Article

Economic statistics classifications and developments in public sector finances: February 2026

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

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 in this section. For more information on classification decisions, see our Public sector classification guide (xlsx, 718.3KB). 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

Tata Steel UK Limited

Tata Steel UK Limited is a steel manufacturer. In September 2024, the UK government agreed grant funding of up to £499.8 million to support the construction of an electric arc furnace at Tata Steel UK Limited's Port Talbot site in south Wales.

We assessed the classification status of Tata Steel UK Limited in the context of the conditions associated with the government's grant funding. We concluded that restrictions on financing, employment-related social responsibility and conditions relating to the regeneration and disposal of surplus land, mean that Tata Steel UK Limited is subject to public sector control.

Tata Steel UK Limited is a market body, as it charges economically significant prices and has an incentive to adjust the supply of the products it sells. Therefore, Tata Steel UK Limited has been classified to the public non-financial corporations subsector with effect from 11 September 2024, the date the grant funding agreement was signed.

Forward work plan

The [Forward work plan (xlsx, 43.6KB)](#) 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.

Tata Steel UK Limited has been removed from the forward work plan following its classification this month. We have also removed the Extraordinary Revenue Acceleration loan to Ukraine, which is provisionally recorded as concessional lending (please see Section 3 of our [March 2025 Economic statistics classifications article](#)). There is currently no plan to change this provisional recording. If new information becomes available, we may conduct a classification assessment.

Workplace Parking Levy 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

Implementation of British Steel Limited into UK public sector finance statistics

In June 2025, British Steel Limited was classified to the public non-financial corporations subsector with effect from 12 April 2025, the date on which the [Steel Industry (Special Measures) Act 2025](#) received Royal Assent. Further information on the individual classifications, including the effective dates from which they apply, can be found in the [Public sector classification guide](#).

We implemented the classification of British Steel Limited into the public sector finance statistics in March 2026.

As a result of the inclusion of British Steel Limited in our fiscal statistics, we estimate that public sector net financial liabilities (PSNFL) increased by around £0.8 billion at the point of the reclassification in April 2025. Public sector net debt (PSND), which captures a narrower range of assets and liabilities, increased by around £0.5 billion at the time of the reclassification.

4 . Review of emerging issues in the economy

[A £1 billion employment drive](#) has been announced which is intended to support youth employment. This includes funding for businesses that hire young people who were previously receiving universal credit, and an expansion of the age range of the Jobs Guarantee scheme. We will determine the classifications of these payments.

Over [£50 million of support](#) has been announced for households who rely on kerosene to heat their homes. As these payments are intended to increase the income of households, the scheme payments are classified as an other miscellaneous current transfer to the households sector.

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 20 March 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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