Article

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

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

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Release date:
21 August 2026

Next release:
22 September 2026

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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

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, 722.9KB). 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.

Community Health Partnerships Limited

Community Health Partnerships Limited (CHP) was established to manage investment in NHS Local Improvement Finance Trust healthcare facilities across England.

We concluded that CHP is subject to public sector control because the Department of Health and Social Care appoints the chair and majority of the board. CHP is a non-market producer because the majority of its income is from public sector bodies on a non-market basis.

Therefore, CHP has been classified to the central government subsector with effect from 21 May 2001, the date the company was first incorporated.

Professional Learning and Leadership Education Wales | Dysgu Proffesiynol ac Arweinyddiaeth Addysg Cymru

Professional Learning and Leadership Education Wales | Dysgu Proffesiynol ac Arweinyddiaeth Addysg Cymru (Dysgu)is responsible for providing professional learning across the education workforce in Wales.

We concluded that Dysgu is subject to public sector control for reasons including that the Welsh Ministers have the power to appoint and remove the chair and board members. Dysgu is a non-market producer, as its activities are wholly funded through government grant-in-aid.

Dysgu has therefore been classified to the central government subsector with effect from8 May 2018, the date the company was first incorporated.

Trydan Gwyrdd Cymru Ltd

Trydan Gwyrdd Cymru Ltd is a renewable energy development company.

We concluded that Trydan Gwyrdd Cymru Ltd is subject to public sector control because the Welsh Government is its controlling shareholder and holds 100% of the voting rights. Trydan Gwyrdd Cymru Ltd is a non-market producer, as it is entirely funded by the Welsh Government.

Therefore, Trydan Gwyrdd Cymru Ltd has been classified to the central government subsector with effect from 12 October 2023, the date it was incorporated.

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.

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

Routine data updates made this month are explained in our main [Public sector finances, UK: July 2026] release.

This article includes provisional impacts of upcoming improvements and data updates that will be implemented into public sector finances (PSF) statistics next month. Further details of these developments are outlined in our [Looking ahead – developments in public sector finance statistics: 2026 article].

Updates to the estimates of public sector pension funds' liabilities

Following the receipt of the latest two actuarial valuations of pension funds from the Government Actuary's Department (GAD), our statistical methodology has been updated and we plan to implement the changes in September 2026. These valuations take time and can add a considerable time lag to the data.

The estimates from financial year ending (FYE) March 2020 until FYE March 2025 will be updated using GAD's valuation. For the periods after FYE March 2025, we will be using the independent Office for Budget Responsibility's (OBR) forecast.

See our Looking ahead – developments in public sector finance statistics 2026 article, which covers the specifics in greater detail.

These updates are expected to lead to an upward revision to public sector net borrowing (PSNB) of around £1.5 billion in FYE March 2020, with smaller upward revisions of less than £1 billion in later years.

The broad balance sheet aggregate, public sector net financial liabilities (PSNFL) is expected to reduce as a result of this update, mainly because of the lower valuations for pension entitlements than previously estimated. This downward revision to PSNFL is expected to be £26 billion at the end of March 2020, £40 billion at the end of March 2021 and around £20 billion at the end of each subsequent financial year.

The impact on the narrower balance sheet measure public sector net debt (PSND) is expected to be within £1 billion of the present estimates across the time period being updated.

Table 1: Provisional impacts of the revisions to public sector pension funds, to be introduced in September 2026, on the latest estimates of the headline fiscal aggregates, UK

Financial year £ billion)	PSCBD ex	PSNI ex	PSNB ex	PSND ex	PSNFL ex	PSNW ex
2018 to 2019	0.0	0.0	0.0	0.0	0.0	0.0
2019 to 2020	0.3	0.2	0.5	-1.7	-26.0	25.7
2020 to 2021	-1.7	-0.2	-2.0	-0.1	-40.8	40.2
2021 to 2022	-1.5	-0.1	-1.5	0.3	-21.8	20.9
2022 to 2023	-2.6	0.1	-2.4	-0.2	-21.0	19.9
2023 to 2024	0.0	0.2	0.2	0.0	-19.2	17.9
2024 to 2025	-0.4	0.4	-0.1	2.8	-25.4	24.4
2025 to 2026	-1.6	2.0	0.4	-1.9	-39.5	38.4

Source: Public sector finances from the Office for National Statistics

Notes

1. “PSCBD ex” represents public sector current budget deficit excluding public sector banks.
2. “PSNI ex” represents public sector net investment excluding public sector banks.
3. “PSNB ex” represents public sector net borrowing excluding public sector banks.
4. “PSND ex” represents public sector net debt excluding public sector banks.
5. “PSNFL ex” represents public sector net financial liabilities excluding public sector banks.
6. “PSNW ex” represents public sector net worth excluding public sector banks.

