

Article

# Recent and upcoming changes to public sector finance statistics: November 2022

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



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## Table of contents

1. [Overview](#)
2. [Items under review](#)
3. [Related links](#)
4. [Cite this article](#)

# 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

### Autumn Statement

On 17 November 2022, the UK government announced changes to some existing taxes, benefits, and to a range of other policies in [the Autumn Statement 2022](#). These will be reflected in public sector finance (PSF) statistics at the earliest opportunity, effective from the dates when the new terms apply.

The UK government announced a new, temporary levy on electricity generators intended to help fund cost of living support. The Electricity Generator Levy will apply from 1 January 2023 and consist of a 45% levy on returns from low-carbon UK electricity generations only. This levy will only apply to returns above a set benchmark of £75 per MWh. Further information on the levy can be found in HM Treasury's [Energy Taxes Factsheet](#).

The Office for National Statistics (ONS) will review and classify the levy in due course.

The UK government also announced a Business Rates Transitional Relief Scheme, which 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. Further information on the scheme can be found in HM Treasury's [Business Rates Factsheet](#).

The ONS will review the impact of this scheme on the public sector finances in due course.

### Cost of energy policy announcements

In 2022, [the UK Government announced several plans](#) to manage the cost of energy for households and businesses across the UK.

### Energy Bills Support Scheme

The Energy Bills Support Scheme (EBSS) is a government scheme giving households in Great Britain (with a domestic electricity contract) £400 towards the cost of their energy bills.

On 31 August 2022, the ONS announced that the EBSS has been classified as a current transfer payment from government to households. This additional central government expenditure increases public sector net borrowing over a six-month period between October 2022 and March 2023.

The ONS will review and classify the EBSS for households in Northern Ireland when more detailed information becomes available.

## Energy Price Guarantee and Alternative Fuel Payment Scheme

To support households, the UK government announced the [Energy Price Guarantee](#). The scheme limits the amount charged per unit of gas or electricity used by households and started in October 2022. The UK government will compensate energy companies for savings delivered to households. The [Energy Bill Relief Scheme](#) is the equivalent scheme for businesses and non-domestic customers. This scheme will provide a discount on gas and electricity unit prices, and the UK government will compensate the suppliers for this reduction. In October 2022, the ONS announced that the Energy Price Guarantee scheme and the Energy Bill Relief scheme had been classified as a subsidy on products from central government to energy suppliers.

The Alternative Fuel Payment (AFP) is a UK government scheme that provides support to UK households and non-domestic customers not on the mains gas grid. This scheme is intended to provide a one-off £200 payment to households in Northern Ireland, and a fixed payment of £150 to UK non-domestic customers who are off the gas grid and use alternative fuels. In October 2022, the ONS announced that the AFP (Domestic) had been classified as a current transfer payment from central government to households. The ONS will review and classify the AFP for non-domestic customers at a later date.

For more information on these schemes, see our [Recent and upcoming changes to public sector finance statistics: October 2022](#) article.

## Energy Markets Financing Scheme

An [Energy Markets Financing Scheme](#) was also announced by the UK government, which is a joint scheme between HM Treasury and the Bank of England. The scheme opened on 17 October 2022 and is expected to run until 27 January 2023, as reported in the [Bank of England's announcement](#).

This scheme aims to address liquidity issues faced by energy firms operating in the UK wholesale gas and electricity markets by providing short-term financial support. The ONS will review and classify this scheme in due course.

## Further Education

In November 2022, the ONS published the outcome of a statistical classification assessment of further education bodies in England: Designated Institutions (DIs), Further Education Corporations (FECs), and Sixth Form College Corporations (SFCCs).

This classification assessment was brought about by the legislative and regulatory changes resulting from the Skills and Post-16 Education Act 2022, as well as the amendments made through this Act to the Further and Higher Education Act (FHEA) 1992.

The ONS concluded that DIs in England will be newly classified to the central government subsector from 1 April 1993, the date that The Education (DIs in Further Education) Order 1993 came into force. FECs in England and their subsidiaries will be reclassified from the non-profit institutions serving households sector to the central government subsector. This will be effective from 1 April 1993, the date that FECs in England were formally established through statutory instrument. SFCCs in England will be reclassified from the non-profit institutions serving households sector to the central government subsector, effective from 1 April 2012.

For more information on the classification decision, please see [Section 3 of our 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

As detailed in their [recent December 2022 HMRC statistics announcements](#), HMRC is investigating a potential small error in their receipts publication affecting the financial year ending March 2022.

The potential impact would be to increase tax revenue in that financial year by around £750 million. If so, public sector net borrowing would be reduced by the same amount, while central government net cash requirement would be unchanged.

The ONS awaits the outcome of this investigation and will reflect any necessary data updates at the next opportunity.

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

### 4 . Cite this article

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