

# Public Sector Finances – Sources summary and their timing

## Abstract

This guidance note provides a brief summary of the different sources used and the implications of using those data in the monthly Public Sector Finances (PSF) Statistical Bulletin. A comprehensive description of the methodology and sources employed can be found in the [Public Sector Finances Methodological Guide](#). A further guide [Sources and Quality Assurance Procedures](#) provides information on quality assurance processes in the compilation of the statistics. To note, the numerical examples provided in this guidance note could be superseded as new editions of the bulletin are released.

## The latest month's data

This section describes the position Central Government, Local Government and Public Corporations data for the most recent month in the PSF bulletin.

### Central Government:

- for most Departments, expenditure data are provisional outturn data of what was spent in the most recent month;
- for some Departments, expenditure data are based on their budget estimates (forecasts) of spending in the most recent month. There are adjustments, based on analysis of data from previous periods, to these forecasts for some Departments to account for likely under or over spending;
- for income, the data are again a mixture of provisional outturn data and forecasts.

### Local Government:

- for all local authorities, while some income data are available monthly, expenditure data and other income data are based on their previously forecasted level of spending and receipts in the most recent quarter. There is an adjustment based on data from previous periods to account for likely under or over spending.

### Public Corporations:

- all data for public corporations for the latest month will be based on ONS forecasts.

## Data from earlier months

This section describes the position of data for Central Government, Local Government and Public Corporations data for the period before the latest month provided in the PSF bulletin. It then describes how PSF data can be revised as a result of the inclusion of audited accounts data for these three categories of the Public Sector. The following section explains how data can change as a result of an assessment of the end of year position, while the final section covers the implications of the Public Sector Banking Groups.

### **Central Government:**

- for the 2-3 months prior to the latest month there remains a mixture of outturn data and budget estimates (forecasts) but with more data increasingly being on an outturn basis. After around 3 months the data for outturn months are all on a provisional outturn basis.

### **Local Government:**

- since 2011/12, for English Local Authorities, data from the Quarterly Revenue Outturn and Quarterly Capital Payments and Receipts forms collected by the Department of Communities and Local Government (DCLG) have been used to provide provisional outturn figures. These figures are included within the public sector finance statistics around 3-4 months after the end of the quarter.

- for Local Authorities outside of England and all local authorities prior to 2011/12, in year expenditure data have been generally based on expected level of spending from Local Authority forecasts, including estimates of likely under or over spending. (The only quarterly data related to capital expenditure in England.) A provisional set of outturn data becomes available from around August relating to the previous financial year.

### **Public Corporations:**

- ONS conducts a quarterly survey of the eight largest public corporations; these figures are taken on around 3-4 months after the end of the quarter. Data for the remaining public corporations are based on ONS estimates until the audited accounts are available.

### **Audited Accounts**

Over the course of May to July, most English Central Government departments submit their audited accounts and Trust Statements for the previous financial year to Parliament. Revised data feeds through at this stage reflecting the audited position of most Central Government departments, generally in the September bulletin. This can lead to revisions to the provisional data already published. The final audited data for all Central Government bodies, including the Devolved Administrations is not available until at least the following February and the use of these data may also cause revisions when they feed into the statistics.

Over the period from July through to the following February audited data for Local Authority accounts are obtained and these feed through into the statistics replacing previous provisional outturn figures as they become available to be used.

Over the period from July through to the following February audited data for public corporations' accounts are obtained and fed through into the statistics.

Even after all audited data for the public sector are available there may still be revisions, for example to reflect the implementation of classification decisions and other methodological changes.

### **Assessing the end year position**

The implication is that the earliest estimates of outturn for 2012/13 will be subject to revision as revised data are provided to the Office for National Statistics by data suppliers. Depending upon the timing of the updated data from suppliers, this means some months the revised estimates can be higher than the initial estimate and some months lower.

Taking 2011/12 as an example, the initial estimate of PSNB ex was £126.0 billion published in April 2012. In May 2012 an estimate of £124.4 billion was published followed by £127.6 billion in June and £125.7 billion in July. As you can see from this some estimates of PSNB ex were higher and some were lower than the initial estimate.

In September 2012, provisional spending information from Local Authorities was supplied to ONS which was the main factor in a downward revision of 2011/12 PSNB ex to £119.3 billion in that month. From October 2012 to May 2013 the estimate for 2011/12 was fairly steady at between £120.9 billion and £121.6 billion. Methodological and data revisions implemented in this month's publication have further revised PSNB ex for 2011/12 to £118.5 billion. For more information on the revisions made this month to historic data see the Revisions section of the bulletin.

The introduction of the Quarterly Revenue Outturn for English local authorities in 2011/12 means that estimates of under or over spending by Local Authorities have been incorporated into the estimates during the year as the quarterly data became available. This is unlike the position in earlier years when the first outturn data for current expenditure became available from around five months after the end of the financial year.

### **Public Sector Banking Groups**

It is important to note that data for the public sector banking groups (such as Royal Bank of Scotland and Lloyds Banking Group) are only available at six monthly intervals. Thus the net debt, net cash requirement and net borrowing of public sector banking groups for the most recent months tend to be based on ONS estimates.

Due to the difficulty in predicting the results of the public sector banks, these ONS estimates are often substantially revised once outturn data become available. Given this and the potential size of the impact of the public sector banks on certain public sector finance statistics, particular caution should be exercised when interpreting full year PSNB, PSND and PSNCR data prior to outturn data for the public sector banking groups becoming available. Public sector bank data for the first six months of the calendar year (January to June) are normally available for inclusion in the bulletin around September, and data for the last six months (July to December) around March. This means that, for the public sector finance statistical measures which include the public sector banks, reliable data on the previous financial year are not available until the autumn.