Country and regional public sector finances, UK quality and methods guide

What the statistics cover, how we produce them, and their quality and comparability. Includes definitions and latest, past and upcoming changes.

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1 . Overview

This guide provides quality and methods information for our Country and regional public sector finances data series.

We produce these statistics to inform users about public sector finances for each country of the UK and each region of England. These statistics show:

- expenditure incurred for the benefit of residents or enterprises in each country or region
- revenue raised within each country or region
- the net fiscal balance between the two

All figures are shown in current prices and have not been adjusted for inflation.

These are accredited official statistics. For more information, see Quality of the statistics.

2 . Latest changes to quality and methods

We updated this guide on 26 May 2026. Important changes to quality and methods include:

- introduced the Bank of England and Gambling Levies
- implemented the classifications of Pool Reinsurance (Nuclear) Ltd and Warm Home Discount Scheme (Scotland)
- minor changes to our calculations for revenue from Air Passenger Duty; expenditure on the Warm Home Discount Scheme for England, Scotland and Wales; and estimates of expenditure incurred during the transfer of ownership of non-financial assets

For more information on latest, past and upcoming changes, go to Changes and their effects on comparability over time.

3 . What the statistics cover

Geographic areas

We define country and regional boundaries by Level 1 of the International Territorial Levels (ITL1). Our statistics cover the four countries of the UK: England, Northern Ireland, Scotland and Wales. England is divided into nine regions.

Time periods

Data are presented on a financial year basis, with each year ending on 31 March. Data are available from the financial year ending 2000 through to the most recently published year.

Categories and breakdowns

For each UK country and region, we provide information on the following.

Public sector expenditure:

- Identifiable and nonidentifiable expenditure
- Expenditure outside the UK
- Expenditure on services and total managed expenditure
- Accounting adjustments

Public sector receipts:

- Total current receipts
- Revenue from taxes on income and wealth
- Revenue from taxes on production
- Revenue from other current taxes and receipts
- Revenue from North Sea Oil and Gas revenues

Most receipts are reported separately, but some are combined.

Net fiscal balance:

- Saving, gross plus capital taxes
- Depreciation
- Current budget balance
- Revisions on previous estimates

Supplementary information:

- Estimates expressed on a per head basis
- Estimates expressed as a percentage of UK gross domestic product

Also includes the information used in creating these calculations.

The public sector

The UK public sector comprises six subsectors:

- Central government
- Local government
- Public non-financial corporations
- Public financial corporations
- The Bank of England
- Public sector funded pensions

What the statistics exclude

- Public sector debt or financial account data – these are excluded because of the limited relevance at a regional level and the complexity of allocating financial flows and stocks to regions.
- Borrowing figures – net fiscal balance is not equivalent to borrowing, regions in England do not generally have borrowing powers; net fiscal balance is not reflective of the limited borrowing powers of the devolved governments.

4 . Where the data come from

The primary data source is our UK public sector finances. This publication presents main fiscal aggregates for the whole UK, including total current receipts and total current expenditure. These main aggregates are used to monitor and manage fiscal policy.

5 . How we produce the statistics

The estimates are based on two main principles: "who pays" and "who benefits".

The "who pays" principle is based on identifying the location where the revenue is raised; that is, the location of the individual or enterprise that bears the tax burden. We base our apportionment of indirect taxes on the assumption that consumers ultimately bear the tax burden. For direct taxes, we allocate receipts according to the residential location of the individual who pays the tax.

For the "who benefits" principle, there are two approaches to consider:

- "expenditure for" a region: where spending is allocated to a region if the benefit of the service or transfer derived from the expenditure can be shown to accrue to residents and enterprises of that region
- "expenditure in" a region: where spending is allocated to the region in which the expenditure actually took place

Instances where the "expenditure in" and "expenditure for" approaches would provide the same result include the case of local government expenditure on local amenities or NHS spending; these occur in a region for the benefit of residents or enterprises in that region.

Instances where the "in" and "for" approach would provide different results includeexpenditure on a national museum. The "in" approach would estimate expenditure based on the location of the museum, whereas the "for" approach would estimate expenditure based on the residence of the beneficiaries of the service provided, that is, those who visited the museum.

Steps in production

1. Obtain UK totals

UK totals for each revenue and expenditure item are taken directly from our UK public sector finances.

2. Apply known revenues

For a small number of revenue items, mainly devolved taxes, regionspecific values are used to allocate revenue to the relevant country or region.

3. Apportion other revenues

All other revenue is allocated to countries and regions using an indicator dataset that best reflects the "who pays" principle. The proportions for each country and region are calculated based on this indicator dataset and then applied to the UK total.

