

Article

Economic statistics classifications and developments in public sector finances: March 2025

Includes the latest economic statistics classification updates, and information on future developments in public sector finance statistics.

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1 . Overview

This article provides a summary of the most recent economic statistics classification decisions and provides transparency around our current methodology work to public sector finance (PSF) statistics, including the implementation of classification decisions.

Most methodological changes to the PSF statistics are prompted by the need to keep pace with the evolving economy, including the need to properly reflect classification decisions in the measurement of public sector fiscal aggregates. Where necessary, this article will outline the impact that our methodological changes have on PSF statistics. For more information about future developments, see our [Looking ahead - developments in public sector finance statistics: 2023 article](#).

Classification decisions facilitate the allocation of UK organisations to sectors of the UK economy based on their characteristics. These decisions are informed by the application of international statistical guidance contained within the [United Nations System of National Accounts 2008 \(2008 SNA\)](#), along with the [European System of Accounts 2010 \(ESA 2010\)](#) and the accompanying [Manual on Government Deficit and Debt 2022 \(MGDD 2022\)](#) where useful and appropriate. More information on classification decisions can be found in our public sector classification guide.

The guide enables the identification of those bodies classified to the public sector to inform the public sector boundary in the UK national accounts. The guide also includes other classification decisions, including transactions and schemes. Information on the organisations and transactions we expect to assess and classify in the next 12 to 18 months can be found in our forward work plan. For more information see our [Public sector classification guide and forward work plan](#).

2 . Economic statistics classification announcements

A summary of the most recent classification decisions can be found later in this release. For more information on classification decisions, see our [Public sector classification guide \(XLSX, 736KB\)](#). Classification decisions are implemented in official statistics at the earliest opportunity using sound methodology. All practical considerations are taken into account, including resource availability within wider prioritisation.

Organisations – institutional units

In April 2025, the Office for National Statistics (ONS) classified two organisations that have sufficient autonomy of decision to be institutional units:

- Compound Semiconductor Applications Catapult Limited (CSAC), which works with large companies and start-ups in the development and commercialisation of new applications of compound semiconductor technology; CSAC was classified to the non-profit institutions serving households sector with effect from 1 December 2022, the date that public sector control ceased
- TfW Fibre Limited, a subsidiary of Transport for Wales, offers network services to internet service providers and operators; TfW Fibre Limited was classified to the public non-financial corporations subsector with effect from 7 February 2024, the date on which it was incorporated

Non-institutional units

The ONS classified one organisation that does not have sufficient autonomy of decision to be an institutional unit. This body was classified as part of its controlling body, CSAC:

- CSA Catapult Services Limited, classified with effect from 12 April 2019, the date on which it was incorporated

Transactions and schemes

The following transaction was classified in April 2025:

- the Temporary Repatriation Facility, as a tax on income, with effect from 6 April 2025, the date on which it was introduced as part of the Finance Act 2025, until the tax year ending on 5 April 2028

Forward work plan

The [Forward work plan \(XLSX, 44KB\)](#) contains information on the organisations and transactions we expect to assess and classify in the next 12 to 18 months, as changing priorities allow. However, it does not contain everything that may be classified.

For more information on our classification process, as well as our forward work plan and public sector classification guide, see our [Economic statistics classifications web page](#).

Please email the Economic Statistics Classifications team at econstats.classifications@ons.gov.uk with any queries about the classification decisions or the classifications process.

3 . Improvements and data updates in public sector finance statistics

Aid for Ukraine

On 1 March 2025, the Chancellor of the Exchequer announced a £2.26 billion [aid package to Ukraine](#) under the Group of Seven (G7) Extraordinary Revenue Acceleration (ERA) loan facility. The first instalment of £757 million was issued in March 2025.

Pending a full classification assessment of the transaction, the ERA loans will be provisionally recorded as concessional lending in economic statistics. While there is no universally accepted definition of a concessional loan, the international statistical guidance generally understands concessional loans as loans attracting an interest rate below the market rate; further characteristics of a concessional loan may include grace periods, repayment terms and maturity favourable to the debtor. The characteristics of the ERA loans can be seen to meet this definition and their provisional recording in statistics mirrors that of loans provided on market terms.

This provisional recording has no immediate impact on either public sector current budget deficit (PSCBD) or public sector net borrowing (PSNB) as one asset – cash – is exchanged for another asset, loan. On the balance sheet, public sector net financial liabilities (PSNFL) would be unchanged, but public sector net debt (PSND) would initially increase by the value of the loan, reflecting a decrease in the stock of liquid assets arising from the cash payment. The impact on PSND will be neutralised over time as the repayments are received.

The Office for National Statistics (ONS) will formally assess the statistical classification of the transactions in due course.

4 . Review of emerging issues in the economy

Classification of taxes and fees

Following the October 2024 Budget, the UK government introduced several new measures that will need to be considered by the Office for National Statistics (ONS) Economic Statistics Classification Committee to determine their appropriate statistical treatment.

Pending these formal assessments, we will provisionally record the receipts for the extended producer responsibility, Building Safety Levy, and Gambling Levy as other taxes on production; and for the receipts from firearms licences as fees for the sales of services. Our article titled [Taxes and fees for sales of service: how they differ and why it is important](#) explains how the ONS differentiates between these categories.

British Steel

On 12 April 2025, the UK government published legislation in support of the steel industry. [The Steel Industry \(Special Measures\) Act 2025](#) provides the Secretary of State with powers to secure the continuation of steel manufacturing in England and Wales. We will therefore consider the classification of British Steel and the impact of this new legislation on the public sector finances, in the summer.

For any queries about the information discussed in [Section 3: Improvements and data updates in public sector finance statistics](#) and [Section 4: Review of emerging issues in the economy](#), please contact public sector inquiries by emailing public.sector.inquiries@ons.gov.uk.

5 . Related links

[Public sector finances](#)

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 23 April 2025

The Public sector classification guide sets out a list of bodies that have been classified by the Office for National Statistics (ONS) as public sector bodies within the UK National Accounts. The forward work plan sets out the organisations and transactions that the ONS expects to assess and classify in the next 12 to 18 months.

[Statistical classification to the public sector](#)

Article | Released 8 July 2024

Explains why entities are classified to the public sector, and the concept of public sector control and how this differs from the notion of independence.

[Taxes and fees for sales of service: how they differ and why it is important](#)

Article | Released 31 May 2019

Defines and explains the main characteristics that lead to the classification of a transaction as a tax or a fee in the national accounts and public sector finances, and describes the effect that these classifications can have on economic indicators and the operation of government.

[Classification review of universities in the UK](#) A further statement about our intention to review the transactions in which UK universities engage.

6 . Cite this article

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