

Article

# Recent and upcoming changes to public sector finance statistics: February 2023

Information on recent and upcoming changes to our public sector finance statistics, including the Spring Budget, the latest classification reviews and impact on government spending and debt.



Contact:  
Fred Firth  
[public.sector.inquiries@ons.gov.uk](mailto:public.sector.inquiries@ons.gov.uk)  
+44 1329 447544

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# 1 . Overview

This article increases transparency around our current methodology work, including recent classification decisions and policy announcements included in the Spring Budget 2023. The need for statistics to keep pace with the evolving economy prompts most methodological changes to the public sector finance (PSF) statistics. 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). For example, the Energy Bills Support Scheme, which involved current transfer payments from central government to households (see [Section 5](#)) increased both PSNB and PSND.

## 2 . Public sector net worth (PSNW)

Next month, we will publish public sector net worth (PSNW), a new and additional balance sheet aggregate in public sector finance (PSF) statistics. We will also present a newly formatted PSF bulletin.

PSNW is a broad statistical aggregate that summarises the value of both non-financial and financial assets and liabilities held by the public sector. For more information please see our [Wider measures of public sector balance sheet: public sector net worth article](#). Further information about changes expected in the future is available in our [Looking ahead – developments in public sector finance statistics: 2022 article](#).

## 3 . Bulb Energy Limited

Bulb Energy Limited (Bulb) was one of the UK's largest suppliers of gas and electricity. As noted in our [December 2021 article](#), Bulb was entered into a Special Administration Regime (SAR) on 24 November 2021 following the energy price crisis.

SARs help to ensure the continued provision of essential services when a provider becomes unable to pay their debts on time. In the case of Bulb, the UK energy regulator Ofgem, with consent from the Secretary of State for Business, Energy and Industrial Strategy (BEIS), applied to the court to appoint energy administrators to the company to manage the business while under special administration. BEIS and the energy administrators entered into a funding agreement that provided funding capacity to cover the costs over the period that Bulb is in special administration.

In April 2022, the Office for National Statistics (ONS) reviewed the classification status and concluded that Bulb is a market body subject to public sector control. For more information please see our [Classification of Bulb Energy Limited statement](#). Therefore, Bulb was classified to the public non-financial corporations subsector with effect from 24 November 2021, the date it entered special administration.

We aim to implement this classification decision in the public sector finances in the summer of 2023.

The ONS also classified the payments made under special administration from BEIS to Bulb as other capital transfers, reflecting their economic nature.

On 29 October 2022, the UK government approved an agreement between the special administrators of Bulb and Octopus Energy to acquire Bulb's customers. For more information please see the [press release on GOV.UK](#). Following government approval, there was a statutory process called the Energy Transfer Scheme (ETS). This took effect on 21 December 2022, as ordered by the High Court. For more information please see [BEIS's Bulb Energy: notification of Energy Transfer Scheme notice](#).

There are several stages to this transfer scheme, including the transfer of certain assets and certain liabilities to a new company, Bulb UK Operations Ltd. We will review all the related agreements and relevant information in due course to establish the impact on the public sector finances as soon as possible.

## 4 . Spring Budget

On 15 March 2023, the UK government announced changes to some existing schemes and taxes (including pension allowances and fuel duty) and a range of other policies in the [Spring Budget 2023, published on GOV.UK](#).

Changes in rates of taxes and benefits will be reflected in public sector finances at the earliest opportunity, effective from the date when the new terms apply.

### Energy policies

The UK government announced that it will maintain the Energy Price Guarantee (EPG) scheme at its current level for an additional three months to the end of June 2023. The consumer saving will depend on usage, but on average a typical household will continue to pay around £2,500 a year for its energy under this scheme. The planned increase to a level of £3,000 per year will be implemented on 1 July, rather than 1 April 2023 as previously announced. The Office for Budget Responsibility estimates that the extension to the EPG scheme will cost the UK government £2.9 billion.

The UK government also announced that they are removing the prepayment meter premium to be comparable to charges under EPG. This will cost the UK government an estimated £200 million.

The UK government announced that it will be providing domestic UK Heat Network customers on non-domestic heating contracts with a new, sector-specific support rate. This will be set at a level that will ensure these customers do not face disproportionately higher energy bills under the Energy Bills Discount Scheme, compared with consumers under the EPG.

