Article

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

Economic Statistics Classifications Technical Advisory Panel

To ensure the quality of economic statistics classifications decision-making remains continuously high, we are recruiting members for the new Economic Statistics Classifications Technical Advisory Panel (ESC TAP). This follows the recent appointment of the Chair. The establishment of ESC TAP will ensure there are robust arrangements and structures in place for the Economic Statistics Classifications Committee (ESCC) to access technical advice relating to the statistical treatment of units, assets, and transactions and schemes in the UK National Accounts.

The closing date for applications is 14 August 2026. For more information, please see the UK Statistics Authority's Vacancy: National Statistician's ESC TAP members webpage.

Latest classification decisions

A summary of the most recent classification decisions can be found in the rest of this section. For more information on classification decisions, see our Public sector classification guide (xlsx, 721.8kB). 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.

Transactions and schemes

Carbon Border Adjustment Mechanism

The Carbon Border Adjustment Mechanism (CBAM) was introduced in the Finance Act 2026. It is a charge related to carbon emissions, payable by organisations who import specified carbon intensive goods into the United Kingdom.

We concluded that payment of the CBAM is compulsory, as it is imposed through legislative power and is enforceable through statutory penalties. The organisations that pay the CBAM do not receive anything commensurate in return. As the payment is compulsory and unrequited, it is a tax.

The CBAM has been classified as a tax on imports, excluding VAT and duties. It is payable by UK importers in the private non-financial corporations subsector to the central government subsector. This classification is effective from 1 January 2027, the date the CBAM comes into force.

Disbanded or deleted entities

Cwmni Egino Limited

Cwmni Egino Limited was established by the Welsh Government on 24 June 2021 to promote socio-economic development in north Wales. It ceased operations on 31 March 2026 and has therefore been listed as a disbanded or deleted entity from this date.

Forward work plan

The Forward work plan (xlsx, 42.8KB) 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 Carbon Border Adjustment Mechanism has been removed from the forward work plan following its classification 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 were implemented and explained in the previous edition of our Economic statistics classifications and developments in public sector finances: May 2026 article, published on 19 June 2026. Routine data updates made this month are explained in our main Public sector finances, UK: June 2026 release.

The next edition of this article will include provisional impacts of upcoming improvements and data updates that will be implemented into public sector finances statistics. Further details of these developments are outlined in our Looking ahead – developments in public sector finance statistics: 2026 article.

4 . Review of emerging issues in the economy

Fiscal risks and sustainability report

On 7 July 2026, the Office for Budget Responsibility (OBR) published its Fiscal risks and sustainability report. Chapter 3 of the report presents long-term spending projections to explore pressures on public spending, including long-term projections of the fiscal impacts of student loans. We present an improved student loan forecast model in our Looking ahead – developments in public sector finance statistics: 2026 article. This model will be incorporated into the statistical dataset, alongside the next routine update of the student loan estimates.

Provisional impacts of these improvements will be provided in our Economic statistics classifications and developments in public sector finances article to be published in August 2026.

British Steel Nationalisation

The UK Government has taken British Steel into public ownership as of 16 July 2026. Though the legal ownership of the company has changed, public sector control over British Steel has existed since the enactment of the Steel Industry (Special Measures) Act 2025. As a result, British Steel was classified to the public non-financial corporation subsector with effect from 12 April 2025. This classification decision was implemented in the public sector finance (PSF) statistics in March 2026, as explained in our Economic statistics classifications and developments in public sector finances: February 2026 article. Consequently, the change into public ownership announced on 16 July 2026 is not expected to have an impact on PSF statistics.

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: 2026 Article | Released 22 June 2026
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 July 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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