

Article

Recent and upcoming changes to public sector finance statistics: January 2022

Methodological changes and areas for future development for public sector finance statistics.



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1 . Overview

Most methodological changes to the public sector finance 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 annual publication of our [longer-term work plan](#), which provides information on changes expected in the next annual package and beyond. Information about the changes we implemented in September 2021 can be found in [previous editions of this 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

Energy bills rebate

On 3 February 2022, the UK Government announced a [package of support](#) to help households manage rising energy bills, the details of which are outlined below.

- A £200 discount on energy bills this autumn for domestic electricity customers in Great Britain, this will be paid back automatically over the next 5 years.
- A £150 non-repayable Council Tax rebate payment for all households that are liable for Council Tax in bands A to D in England.
- £144 million of discretionary funding for Local Authorities to support households who need support but are not eligible for the Council Tax rebate.
- The devolved administrations are receiving around £715 million of funding through the Barnett formula as usual where UK Government support doesn't cover Scotland, Wales or Northern Ireland.

Details of the formal classification decision on the recording of the Council Tax rebate scheme for England in the National Accounts and the Public Sector Finance statistics are expected to be published on 28 February 2022 in the [Public sector classification guide](#). We will provide details on our classification and treatment of the energy bills discount scheme as information about this policy becomes available.

Developments in the energy market

In a [previous edition](#), we noted that Bulb Energy Limited had been placed into a Special Administration Regime (SAR) by the government. We will consider the impact of the SAR on public sector finances and review as part of our classifications work. An update will be provided in due course. In the meantime, Bulb Energy Limited will continue to be treated as part of the private sector. Payments made under the SAR will provisionally be treated as expenditure under "other capital transfers", a component of net investment, as they happen.

In addition, we will continue to actively monitor the wider developments in the energy market and will review any changes that may affect public sector finances.

UK Infrastructure Bank

The UK Government launched the [UK Infrastructure Bank \(UKIB\) in June 2021](#). The purpose of UKIB is to provide leadership to the market in the development of new technologies and managing risk through cornerstone investments using a range of financial tools. It will also provide government lending to local government for large and complex projects, and to help to bring private and public stakeholders together to regenerate local areas and create new opportunities. It will also work in partnership to finance and support infrastructure investment.

In January 2022, Office for National Statistics (ONS) assessed the UKIB in the context of internationally agreed statistical guidance and concluded that UKIB should be classified to the central government subsector with effect from 17 June 2021, the date UKIB became operational. The details of this decision are available in the [Public sector classification guide](#).

The methodology around certain financial activities is particularly complex owing to significant differences between the statistical guidance and financial reporting requirements. We expect that the classification of UKIB may take a longer than average time to be fully implemented in the public sector finance statistics. We will communicate the expected time of implementation in a future update to this article.

Nuclear projects

As the Nuclear Energy (Financing) Bill passes through Parliament, and following the recent government [press release](#) announcing financial support for the continued development of the Sizewell C project in Suffolk, we will carry out a classifications review of associated projects following final investment decisions.

Additional coronavirus (COVID-19) support

On 21 December 2021, the UK government announced the rollout of [new grants for businesses affected by the Omicron variant](#) of coronavirus (COVID-19), as well as the extension or reintroduction of some existing COVID-19 support schemes. A new scheme, the [Omicron Hospitality and Leisure Grant \(PDF, 243KB\)](#), is targeted at hospitality, leisure and accommodation businesses in England and will be distributed through local authorities. Funding under this scheme was expected to be available from January 2022.

We will review the statistical recording of the new grants, including how they should be accrued, at the earliest opportunity.