

Article

Economic statistics classifications and developments in public sector finances: December 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: 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 \(SNA 2008\)](#), 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 and forward work plan](#).

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.

2 . Economic statistics classification announcements

A summary of the most recent classification decisions can be found later in this section. For more information on classification decisions, see our [Public sector classification guide \(xlsx, 712.2KB\)](#). 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

Health Data Research UK

We reviewed the sector classification of Health Data Research UK (HDR UK) following changes to its governance. HDR UK, which was previously classified to the central government subsector, operates as a national institute for health data science.

The review concluded that HDR UK has the autonomy of decision to be an institutional unit. It is no longer under public sector control because the Medical Research Council, part of UK Research and Innovation, no longer has veto powers and membership-based rights under the updated Articles of Association from 19 March 2024.

HDR UK remains a non-market producer as it is primarily funded through government grants. As a result, HDR UK has been reclassified to the non-profit institutions serving households sector, effective from 19 March 2024.

Transactions and schemes

Deposit Return Scheme transactions

The Deposit Return Scheme (DRS) is designed to reduce litter and improve recycling rates in England, Scotland and Northern Ireland for single-use drinks containers made of polyethylene terephthalate, steel and aluminium. The UK Deposit Management Organisation Limited (UK DMO), which was classified in November 2025 as not in the public sector, oversees the implementation and management of the scheme.

All the following classifications are effective from 1 October 2027, the date that the DRS is planned to become operational.

Deposit charge

A deposit charge is applied to in-scope containers, paid to the UK DMO by producers registered with the DRS. The deposit charge must then be passed on to retailers to be charged to consumers that purchase these containers. The deposit charge is classified as a tax, and taxes can only be levied by government. Therefore, for statistical recording purposes, the transaction must be rearranged into two transactions as follows:

- taxes on products, except Value Added Tax (VAT) and import taxes, rerouted as a payment levied by the central government subsector on producers in the private non-financial corporations subsector
- other subsidies on production, rerouted from the central government subsector to the UK DMO in the private sector

Producer registration fee

All producers of in-scope containers must register with the UK DMO before placing products on the market. The registration fee is classified as a tax, and taxes can only be levied by government. Therefore, for statistical recording purposes, the transaction must be rearranged into two transactions as follows:

- taxes on products, except VAT and import taxes, rerouted as a payment levied by the central government subsector on scheme producers in the private non-financial corporations subsector
- other subsidies on production, rerouted from the central government subsector to the UK DMO in the private sector

Redeemed deposits

Consumers can reclaim deposits by returning in-scope containers to collection points. Redeemed deposits have been classified as other miscellaneous current transfers, paid by retailers in the private non-financial corporations subsector to consumers (including households, corporations and non-profit institutions serving households).

Regulatory charges

The UK DMO pays regulatory charges to environmental regulators for compliance monitoring. These charges have been classified as payments for non-market output, paid by the UK DMO in the private sector to environmental regulators in the central government subsector.

Forward work plan

The [Forward work plan \(xlsx, 44.3KB\)](#) 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.

Deposit Return Scheme (England, Northern Ireland and Scotland) transactions have been removed from the forward work plan following their classification this month.

Visitor Levy (Scotland) has 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 with any queries about the classification decisions or the classifications process.

3 . Improvements and data updates in public sector finances statistics

The latest improvements and data update changes were implemented and explained in the previous article published on 19 December 2025. Routine data updates made this month are explained in our main Public sector finances release.

4 . Review of emerging issues in the economy

The latest emerging economic issues were covered in the previous article published on 19 December 2025.

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

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 22 January 2026

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.

[Defining the boundary between the general government sector and public non-financial corporations in economic statistics](#)

Article | Released 28 November 2025

Explains how an entity under public sector control is classified as either a market or non-market producer.

[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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