4. Apportion expenditure

Our estimates are based on HM Treasury's country and regional analysis, which provides country and regional level public sector expenditure data using the "who benefits" approach. These data are adjusted and constrained to ensure consistency with the UK public sector finances.

5. Calculate net fiscal balance

Net fiscal balance is calculated as the difference between total spending (current expenditure plus net capital expenditure) and revenue raised (current revenue).

6 . Quality of the statistics

Statistical designation

The Office for Statistics Regulation independently reviewed these accredited official statistics in May 2022. They comply with the standards of trustworthiness, quality and value inthe Code of Practice for Statistics and should be labelled "accredited official statistics".

How we quality assure the data and statistics

We validate individual components

We generate estimates for most revenue and expenditure components separately. For each, we confirm that:

- we are still using the most appropriate source and methodology
- we are using the most up-to-date information
- we have incorporated revisions
- calculations have been performed correctly
- anomalies have been resolved

Additional scrutiny is applied to components that have previously produced errors or near misses, helping toprevent them from reoccurring.

We confirm that we align with known values

Once individual components are estimated, we verify that they sum to the correct totals; for example, ensuring that country and regional figures sum to the UK total. We also verify that values have been allocated appropriately, such as confirming that devolved taxes are applied to the right areas and time periods. Additionally, we confirm our estimates are consistent with related statistics, such as comparing our expenditure figures with those produced by HM Treasury.

We use professional insight to verify findings

In compiling these estimates, we gather source data from a wide range of external stakeholders. We engage their expertise to peer review our findings and confirm that they are consistent with patterns and trends within public sector finances. These external stakeholders include several government departments, the devolved governments and representatives from English regions.

We work closely with internal stakeholders across the Office for National Statistics, whose expertise ensures the accuracy, consistency, and coherence of our data and methods. They contribute throughout production, including peer review and quality assurance. Regular discussions about methodological updates, data sources, and classification decisions help ensure our estimates align with current statistical standards and best practice.

Strengths and limitations

Strengths

- These are the only accredited official statistics on subnational public sector finances that cover the whole of the UK.
- We work with producers of similar statistics to ensure methods are harmonised.
- Statistical concepts and fiscal aggregates are consistent with those used inUK Public sector finance statistics.

Limitations

- These estimates are published more than a year after the period to which they refer. The time lag is typically 14 months but has been longer on occasion.
- When data sources are unavailable, we approximate the latest country and regional breakdowns and update them when the actual data become available; approximation typically involves carrying-forward the most recent available data but we sometimes uplift previous values using relevant national trend data.
- These statistics are estimated using the "who pays" and "who benefits" concepts; there are other possible approaches, and these could lead to different results.

European Statistical System Quality Dimensions

The Office for National Statistics (ONS) has developed Guidelines for measuring statistical quality, based on the five European Statistical System (ESS) Quality Dimensions. These are:

- relevance
- accuracy and reliability
- timeliness and punctuality
- comparability and coherence
- accessibility and clarity

We have integrated these considerations into the guide.

7 . Changes and their effects on comparability over time

The compositionof the public sector is not fixed; it evolves over time as classifications ofwhich organisations,transaction and schemesfallwithin the public sector change. To maintain accuracy and relevance, we review and update our methods to incorporate necessary changes prior to each release.

Latest changes

The following changes were all implemented in May 2026.

Introduced the Bank of England levy

The Bank of England levy is a tax on production used to fund the Bank's monetary policy and financial stability functions from April 2024 onwards.

Introduced the Gambling Levy

The Gambling Levy is a central government tax applied to gambling operators in Great Britain from April 2024 onwards. Revenue from this levy has been incorporated into our estimates of betting and gaming duties within other taxes on production.

Implemented recent classifications decisions

Following a review of the sector classification, Pool Reinsurance Nuclear has been incorporated into our statistics. We aligned its treatment with that of other reinsurance providers, effective from July 1995.

A recent classification assessment has led to the inclusion of the Warm Home Discount Scheme for Scotland (from April 2011 onwards).

Adjusted calculations

From 1 April 2023, the UKgovernment introduced additional rate bands for Air Passenger Duty. We have adjusted our calculations to reflect these new bands.

Our estimates of expenditure on the Warm Home Discount Scheme for England, Wales and Scotland now use data from both the Office of Gas and Electricity Markets and the Department for Energy Security and Net Zero. Previous estimates relied solely on the latter.

Our estimates of expenditure incurred during the transfer of ownership of non-financial assets, which form part of our accounting adjustments, have been revised following improvements to national accounts methodology.

Past changes

Past changes, and their impact, is explained in the "Data sources and quality" section of previous articles.

Upcoming changes

Updates on economic statistics classifications and upcoming changes to public sector finance statistics are available in our classification and development articles. We will incorporate these updates into our statistics as soon as possible after they are implemented.

