

Article

# Economic statistics classifications and developments in public sector finances: July 2025

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

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## Table of contents

1. [Overview](#)
2. [Economic statistics classification announcements](#)
3. [Improvements and data updates in public sector finances statistics](#)
4. [Improvements and data updates in public sector finances statistics](#)
5. [Related links](#)
6. [Cite this article](#)

# 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: 2025 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 in this release. For more information on classification decisions, see our [Public sector classification guide \(747.4 KB XLSX\)](#). 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

#### Atomic Weapons Establishment Pension Scheme

Atomic Weapons Establishment (AWE) plc designs and manufactures warheads to provide nuclear services to meet the needs of UK defence. The AWE Pension Scheme provides retirement benefits for current and former employees of AWE plc.

The AWE Pension Scheme is a defined benefit scheme. The assessment concluded that AWE Pension Trustees Limited is the pension administrator, wholly owned by AWE plc, which is classified to the central government subsector.

The Office for National Statistics (ONS) has also determined that the pension manager is AWE plc, as it bears ultimate responsibility for the scheme's assets and liabilities.

Therefore, the AWE Pension Scheme has been classified to the public pension funds subsector, with effect from 1 April 1993, the date the AWE defined benefit pension scheme was established.

## Transactions and schemes

### Firearms and shotgun licence fees (in England, Scotland and Wales)

The [Firearms Act 1920](#) introduced firearms certificates, requiring individuals to apply for and pay a fee to purchase or own firearms and ammunition. Current firearms and shotgun licence fees have been set by [The Firearms \(Variation of Fees\) Order 2025](#).

Following an ONS assessment, Firearms and shotgun licence fees in England, Scotland and Wales are classified as payments for non-market output, with effect from 16 August 1920, the date on which the Firearms Act 1920 was enacted. These payments are made by individuals within the households sector and by organisations in the private non-financial corporations subsector. In England and Wales, these payments are made to police forces, which are classified in the local government subsector. In Scotland, the payments are made to the Police Service of Scotland, which is classified in the central government subsector.

### Forward work plan

The [Forward work plan \(42.8 KB XLSX\)](#) 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.

The Atomic Weapons Establishment Pension Scheme has been removed from the forward work plan, following its classification this month.

Following the UK government's [announcement](#) on 18 July 2025, that the operation of all c2c services has transferred into public ownership, c2c Railway Limited has been added to the forward work plan this month.

The UK government also [announced](#) on 22 July 2025 that the final investment decision to build the Sizewell C nuclear power plant had been agreed. This project has also been added to the forward work plan this month.

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](mailto:econstats.classifications@ons.gov.uk) with any queries about the classification decisions or the classifications process.

## 3 . Improvements and data updates in public sector finances statistics

### Upcoming changes for September 2025

This section provides information on the changes and data updates we expect to implement into the public sector finance (PSF) statistics in September 2025.

## Implementation of UK development banks into UK public sector finance statistics

We expect to fully implement the classifications of the British Business Bank, the UK Infrastructure Bank (renamed National Wealth Fund in 2024), and the Development Bank of Wales to the central government subsector, into the public sector finance (PSF) statistics, in September 2025.

Between 2021 and 2022, the Office for National Statistics (ONS) reviewed the statistical classification of the three public financial institutions, which resulted in the classification of all three banks to the central government subsector. Further information on the individual classifications, including the effective dates from which they apply, can be found in the Public sector classification guide.

The implementation will result in the comprehensive recording of all transactions and balances associated with the three public financial institutions into the fiscal statistics. This development was previously announced in the [Looking ahead – developments in public sector finance statistics: 2025 article](#). This improved treatment will replace the recording of government departments' net expenditure on these institutions from the time they were established.

The provisional impacts of this implementation on the fiscal aggregates, are presented in Table 1. Please note that the figures for financial year end (FYE) March 2025 will reflect forecasted data for the National Wealth Fund and the Development Bank of Wales, and outturn data for the British Business Bank.

