

Article

# Recent and upcoming changes to public sector finance statistics: April 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

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

From April 2022, several new social contributions and taxes will come into effect. The estimated impact of these is described in this month's [Public Sector Finances \(PSF\) bulletin](#).

In March 2022, we classified the Plastic Packaging Tax as a tax 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, are reflected in this month's PSF statistics. These increases will be replaced by the Health and Social Care Levy effective from April 2023, and will be classified in due course. 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 [Residential Property Developer Tax](#), both of which apply from April 2022, will also be classified in due course. In the interim period, income from these measures will be recorded under taxes on production and taxes on income respectively. These measures are expected to have a medium impact on the PSF statistics.

An additional tax, the [Public Interest Business Protection Tax \(PIBPT\) \(PDF, 170KB\)](#), has been effective since January 2022 and is planned to be active until January 2023, but this may be extended. This measure is intended as a deterrent and so is not expected to materially affect the public sector finances. The Office for National Statistics (ONS) assessment concluded that this tax is classified as taxes on income, paid by the households sector or the corporations subsectors where appropriate.

## 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. The information on the timing of payments made by local authorities is not currently available. Consequently, we have provisionally recorded all transfers as paid immediately. As a result, these payments increased public sector net borrowing (PSNB) in April 2022 by £3 billion, when the liability was created.

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. These schemes are not separately identifiable in our data.

As part of the energy rebate scheme, a discretionary fund for local authorities has been established in England, Wales and Scotland. This is to provide support to the most vulnerable households, or those who are not eligible for the core council tax rebate.

The result of the ONS classification decision is that the Discretionary Fund payment from local authorities to households in England, Wales, and Scotland, should be classified as other miscellaneous current transfers. Specifically, a transaction from the local government subsector to the households sector.

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 (Bulb) had been placed into a Special Administration Regime by the government as detailed in [our Recent and upcoming changes to public sector finance statistics: December 2021 article](#).

As a result of the ONS classification decision, it has been concluded that Bulb is a market body subject to public sector control. Therefore, Bulb has been classified to the public non-financial corporations subsector with effect from 24 November 2021, the date it was placed into special administration.

We will implement this classification at the earliest opportunity. In the meantime, we will continue to ensure that we capture the impact of Bulb on PSNB by recording the payments made to Bulb by government. These payments are classified as other capital transfers, reflecting their economic nature, and they will therefore increase government net investment.

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.