The Office for National Statistics (ONS) will review all of these policies in due course (see [Section 5: Energy policy announcements for more information](#)).

### Childcare policies

The UK government announced that it will fund 30 hours a week of free childcare for eligible working parents of children aged nine months to three years in England, where eligibility will match the existing 30 hours offer for children aged three to four years. From April 2024, parents of two-year-olds will be able to claim 15 hours per week if they work at least 16 hours per week. From September 2024, this will extend to parents of children aged nine months. By September 2025, all children will be covered. This package is estimated to cost the UK government £4.1 billion.

The UK government announced that it will introduce a national pathfinder scheme for wraparound childcare in England. The government will also provide upfront support for childcare costs to parents on Universal Credit moving into work or increasing their hours in Great Britain. In addition, the government will increase support for those parents in Great Britain on Universal Credit who face the highest childcare costs, by increasing the Universal Credit childcare cost maximum amounts to £951 for one child and £1,630 for two children.

The ONS will review and, if appropriate, classify these policies in due course. For information on when we expect to review and classify policies, please see our [Public sector classification guide and forward work plan](#).

## 5 . Energy policy announcements

In 2022, [the UK government announced several plans](#) to help manage the cost of energy for UK households and business, and to provide support for energy companies. In the Spring Budget 2023, the UK government announced extensions and expansions of existing energy policies, and a new public sector body. Over the last few months, the Office for National Statistics (ONS) has worked to classify the energy policy announcements. The following is a summary of the policies that have been classified in compliance with international guidance, and those that we are yet to classify. More information on the separate energy policy announcements can be found in our [Recent and upcoming changes to public sector finance statistics: October 2022 article](#).

## Great British Nuclear

In the Spring Budget 2023, the UK government announced it will launch Great British Nuclear to address constraints in the nuclear market and support new nuclear builds.

They are making up to £20 billion available over the next two decades for Carbon Capture Utilisation and Storage (CCUS).

The ONS will review and classify Great British Nuclear in due course. For information on when we expect to review and classify policies, please see our [Public sector classification guide and forward work plan](#).

## Classified policies

- The Energy Bills Support Scheme, classified as a current transfer payment from central government to households in August 2022.
- The Energy Price Guarantee scheme and the Energy Bill Relief Scheme, classified as a subsidy on products from central government to energy suppliers in October 2022.
- The Alternative Fuel Payment scheme (domestic), classified as a current transfer payment from central government to households in October 2022.
- The Energy Bills Support Scheme for households in Northern Ireland, classified as other miscellaneous current transfers in February 2023.

For more information on the classification decisions, please see our [Public sector classification guide and forward work plan](#).

## Unclassified policies

- The Alternative Fuel Payment for non-domestic customers.
- Energy Bills Discount Scheme.

For information on when we expect to review and classify policies, please see our [Public sector classification guide and forward work plan](#).

# 6 . Classification announcements

## Health Education and Improvement Wales

In February 2023, the Office for National Statistics (ONS) carried out a classification assessment of Health Education and Improvement Wales (HEIW), which is a special health authority within NHS Wales. HEIW was established on 1 October 2018, bringing together three entities: The Wales Deanery, NHS Wales' Workforce Education and Development Services (WEDS), and the Wales Centre for Pharmacy Professional Education (WCPPE). The classification review concluded that HEIW is classified to the central government subsector (S. 1311), effective from 1 October 2018, the date it was established. The Wales Deanery and WCPPE have been consolidated with Cardiff University, and WEDS has been consolidated with NHS Wales Shared Services Partnership.

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

## 7 . Changes to higher education student loans

On 24 February 2022, the UK government announced [a policy to amend the student loans repayment regulations in England](#). On 15 December 2022, these changes to the regulations were [laid in parliament](#). The changes will affect both new students entering higher education and existing borrowers. For new cohorts of students, the changes will apply from the academic year starting 2023. The changes will also affect current and former students with Plan 2 loans. For more information on Plan 2 loans see [GOV.UK's Repaying your student loan web page](#).

We expect these changes to reduce the proportion of student loan spending recorded as government expenditure. We will be implementing these changes to our student loan estimates in the coming months, ensuring the correct timing of recording for the various elements of the package.

## 8 . 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.

### [Economic statistics sector classification – classification update and forward work plan: February 2023](#)

Article | Released 28 February 2023

What classification decisions have been made that month and reasons for the decisions.

## 9 . Cite this article

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