

Article

# Economic statistics classifications and developments in public sector finances: December 2024

Includes the latest economic statistics classification updates, and information on future developments in public sector finance statistics.

Contact:  
Public Sector Analysis and  
Projects team, Economic  
Statistics Classifications team  
[public.sector.inquiries@ons.gov.uk](mailto:public.sector.inquiries@ons.gov.uk);  
econstats.  
classifications@ons.gov.uk  
+44 1633 456402

Release date:  
22 January 2025

Next release:  
21 February 2025

## Table of contents

1. [Overview](#)
2. [Economic statistics classification announcements](#)
3. [Improvements and data updates in public sector finances statistics](#)
4. [Review of emerging issues in the economy](#)
5. [Related links](#)
6. [Cite this article](#)

# 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](#).

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 [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 \(XLSX, 715KB\)](#). 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.

In December 2024, the Office for National Statistics (ONS) made a substantive change to our public sector classification guide to include an additional tab called “Latest Classification Decisions”. This tab contains details of the classification decisions that have been made this month. You can also view classification decisions made in any specific month by filtering within the separate “Organisation|Institutional Unit”, “Transactions and Schemes” or “Non-institutional Units” tabs using the “Date Classified” column.

### Organisations – institutional units

In January 2025, the ONS completed an assessment of the UK Dementia Research Institute Ltd (UK DRI). The UK DRI conducts research relevant to all dementias, including Alzheimer’s disease, Parkinson’s disease, frontotemporal dementia, vascular dementia and Huntington’s disease.

Following a classification review, the UK DRI has been reclassified from the central government subsector to the non-profit institutions serving households sector from 23 September 2024, the date the revised articles of association came into effect.

### Non-institutional units

In January 2025, the ONS classified several organisations that do not have sufficient autonomy of decision and therefore are not classified as institutional units in their own right. These bodies were classified as part of their controlling body, the Department of Health and Social Care:

- Advisory Committee on the Safety of Blood, Tissues and Organs, with effect from 1 November 2007
- Advisory Committee on Clinical Impact Awards, with effect from 1 April 2022
- Independent Reconfiguration Panel, with effect from 11 April 2003

## Forward work plan

The [Forward work plan \(XLSX, 42KB\)](#) 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.

In December 2024, we made a [further statement](#) about our intention to review the statistical classification of the transactions in which universities in the UK engage. We expect to complete the review by the end of 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](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

Last month, we implemented improvements to the recording of data for the Bank of England and developments to the classification of Bulb Energy Limited, as well as some of our regular annual data updates. For more information on these updates, see our previous article [Economic statistics classifications and developments in public sector finances: November 2024](#).

This month, we have updated the forecasts underlying our receipts estimates for those taxes and contributions collected by HM Revenue and Customs (HMRC), as of December 2024. These now reflect the expectations published in the Office for Budget Responsibility's (OBR's) [Economic and fiscal outlook – October 2024 report](#).

Further updates and developments will be announced in next month's [Economic statistics classifications and developments in public sector finances](#) article, before being implemented into the public sector finances in March 2025.

## 4 . Review of emerging issues in the economy

## Repurchase of military housing by the Ministry of Defence

On 17 December 2024, it was announced that the Ministry of Defence finalised an agreement to buy back housing stock for military families from Annington Homes Limited. This will see the current system of rental agreements replaced by the provision of government-owned housing.

The properties have been repurchased for £6 billion. Combined with the elimination of liabilities associated with the leases, which amount to £4.3 billion, overall this will increase public sector net debt (PSND) by approximately £1.7 billion by the end of January 2025.

As the deal was completed in December 2024, but the cash is not expected to be paid until January 2025, an other accounts payable liability is recorded in December 2024 for £6 billion, to reflect the timing difference. PSND does not include liabilities in the form of other accounts payable, therefore the impact on PSND in December 2024 is a temporary reduction of £4.3 billion, reflecting the extinguishment of the lease liability. The cash payment will subsequently increase PSND by £6 billion, leading to the total impact of £1.7 billion at the end of January 2025.

In contrast, public sector net borrowing (PSNB), public sector net financial liabilities (PSNFL) and public sector net worth (PSNW) will capture the overall effect of the repurchase from December 2024. Consequently, all three measures will see an increase of £1.7 billion in the December 2024 data, reflecting the time of the repurchase on an accrual basis, in line with international statistical guidance.

There will be no major impact on the public sector current budget deficit (PSCBD) in either December 2024 or January 2025 because the transaction is recorded as capital expenditure. The minor impact will arise from the cessation of the interest payments on the Annington Homes lease from December 2024.

Further information on the details of this transaction can be found in [this report by GOV.UK on the repurchase of military homes by the Ministry of Defence](#).

For any queries about the information discussed in [Section 3: Improvements and data updates in public sector finance statistics](#) and [Section 4: Review of emerging issues in the economy](#), please contact public sector inquiries by emailing [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: 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 | Released 22 January 2025

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 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](#)

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

## 6 . Cite this article

Office for National Statistics (ONS), released 22 January 2025, ONS website, article, [Economic statistics classifications and developments in public sector finances: December 2024](#)