

Article

# Economic statistics classifications and developments in public sector finances: April 2026

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 in this section. For more information on classification decisions, see our [Public sector classification guide \(xlsx, 723.0KB\)](#). 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

We determined that the following entities have the requisite autonomy of decision to be institutional units.

#### Office for Environmental Protection

The Office for Environmental Protection (OEP) is an independent body that oversees public authorities in England and Northern Ireland to ensure they comply with environmental law, and holds them accountable for maintaining environmental standards.

We concluded that the OEP is subject to public sector control. All OEP board members, including the chair, are appointed by the Secretary of State for Environment, Food and Rural Affairs, acting jointly with the Northern Ireland Minister of Agriculture, Environment and Rural Affairs. We also concluded that the OEP is a non-market producer, as it is wholly funded through government grant-in-aid.

Therefore, the OEP has been classified to the central government subsector with effect from 17 November 2021, the date the OEP was created.

## **ILF Scotland**

ILF Scotland was created with the aim of providing individuals with complex disabilities greater choice and control in their daily lives. It took over the activities in Scotland and Northern Ireland of the Independent Living Fund, which ceased operations on 30 June 2015.

We concluded that ILF Scotland is subject to public sector control for reasons including that the Scottish Ministers appoint the chair and board members. It was also concluded that ILF Scotland is a non-market producer, as it is wholly funded through government grant-in-aid.

Therefore, ILF Scotland is classified to the central government subsector with effect from 1 July 2015, the date ILF Scotland began operations.

## **David MacBrayne Limited**

We have carried out a review to determine the sector classification of all UK entities within the David MacBrayne Group. This review follows the commencement of the third Clyde and Hebrides Ferry Services contract (CHFS3), which was established between David MacBrayne Limited (DML), CalMac Ferries Limited, and the Scottish Ministers.

We reassessed the classification of DML and concluded that it is subject to public sector control, as it continues to be wholly owned by the Scottish Ministers. We also concluded that DML continues to be a non-market producer.

Therefore, DML remains classified to the central government subsector, effective from 4 July 2006.

## **CalMac Ferries Limited**

CalMac Ferries Limited (CFL) is responsible for delivering ferry services under the CHFS3, established with the Scottish Ministers.

We concluded that CFL is subject to public sector control, as it is a wholly owned subsidiary of DML, which is wholly owned by the Scottish Ministers. We also concluded that CFL is a non-market producer for reasons including that the CHFS3 was directly awarded by the Scottish Ministers under the Teckal exemption and was not competitively tendered.

Therefore, CFL has been reclassified from the public non-financial corporations subsector to the central government subsector, effective from 1 October 2025, the date the CHFS3 was directly awarded to CFL.

## **Caledonian Maritime Assets Limited**

Caledonian Maritime Assets Limited (CMAL) owns, procures, and manages the ferries, ports, harbours, and associated marine infrastructure that enable the provision of the Clyde and Hebrides Ferry Services and Northern Isles Ferry Services networks. CalMac Ferries Limited (CFL) is CMAL's principal customer.

The reassessment of CMAL determined that it is subject to public sector control, as it is wholly owned by the Scottish Ministers. We concluded that CMAL is a non-market producer because its principal income (payments from CFL) are no longer charged at economically significant prices.

Therefore, CMAL has been reclassified from the public non-financial corporations subsector to the central government subsector, effective from 1 October 2025, the date the CHFS3 was directly awarded to CFL.

## **Non-institutional units**

### **David MacBrayne HR (UK) Limited**

David MacBrayne HR (UK) Limited (DML HR (UK)) provides human resources, payroll and related support services exclusively to other UK entities in the David MacBrayne group.

We concluded that DML HR (UK) does not meet the criteria to be an institutional unit, as it is providing ancillary services for the David MacBrayne group. For economic statistics purposes, DML HR (UK) is therefore reclassified as part of its controlling unit, David MacBrayne Limited, in the central government subsector. This reclassification is effective from 19 December 2005, the date on which DML HR (UK) was established as an internal human resources provider.

## Disbanded or deleted entities

The Independent Living Fund (ILF) is listed as a disbanded or deleted entity in the public sector classification guide, with effect from 30 June 2015. Its responsibilities transferred to local authorities in England and Wales, and to the ILF Scotland for Scotland and Northern Ireland, from 1 July 2015.

## Forward work plan

The [Forward work plan \(xlsx, 43.7KB\)](#) 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.

David MacBrayne group and Caledonian Maritime Assets Limited have been removed from the forward work plan following their classification this month.

Carbon Border Adjustment Mechanism 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](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

### Canal and River Trust

In June 2026, we expect to implement a reclassification of the Canal and River Trust (CRT) in public sector finance (PSF) statistics. The CRT was reclassified from public to the private non-financial corporations subsector with effect from 17 October 2023, the date on which its new articles of association were established. Alongside the CRT itself, we also reviewed the treatment of boat licenses in fiscal statistics.

Boat use on the CRT's canals and navigable rivers requires a boat licence, which can only be issued by the CRT. This licence payment is considered to be a tax. In economic statistics, all taxes are deemed to be levied by government, even if the administration and collection are delegated to a corporation. Therefore, the payment of boat licenses is rerouted through the central government subsector as imputed central government tax revenue, with an equal and opposite imputed subsidy to CRT. More information on the statistical classification of the CRT and different types of boat licenses is available in our [Public sector classification guide and forward work plan](#).

The classification of the boat licenses as a tax is effective from 2 July 2012, the date the CRT was established as a public non-financial corporation. We expect to revise the recording of the licenses in our PSF bulletin, to be published on 19 June. We will do this by rearranging the associated transactions through government accounts to implement the classification decision. We also expect to make wider improvements to the CRT source data for 2012 to 2023 inclusive. We will specifically focus on improving the balance sheet data, as part of our commitment to strengthening the measurement of the public sector net financial liabilities (PSNFL).

## 4 . Review of emerging issues in the economy

## British Steel nationalisation

The UK Government has announced a new legislation to bring [British Steel into public ownership](#). We will review the new legislation to determine whether it has implications for the statistical treatment of British Steel. Though the ownership of the company is expected to change, public sector control over British Steel has existed since the enactment of the [Steel Industry \(Special Measures\) Act 2025](#) on 12 April 2025. This means British Steel is already classified as a public non-financial corporation and is included in our PSF statistics. Further information on the individual classifications, including the effective dates from which they apply, can be found in the [Public sector classification guide](#).

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](mailto: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 May 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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