8 . Comparability and coherence with other statistics producers

Scottish Government

The Scottish Government's Government Expenditure and Revenue Scotland (GERS) statistics are highly comparable with ours, but users should be aware of the following differences.

Estimates of VAT revenues

The estimates of Value Added Tax (VAT)inGERSare consistent with those published byHMRCfor Scottish AssignedVAT. The Office for National Statistics (ONS) uses a methodology that produces results for all UK countries and regions.

Interest and dividends

Both GERS and the ONS use similar approaches although GERS uses alternative data to apportion interest income from Scottish student loans. This may lead to differences in our estimates when compared with those produced by Scottish Government.

HM Treasury

HM Treasury's Country and Regional Analysis (CRA) statistics are highly comparable with ours, but users should be aware of the following difference in the fiscal aggregates used.

The CRA data collection is based on a measure of "total expenditure on services", which covers approximately 90% of "total managed expenditure". Total managed expenditure is an expenditure aggregate based on national accounts concepts used throughout ONS public sector finance publications. Accounting adjustments are used to move from total expenditure on services to total managed expenditure.

Greater Manchester Combined Authority

Greater Manchester Combined Authority's ESPRESSO dashboard estimates are broadly comparable with ours, but users should be aware that ONS estimates are compiled in line with national accounts concepts and therefore include elements such as gross operating surplus and revenue from interest and dividends. ESPRESSOis focused on tax receipts, meaning these types of public sector revenue are excluded.

Introduction to the ESPRESSO tool, designed to show total tax take and expenditure at a local level.

Scottish Value Added Tax assignment model (HM Revenue and Customs, HM Treasury, and the Scottish Government)

The Scottish Value Added Tax (VAT) assignment model is a joint framework created by HM Revenue and Customs, HM Treasury, and the Scottish Government to estimate Scotland's share of UK VAT receipts.

These estimates are not comparable with ours because Scottish VAT assignment statistics estimate the amount of revenue that would be attributed to Scotland if it operated as a separate VAT jurisdiction. Our methodology is based on the current UK VAT system and produces estimates for all UK countries and regions.

9 . Users and uses of these statistics

Users rely on our statistics as the only consistent, UKwide, source that brings together subnational estimates of public sector revenue, expenditure and net fiscal balance on an internationally consistent basis.

- UK government departments and agencies, including HM Treasury, HM Revenue and Customs, and the Office for Budget Responsibility, use these statistics to assess how revenue and expenditure vary across the UK and to support fiscal commentary, regional analysis and economic forecasts.

- Devolved governments use the data to understand the fiscal environment in their territories, inform policy development and support wider economic analysis and reporting.

- Regional and local bodies, including combined authorities, mayoral strategic authorities and local authorities use the statistics to assess regional funding patterns, support economic strategies and provide evidence in support of investment and devolution proposals.

- Researchers, academics, and think tanks use the data to study regional fiscal trends, analyse spatial inequalities and contribute to public policy research on taxation, public spending and fiscal devolution.

- The media and the general public use these statistics to engage with discussions about the relative fiscal positions of the UK's nations and regions, helping to explain differences in tax capacity, public spending and net fiscal balance.

10 . Definitions

Public sector revenue

Total current receipts (mainly taxes, but also social contributions, interest, dividends, gross operating surplus and transfers) received by central government and local government bodies as well as public corporations. It is recorded on an accrued basis, following national accounts rules.

Public sector expenditure

Total capital and current expenditure (mainly wages and salaries, goods and services, and expenditure on fixed capital, but also subsidies, social benefits and other transfers) of central government and local government bodies as well as public corporations. It is recorded on an accrued basis, following national accounts rules.

Net fiscal balance

The gap between total spending (current expenditure plus net capital expenditure) and revenue raised (current receipts).

A negative net fiscal balance figure represents a surplus, meaning that a country or region is receiving in revenue more than is being spent for the benefit of residents or enterprises in that country or region.

A positive net fiscal balance represents a deficit, meaning a country or region is undertaking more expenditure for the benefit of its residents or enterprises than it is receiving in revenue.

Showing a surplus as a negative figure is consistent with the presentation of UK public sector net borrowing.

11 . Related links

Country and regional public sector finances, UK: financial year ending March 2025
Datasets | Released 26 May 2026
Public sector revenue, expenditure and net fiscal balance on a country and regional basis.

Country and regional analysis
GOV.UK webpage | Updated 19 November 2025
Statistical estimates for the allocation of identifiable expenditure between the UK countries and 9 English regions.

Government Expenditure and Revenue Scotland
Scottish Government webpage

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.

12 . Cite this page

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