

Article

Recent and upcoming changes to public sector finance statistics: May 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.

Longer term information on changes that are expected in the next annual package and beyond is available in [our Looking ahead – developments in public sector finance statistics: 2022 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

Since April 2022, several new charges have been classified as taxes for statistical purposes. This includes the Plastic Packaging Tax (PPT) and the Public Interest Business Protection Tax (PIBPT). The Office for Budget Responsibility (OBR) expects PPT receipts to be £0.2 billion in the financial year ending March 2023, while PIBPT is intended as a deterrent and is not expected to affect public sector finances.

In the last month, we also classified the Economic Crime (Anti-Money Laundering) Levy (ECL) and Residential Property Developer Tax (RPDT), both of which apply from April 2022, as a tax on production and a tax on income, respectively. The OBR expects ECL receipts to be £0.1 billion and RPDT receipts to be £0.2 billion in the financial year ending March 2023.

Full details of these classification decisions are available in our [Public sector classification guide and forward work plan](#).

The increase to National Insurance contributions, introduced from April 2022, is recorded in the social contributions category. These increases will be replaced by the Health and Social Care Levy (HSCL), effective from April 2023, which will be classified on 30 June 2022. The OBR expects HSCL receipts to be £18.4 billion in the financial year ending March 2024. 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](#).

Cost of living support package

On 26 May 2022, the [government announced a new £15 billion package](#) to support households in dealing with increases to the cost of living. This includes:

- From October 2022, all UK households will receive £400 of support with their energy bills; this is an update from the announcement made on 3 February 2022, as the amount has been doubled and the requirement to repay has been removed.
- A £650 payment will be made to eligible low-income households; the payment is expected to be paid in two instalments, with the first payment from July 2022, and the second payment in autumn 2022.
- From November 2022, an additional £300 payment will be made available to pensioners who receive pension credit.
- From September 2022, an additional £150 payment will be made available to individuals who receive disability benefits.

The government expects to partly offset the costs associated with providing the additional income support through the introduction of a [temporary levy on profits of oil and gas companies](#).

We will review the statistical classification of the Energy Bills Support Scheme when the detailed policy information is known, currently planned for summer 2022. We will also review the new transactions and their time of recording on an accruals basis.

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.