Table 1: Provisional impacts of the classification of the British Business Bank, the Development Bank of Wales and the National Wealth Fund, to the Central Government subsector, to be introduced in September 2025, on the latest estimates of the headline fiscal aggregates, UK

**Financial year (£ billion) PSCBD PSNI PSNB PSND PSNFL PSNW**

<b>2014 to 2015</b>	0.0	0.0	0.0	0.0	-0.7	0.7
<b>2015 to 2016</b>	0.0	0.0	0.0	0.0	-0.9	0.9
<b>2016 to 2017</b>	0.0	0.0	0.0	0.0	-1.1	1.1
<b>2017 to 2018</b>	-0.1	0.0	-0.1	0.1	-1.8	1.8
<b>2018 to 2019</b>	0.0	0.0	0.0	0.1	-2.6	2.6
<b>2019 to 2020</b>	0.0	0.0	0.0	0.1	-2.8	2.8
<b>2020 to 2021</b>	0.1	0.0	0.1	0.1	-3.1	3.1
<b>2021 to 2022</b>	0.2	0.0	0.2	0.0	-4.3	4.4
<b>2022 to 2023</b>	0.0	0.0	0.0	0.0	-4.8	4.9
<b>2023 to 2024</b>	0.0	0.0	0.0	0.0	-5.6	5.6
<b>2024 to 2025</b>	0.0	0.0	0.0	0.0	-7.0	7.0

Source: Public sector finances from the Office for National Statistics

Notes

1. "PSCBD ex" represents public sector current budget deficit excluding public sector banks.
2. "PSNI ex" represents public sector net investment excluding public sector banks.
3. "PSNB ex" represents public sector net borrowing excluding public sector banks.
4. "PSND ex" represents public sector net debt excluding public sector banks.
5. "PSNFL ex" represents public sector net financial liabilities excluding public sector banks.
6. PSNW ex" represents public sector net worth excluding public sector banks.

The inclusion of the three public financial institutions within the public sector boundary is expected to revise our estimates of public sector net financial liabilities (PSNFL) and public sector net worth (PSNW) from FYE 2015. The impacts to the fiscal measures have been increasing over time as the institutions' balance sheets grew in size. The PSF time series will incorporate revisions from the FYE 2014 for the British Business Bank, FYE 2017 for the Development Bank of Wales, and FYE 2020 for the UK Infrastructure Bank (renamed National Wealth Fund in 2024). The impact of this implementation is expected to reduce public sector net financial liabilities (PSNFL) by £0.7 billion at the end of FYE March 2015, to £7.0 billion at the end of FYE March 2025. The main causes of this decrease include the growth in the financial assets held by the banks, including equity, loans and debt securities.

Minor revisions of up to £0.1 billion are expected of Public Sector Net Debt (PSND). This is because there are a limited range of investment instruments included in its scope.

We expect impacts across the time series to public sector net borrowing (PSNB) and public sector current budget deficit (PSCBD), with the largest impacts for these measures being seen in FYE March 2022, with upward revisions of £0.2 billion. Public sector net investment (PSNI) is affected by the partitioning of Start Up Loan issuance into lending and capital transfer components, with the latter reflecting the amounts unlikely to be repaid. These imputed grants generally stay under £50 million per year and may not be visible in Table 1 as a result of rounding.

## Other data updates

In September 2025, we expect to implement some regular annual data updates to incorporate the latest available data. This includes the latest data for local government, Student Loans, Octopus Energy Retail Limited (Bid Co), and Octopus Energy Operations Limited (Hive Co). We expect to make further regular annual data updates in the subsequent months.

Next month, we also expect to implement some improvements to our processing systems for local government data. This may cause some revisions in historic periods where we are now able to align with the latest source data. We are continuing to quality assure the impact of these improvements on our headline statistics. If the impact is notable, we will provide a summary and impact analysis in the next edition of this article.

## 4 . Improvements and data updates in public sector finances statistics

On 8 July 2025, the Office for Budget responsibility (OBR) released their [Fiscal risks and sustainability report](#). In Chapter 3 of the report, the OBR described the risks in the context of the UK government's new fiscal rule referencing public sector net financial liabilities (PSNFL). We recently discussed our plans for developing the PSNFL statistic in our article [Looking ahead – developments in public sector finance statistics: 2025](#).

These included plans for the implementation of the National Wealth Fund, the British Business Bank and the Development Bank of Wales in the Public Sector Finance (PSF) statistics. The provisional impacts of these implementations can be found in Table 1.

There are otherwise no emerging issues that require further explanation this month. More information can be expected in next month's edition of this article.

## 5 . 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: 2025](#)

Article | Released 27 June 2025

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 21 August 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 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, 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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