

Article

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

Recent and upcoming changes to our public sector finance statistics, including recent classification announcements, and the impacts on government spending and debt.



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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 with government's true fiscal exposure, as measured by the fiscal aggregates, such as public sector net borrowing (PSNB), or public sector net debt (PSND).

2 . Items under review

On 22 November 2023, the Chancellor of the Exchequer will present the 2023 Autumn Statement, updating Members of Parliament on the UK government's plans for taxation and public spending. The contents of the Autumn Statement and the potential impacts on the public sector finances will be discussed in a future edition of our Recent and upcoming changes to public sector finance statistics article.

In December 2023, we expect to publish our Looking ahead - developments in public sector finance statistics: 2023 article. This article will contain our forward work plan, providing information about the areas of fiscal statistics that we aim to review and potentially improve over the coming years. 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](#).

3 . Classification announcements

Transactions and schemes

The following transactions were classified in October 2023.

Childcare support payments

Childcare support payments from government have been classified as social transfers in kind, with the specific classification varying depending on how the payments are provided:

- childcare support payments from government that are provided by third-party market producers are classified as social transfers in kind (market production purchased by general government and non-profit institutions serving households (NPISHs) (D.632))
- childcare support payments from government that are provided by non-market producers are classified as social transfers in kind (general government and NPISHs non-market production (D.631))

While the classification is the same for all countries of the UK, the dates that these classifications apply from depend on the relevant scheme in each country:

- in England, these classifications apply from 1 September 2010, the date when the entitlement to 15 hours of free childcare per week for all three- and four-year-old children in England was introduced
- in Northern Ireland, these classifications apply from 1 September 1998, the date when the [Pre-School Education Programme \(PDF, 573KB\)](#) was launched
- in Scotland, these classifications apply from 27 March 2014, the date when the [Children and Young People \(Scotland\) Act 2014](#) received royal assent
- in Wales, these classifications apply from 30 January 2019, the date when [The Childcare Funding \(Wales\) Act 2019](#) received royal assent

Tax-free childcare payments

Tax-free childcare payments have been classified as social transfers in kind. Similar to childcare support payments, the specific classification varies depending on how the payments are provided:

- tax-free childcare payments from government that are provided by third-party market producers are classified as social transfers in kind (market production purchased by general government and NPISHs (D.632))
- tax-free childcare payments from government that are provided by non-market producers are classified as social transfers in kind (general government and NPISHs non-market production (D.631))
- these classifications are effective from 21 April 2017, the date when the scheme was initially introduced

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

For more information on what these classifications mean (including the full ESA 2010 publication), see the publication details of the [European system of accounts – ESA 2010 on the Eurostat website](#).

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 October 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

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