

Article

Economic statistics classifications and developments in public sector finances: April 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: 2023 article](#).

Please note that there will be an update to our Looking ahead – developments in public sector finance statistics article series, that will be published 27 June 2025. This will detail what the Office for National Statistics (ONS) sees as areas for future development in the public sector finance statistics.

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 \(2008 SNA\)](#), 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.

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. For more information see our latest update to the [Public sector classification guide and forward work plan](#).

2 . Economic statistics classification announcements

A summary of the most recent classification decisions can be found later in this release. For more information on classification decisions, see our [Public sector classification guide \(XLSX, 736KB\)](#). 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

In May 2025, the Office for National Statistics (ONS) classified three organisations that have sufficient autonomy of decision to be institutional units.

Sheffield Forgemasters

The Sheffield Forgemasters (SF) group specialises in the manufacture and sale of forged and cast steel components for the defence, engineering, nuclear, offshore, petrochemical and steel processing industries. The assessment followed the announcement by the Ministry of Defence that it had wholly acquired SF on 19 August 2021.

The following organisations were classified to the public non-financial corporations subsector, with effect from 19 August 2021:

- Sheffield Forgemasters Engineering Limited
- Sheffield Forgemasters International Limited

Malvern Hills Trust (Malvern Hills Conservators)

Malvern Hills Trust (Malvern Hills Conservators) was set up to protect the hills and commons under its geographical jurisdiction. It has been classified to the local government subsector, effective from 28 July 1884 (the date the Malvern Hills Act 1884 received Royal Assent).

Transactions and schemes

Redress Scotland Scheme Payments

In May 2025, the ONS classified payments associated with Redress Scotland, established under the [Redress for Survivors \(Historical Child Abuse in Care\) \(Scotland\) Act 2021](#), to provide financial redress to individuals who experienced abuse while in care as children in Scotland before 2004.

The following payments are classified as other capital transfers, with effect from 23 April 2021, the date the Redress for Survivors (Historical Abuse in Care) (Scotland) Act 2021 received Royal Assent:

- Redress Scotland Scheme payments, paid by the central government subsector to the households sector
- Redress Scotland Contribution payments, paid by the central government subsector, local government subsector and non-profit institutions serving households sector to the central government subsector

Disbanded or deleted entities

The ONS classified one organisation, that does not have sufficient autonomy of decision to be an institutional unit, as a disbanded or deleted entity in the public sector classification guide:

- Sheffield Forgemasters Steel Limited, classified with effect from 15 April 2025, the date on which it was formally dissolved

Forward work plan

The [Forward work plan \(XLSX, 44.7 KB\)](#) 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.

Sheffield Forgemasters has been removed from the forward work plan following their classification this month.

British Steel Limited has been added to the forward work plan this month following the announcement on 12 April 2025 that the UK government would be publishing legislation in support of the steel industry, [The Steel Industry \(Special Measures\) Act 2025](#).

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 finance statistics

Aid for Ukraine

In March, the Chancellor of the Exchequer announced a £2.26 billion aid package for Ukraine, under the G7 Extraordinary Revenue Acceleration (ERA) loan facility, as explained in a [press release published on GOV.UK](#), published on 1 March 2025. The first instalment of £757 million was issued in March 2025. The second instalment of £752 million was issued in April 2025, as explained in a [press release published on GOV.UK](#), published on 14 April 2025.

Pending a full classification assessment of the transaction, the ERA loans will be provisionally recorded as concessional lending in economic statistics. While there is no universally accepted definition of a concessional loan, the international statistical guidance generally understands concessional loans as loans attracting an interest rate below the market rate; further characteristics of a concessional loan may include grace periods, repayment terms and maturity favourable to the debtor. The characteristics of the ERA loans can be seen to meet this definition and their provisional recording in statistics mirrors that of loans provided on market terms.

This provisional recording has no immediate impact on either public sector current budget deficit (PSCBD) or public sector net borrowing (PSNB) as one asset (cash) is exchanged for another asset (a loan). On the balance sheet, public sector net financial liabilities (PSNFL) would be unchanged, but public sector net debt (PSND) would initially increase by the value of the loan, reflecting a decrease in the stock of liquid assets arising from the cash payment. The impact on PSND will be neutralised over time as the repayments are received.

The Office for National Statistics (ONS) will formally assess the statistical classification of the transactions in due course.

4 . Review of emerging issues in the economy

British Steel

On 12 April 2025, the UK government published legislation in support of the steel industry. [The Steel Industry \(Special Measures\) Act 2025](#) provides the Secretary of State with powers to secure the continuation of steel manufacturing in England and Wales. In a letter from the then National Statistician Professor Sir Ian Diamond to Andrew Griffith MP, dated 28 April 2025, the Office for National Statistics (ONS) stated they will publish the outcome of a classification assessment of British Steel Limited on 22 May 2025.

The ONS intended to publish the outcome on 22 May 2025. However, because of additional high-profile classifications work we now intend to publish it on 20 June 2025. We expect to provide an indication of the impact of British Steel Limited on the fiscal aggregates alongside the outcome of the classification assessment.

For any 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 emailing 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: 2023](#)

Article | Released 21 December 2023

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 | Last updated 22 May 2025

The Public sector classification guide sets out a list of bodies that have been classified by the ONS as public sector bodies within the 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.

[Classification review of universities in the UK: update, December 2024](#)

Statement | Released 19 December 2024

A further statement about our intention to review the transactions in which UK universities engage.

6 . Cite this article

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