

Article

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

Information on recent and upcoming changes to our public sector finance statistics.



Contact:
Matthew Davies
public.sector.inquiries@ons.gov.uk
+44 3000 682561

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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 the classification reviews that are currently underway.

2 . Items under review

Autumn Statement

On 17 November 2022, the UK government announced changes to some existing taxes, benefits, and to a range of other policies in [the Autumn Statement 2022](#).

Changes in rates of tax, National Insurance contributions, and benefits will be reflected in public sector finance (PSF) statistics at the earliest opportunity, effective from the dates when the new terms apply.

The UK government announced a new, temporary levy on electricity generators intended to help fund cost of living support. The Electricity Generator Levy will apply from 1 January 2023 and consist of a 45% levy on returns from low-carbon UK electricity generations only. This levy will only apply to returns above a set benchmark of £75 per Mwh. Further information on the levy can be found in HM Treasury's [Energy Taxes Factsheet](#).

The Office for National Statistics (ONS) will review and classify this levy in due course.

The UK government also announced a Business Rates Transitional Relief Scheme which takes effect from 1 April 2023 to help businesses adjust to the revaluation of their properties. This will cap business rates bill increases to a set percentage each year for the following three years at an estimated cost of £1.6 billion. Further information on the scheme can be found in HM Treasury's [Business Rates Factsheet](#).

The ONS will review this scheme in due course.

Cost of energy policy announcements

In 2022, [the UK Government has announced several plans](#) to manage the cost of energy for households and businesses across the UK.

Energy Bills Support Scheme

The Energy Bills Support Scheme (EBSS) is a government scheme giving households in Great Britain (with a domestic electricity contract) £400 towards the cost of their energy bills.

On 31 August 2022, the ONS announced that the EBSS has been classified as a current transfer payment from government to households. For more information, see our [Energy Bills Support Scheme classification](#).

This additional central government expenditure increases public sector net borrowing over a six-month period between October 2022 and March 2023.

The ONS will review and classify the EBSS for households in Northern Ireland in due course as more detailed information becomes available.

Energy Price Guarantee schemes and Alternative Fuel Payment Scheme

In September 2022, [the UK government announced plans](#) to help manage the cost of energy for households and businesses across the UK.

To support households, the UK government announced the Energy Price Guarantee. This aims to limit the amount charged per unit of gas or electricity used by households and started in October 2022. The consumer saving will depend on usage, but on average a typical household will pay around £2,500 a year for its energy under this scheme. From April 2023 to end of March 2024 this will rise to £3,000 a year. The government will compensate the energy companies for the savings delivered to households and has temporarily suspended environmental and social costs (including green levies) from being passed onto consumers bills with the costs transferring to the government. In October 2022, the ONS announced that the Energy Price Guarantee scheme had been classified as a subsidy on products from central government to energy suppliers. For more information, see [our Energy Price Guarantee classification](#).

The equivalent support scheme for businesses and non-domestic customers was announced as the [Energy Bill Relief Scheme](#). This scheme will provide a discount on gas and electricity unit prices and the UK government will compensate the suppliers for this reduction. In October 2022, the ONS announced that the scheme had also been classified as a subsidy on products from central government to energy suppliers. For more information, see our [Energy Bill Relief Scheme classification](#).

The Alternative Fuel Payment (AFP) is a UK government scheme which provides support to UK households and non-domestic customers not on the mains gas grid. This scheme is intended to provide a one-off £200 payment to households in Northern Ireland and a fixed payment of £150 to UK non-domestic customers who are off the gas grid and use alternative fuels. In October 2022, the ONS announced that the AFP (Domestic) had been classified as a current transfer payment from central government to households. For more information, see our [Public sector classification guide](#). The ONS will review and classify the AFP for non-domestic customers in due course.

Energy Markets Financing Scheme

An [Energy Markets Financing Scheme](#) was also announced by the UK government, a joint scheme between HM Treasury and the Bank of England. The scheme opened on 17 October 2022 and is expected to run until 27 January 2023, as reported in the [Bank of England's announcement](#).

This scheme aims to address liquidity issues faced by energy firms operating in the UK wholesale gas and electricity markets, by providing short term financial support.

The ONS will review and classify this scheme in due course.

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.

[Looking ahead - developments in public sector finances 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.

4 . Cite this article

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