

This sale has reduced central government net cash requirement in March 2022 by an equivalent £1.2 billion.

## Energy bills rebate

On 3 February 2022, the UK government announced a package of measures in response to rising energy bills. We outlined the details of this in [our Recent and upcoming changes to public sector finance statistics: January 2022 article](#).

Following the UK government's announced Council Tax Rebate in England, the ONS concluded that the scheme should be classified as a payable tax credit within other miscellaneous current transfers. This will contribute to public sector net borrowing (PSNB) when it is due to be paid in April 2022.

The Scottish and Welsh governments announced similar packages: The Cost of Living Award in Scotland and the Cost of Living Payment in Wales. These payments have been classified in the same way as their English equivalent and will be treated as a payable tax credit within other miscellaneous current transfers.

More detail on this classification can be viewed in [our Public sector classification guide and forward work plan](#).

## Developments in the energy market

Previously, we noted that Bulb Energy Limited had been placed into a Special Administration Regime (SAR) by the government as detailed in [our Recent and upcoming changes to public sector finance statistics: December 2021 article](#). We will consider the impact of the SAR on public sector finances and review its recording as part of our classifications work.

In the meantime, Bulb Energy Limited will continue to be treated as part of the private sector. Payments made under the SAR will provisionally be treated as expenditure under other capital transfers, a component of net investment, as they happen.

In addition, we will continue to actively monitor the wider developments in the energy market and will review any changes that may affect the public sector finances.

## 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.