

Article

Recent and upcoming changes to public sector finance statistics: March 2023

Recent and upcoming changes to our public sector finance statistics, including a new fiscal aggregate, the Spring Budget, and impact on government spending and debt.



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1 . Overview

This article increases transparency around our current methodology work, including the publication of a new fiscal aggregate in the public sector finances (PSF) bulletin 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 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: Energy policy announcements](#)) increased both PSNB and PSND.

2 . Public sector net worth (PSNW)

This month, we have published a new fiscal aggregate in the public sector finance (PSF) bulletin, PSNW, which is a European System of Accounts (ESA) 2010 based balance sheet aggregate. We have presented this as part of a newly formatted PSF statistical bulletin. To view the new PSNW tables, please see Appendix O in our [Public sector finances, UK: March 2023 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. PSNW is a more comprehensive balance sheet measure compared with other fiscal aggregates that exclude non-financial assets, such as public sector net debt (PSND) and public sector net financial liabilities (PSNFL). This new fiscal aggregate is the first measure of PSNW consistent with PSF methodology, making it fully comparable with existing PSF aggregates. However, there are differences with other published versions of PSNW. For more information, see our [Wider measures of public sector balance sheet: public sector net worth article](#). Further information about developments 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 [Recent and upcoming changes to public sector finance statistics: 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) (now the Department for Energy Security and Net Zero) 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 remained in special administration.

For the financial year ending March 2023, we have recorded £0.2 billion of expenditure in August 2022, as capital transfers from central government to the private sector. Combined with the £0.9 billion of expenditure recorded in the financial year ending March 2022, the total amount paid by central government to Bulb is £1.1 billion. This amount relates to the funding of Bulb under the original financing facility for the SAR. However, it excludes transactions relating to the sale of Bulb to Octopus Energy, including the government's [Post transfer facility](#) set up in December 2022, as the treatment of these transactions is subject to further classification decisions. For more detail on transactions relating to Bulb, see the Office for Budget Responsibility's [Economic and fiscal outlook box March 2023](#) and the information below.

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. Therefore, Bulb was classified to the public non-financial corporations subsector with effect from 24 November 2021, the date it entered special administration. For more information, please see our [Classification of Bulb Energy Limited statement](#).

We aim to implement this classification decision in the public sector finances in June 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, 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 three energy policies:

- the Energy Price Guarantee (EPG) scheme will be extended until the end of June 2023; the Office for Budget Responsibility estimates that the three-month extension will cost the UK government £2.9 billion (see the [HM Treasury's news story](#))
- the government plans to end the prepayment meter premium from April 2024 and, from 1 July 2023, will bring charges for comparable direct debit and prepayment meter customers into line until April 2024; this is estimated to cost the UK government £200 million
- UK Heat Network customers on non-domestic heating contracts will be provided with a new, sector-specific, support rate to ensure that customers do not face disproportionately higher energy bills under the Energy Bills Discount Scheme than customers under the EPG

For more detail on these policies, see our [Recent and upcoming changes to public sector finance statistics: February 2023 article](#). The Office for National Statistics (ONS) will review all these policies in due course (see [Section 5: Energy policy announcements](#) for more information).

Childcare policies

The UK government announced two childcare policies:

- funding for free childcare of 30 hours a week for eligible working parents of children aged nine months to three years in England by September 2025; this policy is estimated to cost the UK government £4.1 billion
- a national pathfinder scheme for wraparound childcare in England, with additional support announced for childcare costs for parents on Universal Credit, as well as parents on Universal Credit moving into work or increasing their hours in Great Britain

For more detail on these policies, see our [Recent and upcoming changes to public sector finance statistics: February 2023 article](#). The ONS will review and, if appropriate, classify these policies in due course. For information on when we expect to review and classify policies, 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 businesses 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.

The ONS will review and classify Great British Nuclear in due course.

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, 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, see our [Public sector classification guide and forward work plan](#).

6 . Classification announcements

Birmingham Organising Committee for the 2022 Commonwealth Games Ltd

In March 2023, the Office for National Statistics (ONS) carried out a classification assessment of The Birmingham Organising Committee for the 2022 Commonwealth Games Ltd (“the Organising Committee”), which was responsible for the planning and delivery of the Birmingham 2022 Commonwealth Games. The classification review concluded that the Organising Committee is classified to the central government subsector (S.1311), effective from 20 December 2017, the date on which it was incorporated.

Festival 2022 Limited

The ONS also carried out a classification assessment of Festival 2022 Limited, which was responsible for managing and promoting a UK-wide celebration of creativity and innovation. The assessment concluded that Festival 2022 Limited is a wholly owned subsidiary of the Organising Committee. As such, Festival 2022 Limited was classified to the central government subsector (S.1311), effective from 1 March 2022, the date it was incorporated.

The Commissioner for Survivors of Institutional Childhood Abuse

The ONS carried out a classification assessment of The Commissioner for Survivors of Institutional Childhood Abuse (COSICA) which was established under the Historical Institutional Abuse (Northern Ireland) Act 2019. COSICA’s main aim is to promote the interests of any person who suffered abuse as a child whilst a resident in an institution in Northern Ireland between 1922 and 1995. COSICA has been classified to the central government subsector (S.1311) with effect from 14 December 2020, the date on which the first Commissioner took office.

The ONS also carried out an assessment for the classification status of the Historical Institutional Abuse Redress Board (HIARB), which is responsible for receiving and processing applications for compensation from people who experienced abuse in residential institutions in Northern Ireland between 1922 and 1995. The review found HIARB does not have the requisite autonomy of decision to be an institutional unit. However, it has been consolidated with The Executive Office (TEO) for economic statistical purposes.

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

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 5 December 2022, the Welsh Government announced [a policy to amend the student loan repayment regulations in Wales](#). On 15 December 2022, these changes to the regulations were laid in UK parliament and in Senedd Cymru, as detailed in [Legislation.gov.uk archives](#).

The amendments to the regulation made in December 2022 will affect current and former students with Plan 2 student loans, both English-domiciled and Welsh-domiciled. The repayment threshold for these students will remain at £27,295 until the financial year ending 2025. For more information on Plan 2 loans, see GOV.UK's [Repaying your student loan](#).

The changes will also affect new cohorts of English-domiciled students entering higher education from the academic year starting 2023. In this case:

- graduates will see their student loan interest rate set to the Retail Price Index (RPI) of inflation
- the maximum tuition fee will continue at £9,250 up to and including the academic year starting 2024 (for current and future students)
- the loan balance will be written off 40 years after repayments begin, rather than the current 30 years
- the annual repayment threshold will be reduced from £27,295 to £25,000, until the financial year ending 2027

When recording student loans in the public sector finance (PSF) statistics, a portion of the student loan outlay is recorded as a capital transfer to the borrower. This contributes to public sector net borrowing (PSNB) at the time at which the loans are issued. The remaining portion is treated as a genuine loan asset for government. The December 2022 changes are expected to reduce the proportion of student loan outlay recorded as government expenditure.

This month, we have recorded a capital transfer of £10.0 billion from households to central government, accrued to December 2022, the month in which the changes to regulations were made. This reflects the increase in value of the loan stock for existing Plan 2 student loans as a result of these policy changes.

For more information on the recording of student loans in public finances, see our [Methodological guide](#).

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: March 2023](#)

Article | Released 31 March 2023

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

9 . Cite this article

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