

Article

Recent and upcoming changes to public sector finance statistics: January 2024

Includes the results of our review into public sector pensions statistics, impacts on government spending and debt, updates to public sector finance statistics, and classification announcements.



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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).

For more information about future developments in public sector finance statistics, see our [Looking ahead - developments in public sector finance statistics: 2023 article](#).

On 6 March 2024, the Chancellor of the Exchequer will present the [2024 Spring Budget](#) to members of Parliament, outlining the UK government's plans for taxation and public spending. The contents of the Spring Budget and the potential impacts on the public sector finances will be discussed in the next edition of our Recent and upcoming changes to public sector finance statistics article, to be published 21 March 2024.

2 . Review of public sector pensions methodology

We have completed a targeted review of the methods and calculations used to produce estimates of public sector-funded pensions. Our review found that an amendment to the calculation used to estimate the value of pension funds' property income receivable from outside the public sector was required. The purpose of this amendment was to ensure the calculations in our data processing fully align with the methods detailed in our [Pensions in the public sector finances: a methodological guide](#) article, and does not represent a change to that methodology.

We have now made the required amendment to our public sector-funded pensions estimates, such that it is reflected in the public sector finance statistics from this month. The impacts on the headline fiscal aggregates are presented in Table 1.

Table 1: Impacts of changes to public sector funded pensions estimates in February 2024, on the previous estimates of the headline fiscal aggregates, UK

	PSCBD ex	PSNI ex	PSNB ex	PSND ex	PSNFL ex	PSNW ex
1997 to 1998	0.1	0	0.1	0	0	0
1998 to 1999	0.5	0	0.5	0	0	0
1999 to 2000	0.8	0	0.8	0	0	0
2000 to 2001	-0.5	0	-0.5	0	0	0
2001 to 2002	-0.6	0	-0.6	0	0	0
2002 to 2003	-0.6	0	-0.6	0	0	0
2003 to 2004	0.9	0	0.9	0	0	0
2004 to 2005	0.8	0	0.8	0	0	0
2005 to 2006	1.4	0	1.4	0	0	0
2006 to 2007	0.7	0	0.7	0	0	0
2007 to 2008	-0.4	0	-0.4	0	0	0
2008 to 2009	-1	0	-1	0	0	0
2009 to 2010	1.6	0	1.6	0	0	0
2010 to 2011	0.8	0	0.8	0	0	0
2011 to 2012	0.5	0	0.5	0	0	0
2012 to 2013	1	0	1	0	0	0
2013 to 2014	1.1	0	1.1	0	0	0
2014 to 2015	1.2	0	1.2	0	0	0
2015 to 2016	0	0	0	0	0	0
2016 to 2017	2.3	0	2.3	0	0	0
2017 to 2018	0.4	0	0.4	0	0	0
2018 to 2019	0.7	0	0.7	0	0	0
2019 to 2020	-0.6	0	-0.6	0	0	0
2020 to 2021	2.9	0	2.9	0	0	0
2021 to 2022	1.8	0	1.8	0	0	0
2022 to 2023	-0.4	0	-0.4	0	0	0
2023 to 2024 YTD	-0.5	0	-0.5	0	0	0

Source: Public sector finances from the Office for National Statistics

Notes

1. PSCBD ex – represents public sector current budget deficit excluding public sector banks.
2. PSNI ex – represents public sector net investment excluding public sector banks.
3. PSNB ex – represents public sector net borrowing excluding public sector banks.
4. PSND ex – represents public sector net debt excluding public sector banks.
5. PSNFL ex – represents public sector net financial liabilities excluding public sector banks.
6. PSNW ex – represents public sector net worth excluding public sector banks.
7. Impacts presented in the final row of table 1 are for the period April 2023 to December 2023, and are not the impacts of the change on the full financial year.

As property income receivable (D.41) is the only transaction affected by this change, the impacts are limited to public sector current budget deficit (PSCBD) and public sector net borrowing (PSNB). The change affects both of these fiscal aggregates by an equal amount in each year.

The change has an impact over the whole series of public sector pensions statistics, from the financial year ending (FYE) March 1998 to FYE March 2024. The largest impacts of this change occur in the more recent years. For example, PSNB is increased by £1.8 billion in FYE March 2022; by £2.9 billion in FYE March 2021; and by £2.3 billion in FYE March 2017.

While data from FYE March 1998 to FYE March 2023 are outturn data, our estimates for the period April 2023 to December 2023 are forecast data, as such these will be revised when new outturn data become available. The changes to the data resulting from this amendment cause our forecasts for PSNB in the current financial year to date (April 2023 to December 2023) to reduce by £0.5 billion.

3 . Updates to public sector finances statistics

Recording of Organisation for Economic Cooperation and Development Pillar 2 taxes

In the [Autumn Statement 2022](#), the UK government announced plans to implement the globally agreed G20-Organisation for Economic Cooperation and Development (OECD) inclusive Pillar 2 framework in the UK. For more information, see Section 3: Updates to public sector finances statistics of our [Recent and upcoming changes to public sector finances: November 2023 article](#).

On 31 January 2024, the [results of a classification review into these taxes were published](#). For further details, see [Section 4: Classification announcements](#). These classifications have been reflected in the public sector finances statistics from this month.

4 . Classification announcements

Organisations and institutional units

The following bodies were classified to the central government (S.1311) subsector in January 2024:

- Truth Recovery Programme Independent Panel, as part of its controlling body, The Executive Office, which is a Northern Ireland Government Department

The following bodies were classified to the local government (S.1313) subsector in January 2024:

- Cumberland Council, with effect from 1 April 2023
- Westmorland and Furness council, with effect from 1 April 2023

The following bodies were classified as having been disbanded or deleted in January 2024, all with effect from 1 April 2023:

- Allerdale Borough Council
- Copeland Borough Council
- Carlisle City Council
- Cumbria County Council
- Barrow Borough Council
- Eden District Council
- South Lakeland District Council

Transactions and schemes

The following transactions were classified in January 2024:

- Multinational top-up tax was classified as a tax on income (D.51), paid by non-financial corporations (S.11) and financial corporations (S.12) to the central government subsector (S.1311), with effect from 31 December 2023
- Domestic top-up tax was classified as a tax on income (D.51), paid by non-financial corporations (S.11) and financial corporations (S.12) to the central government subsector (S.1311), with effect from 31 December 2023

For more information on the classification decisions, see [Section 3: Classification update of our Economic statistics sector classification - classification update and forward work plan: January 2024 article](#).

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

5 . 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: 2023](#)

Article | Released 21 December 2023

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](#)

Methodology | Released 31 January 2024

The forward work plan sets out the units and transactions that we expect to assess and classify in the coming 12 to 18 months.

6 . Cite this article

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