Article

Economic statistics classifications and developments in public sector finances: October 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 ensures 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 and 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. More information on future developments is available in 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 is available 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 is available in our forward work plan.

2 . Economic statistics classification announcements

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.

More information on classification decisions is available in our Public sector classification guide (xlsx, 737.9KB).

Organisations – institutional units

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

National Wealth Fund Limited

National Wealth Fund Limited (NWF), formerly UK Infrastructure Bank Limited, is a company wholly owned by HM Treasury (HMT). It provides debt, equity, guarantees, and other financial support for capital-intensive projects and businesses across the UK.

We concluded that NWF is under public sector control because HMT is its sole shareholder and has rights to appoint, veto and remove directors.

We also concluded that NWF is not a financial intermediary because although it takes investment risk, it has not incurred liabilities on private markets, as its funding has been provided by HMT. It is not a financial auxiliary because it acquires financial assets and bears risk on its own balance sheet. NWF has features of a captive financial institution, but its assets and liabilities are constrained by government within both its investment and funding arrangements, and it does not operate like a normal commercial lender.

As a result, NWF has been classified to the central government subsector, continuously from 18 June 2021, when the company, then named the UK Infrastructure Bank Limited, was given operational independence within a government strategic framework.

Mentrau Amgueddfeydd ac Orielau Cenedlaethol Cymru / National Museums and Galleries of Wales Enterprises Limited

Mentrau Amgueddfeydd ac Orielau Cenedlaethol Cymru / National Museums and Galleries of Wales Enterprises Limited (NMGW Enterprises), previously known as Matchtake Limited, undertakes the commercial sales activities of the Amgueddfa Cymru – National Museum of Wales group.

We concluded that NMGW Enterprises is under public sector control because it is a wholly owned subsidiary of Amgueddfa Cymru – National Museum of Wales, which is classified to the central government subsector. NMGW Enterprises is a market producer, as over 50% of its production costs were covered by sales.

As a result, NMGW Enterprises has been classified to the public non-financial corporations subsector from 5 December 1989, the date the company, then named Matchtake Limited, was incorporated.

Forward work plan

Our Forward work plan (xlsx, 41.7KB) 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.

National Wealth Fund Limited has been removed from the forward work plan following its classification in November.

More information on our classification process, as well as our forward work plan and public sector classification guide, is available in 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

Data updates coming in December

We announced a review of the accrual methodology for selected revenue transactions, including payments under the UK Emissions Trading Scheme (UK ETS), in our Economic statistics classifications and developments in public sector finances: August 2026 article, published in June 2026. As part of this review, we will retain the time-adjusted cash method and improve the underlying UK ETS dataset by incorporating updated source data, in our December 2026 release.

These improvements will result in revisions from May 2024, when material differences first arose. There will be no material revision to public sector net borrowing (PSNB) in the financial year ending (FYE) March 2025, while PSNB will be revised down by around £0.4 billion in FYE March 2026. Public sector net financial liabilities (PSNFL) will be revised up by around £0.4 billion at the end of March 2025 and by around £0.7 billion at the end of March 2026. Public sector net debt (PSND) will remain unaffected by these revisions.

We have been reviewing the data used to estimate central government financial assets, as part of our ongoing programme of work to improve the quality of public sector net financial liabilities (PSNFL) statistics. Following a review conducted jointly with HM Treasury, we expect to revise our estimates of loan assets relating to the Help to Buy Equity Loan scheme. This change will result in upward revisions to PSNFL, beginning at around £0.5 billion at the end of FYE March 2018 and increasing to around £12.9 billion at the end of FYE March 2026. Other fiscal measures will be unaffected by this change.

Routine data updates made this month are explained in our main Public sector finances, UK: October 2026 bulletin.

4 . Review of emerging issues in the economy

2026 Autumn Budget

The Chancellor of the Exchequer presented the 2026 Autumn Budget, outlining the UK government's plans for taxation and public spending, on 28 October 2026. The budget included changes to some existing taxes, benefits, and to a range of other policies. These will be reflected in the public sector finances (PSF) at the earliest opportunity, from the dates when the terms apply.

Many of these changes will be automatically captured in our data, as they are increases or decreases of government revenue or expenditure. However, some may require a consideration of statistical methodology to incorporate them into the PSF dataset. We will provide information on these changes or developments in later editions of this article, when further information becomes available. This edition contains a subset of measures whose treatment in fiscal statistics warrants immediate explanation.

Several new bodies and institutional units have been announced. These include:

- the Better Regulation Executive, which is intended to set the direction and lead the implementation of the regulatory system; it will be a joint unit between HM Treasury and the Office of the Prime Minister and Cabinet
- Ministry of Defence drone regulation unit, which is planned to create clearer routes for testing uncrewed and autonomous systems
- the UK Advanced Chip Design Academy, which had was announced with £18 million in funding to be invested in establishing a new academy, led by the University of Edinburgh, and supporting advanced semiconductor design capability and skills development
- the Centre for Cyber and AI in Manchester, which is a new unit to be created in Manchester to train the next generation of cyber and artificial intelligence security expertise outside of London

We will assess the classification of these institutions.

The Your First Home scheme has also been announced, introducing a new £4.7 billion equity loan scheme, and supporting 70,000 first-time buyers with up to 20% government equity loans. The UK government is additionally providing debt relief, totalling £500 million for Woking Borough Council, and £200 million for Thurrock Council, for debt owed to the Public Works Loan Board (PWLB). This will support the councils in their recovery from severe financial distress. We will review the treatment of economic transactions associated with these schemes.

Recapitailisation has been announced for the British Business Bank and National Wealth Fund. The British Business Bank's total financial capacity will be increased by £5 billion, and the National Wealth Fund's by £15.4 billion. This is intended to enable increased commercial equity investment activity, and to provide a £2 billion down payment for the Energy Wealth Fund. They will also deploy up to a total of £5 billion as a combination of investment and lending over the next four years into defence and national security. We will review the treatment of this change and its impact on the fiscal aggregates.

The 2026 Autumn Budget announcement also included some changes to taxes and payments made through the tax system. We will assess and formally classify these as they are introduced over the next few years. They include:

- the UK government providing a £100 Household Energy Payment for households in council tax bands A to D in England, which will be administered through the council tax system

- mayors will receive a share of business rates income in exchange for Investment Funds, Mayoral Capacity Funding and Local Growth Funds, alongside a 20% share of growth in their areas on a permanent basis; the reform aims to achieve 100% business rates retention by the end of the decade, with local authorities retaining at least 70% of business rates revenue

We will also review the statistical treatment of the fees levied on landlords to register with local authorities, and fees on developers to participate in the equity loans scheme. This is to establish whether they should be classified as taxes for statistical purposes.

More information on these and other policies announced in the 2026 Autumn Budget is available in the UK Government's Budget 2026 report (PDF, 1.79 MB) (opens in new tab).

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 20 November 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 | Last revised 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.

6 . Cite this article

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