Recognition and valuation of equity in multilateral development banks

In September 2026, we plan to implement improvements to the recording of the UK government's investments in multilateral development banks (MDBs), into the PSF statistics.

MDBs provide financial and technical assistance to developing countries. Further information on the statistical treatment of the UK's investments in MDBs is available in our Looking ahead – developments in public sector finance statistics 2026 article.

These changes, and improvements to the recording methodology, are expected to result in an overall upward revision of £1.2 billion to central government equity assets at the end of March 2026. This would reduce PSNFL by the same amount, with no effect on other fiscal aggregates.

The impact varies between investments in European MDBs, where the UK government's capital is managed by HM Treasury (HMT), and investments in non-European MDBs, where the UK government's capital is managed by the Foreign, Commonwealth and Development Office (FCDO). From FYE March 2020, the overall upward revision is largely offset by the termination of the UK's contributions to the European Investment Bank (EIB) following the UK's withdrawal from the European Union.

The provisional impact of the revisions on central government equity assets in multilateral development banks is presented in Table 2.

Table 2: Provisional impacts of the revisions on central government equity assets in multilateral development banks, to be introduced in September 2026, on the latest estimates of the headline fiscal aggregates, UK

Financial year (£ billion)	PSCBD ex	PSNI ex	PSNB ex	PSND ex	PSNFL ex	PSNW ex
1997 to 1998	0.0	0.0	0.0	0.0	-1.5	1.5
1998 to 1999	0.0	0.0	0.0	0.0	-1.5	1.5
1999 to 2000	0.0	0.0	0.0	0.0	-1.5	1.5
2000 to 2001	0.0	0.0	0.0	0.0	-1.7	1.7
2001 to 2002	0.0	0.0	0.0	0.0	-1.9	1.9
2002 to 2003	0.0	0.0	0.0	0.0	-2.0	2.0
2003 to 2004	0.0	0.0	0.0	0.0	-2.2	2.2
2004 to 2005	0.0	0.0	0.0	0.0	-2.0	2.0
2005 to 2006	0.0	0.0	0.0	0.0	-2.8	2.8
2006 to 2007	0.0	0.0	0.0	0.0	-2.6	2.6
2007 to 2008	0.0	0.0	0.0	0.0	-3.3	3.3
2008 to 2009	0.0	0.0	0.0	0.0	-6.1	6.1
2009 to 2010	0.0	0.0	0.0	0.0	-4.6	4.6
2010 to 2011	0.0	0.0	0.0	0.0	-5.0	5.0
2011 to 2012	0.0	0.0	0.0	0.0	-5.1	5.1
2012 to 2013	0.0	0.0	0.0	0.0	-5.4	5.4
2013 to 2014	0.0	0.0	0.0	0.0	-5.6	5.6
2014 to 2015	0.0	0.0	0.0	0.0	-5.4	5.4
2015 to 2016	0.0	0.0	0.0	0.0	-6.3	6.3
2016 to 2017	0.0	0.0	0.0	0.0	-7.5	7.5
2017 to 2018	0.0	0.0	0.0	0.0	-8.6	8.6
2018 to 2019	0.0	0.0	0.0	0.0	-9.2	9.2
2019 to 2020	0.0	0.0	0.0	0.0	0.6	-0.6
2020 to 2021	0.0	0.0	0.0	0.0	0.8	-0.8
2021 to 2022	0.0	0.0	0.0	0.0	0.4	-0.4
2022 to 2023	0.0	0.0	0.0	0.0	-0.3	0.3
2023 to 2024	0.0	0.0	0.0	0.0	-0.6	0.6
2024 to 2025	0.0	0.0	0.0	0.0	-0.9	0.9
2025 to 2026	0.0	0.0	0.0	0.0	-1.2	1.2

Source: Public sector finances from the Office for National Statistics

Notes

1. “PSCBD ex” represents public sector current budget deficit excluding public sector banks.

2. “PSNI ex” represents public sector net investment excluding public sector banks.

3. “PSNB ex” represents public sector net borrowing excluding public sector banks.

4. “PSND ex” represents public sector net debt excluding public sector banks.

5. “PSNFL ex” represents public sector net financial liabilities excluding public sector banks.

6. “PSNW ex” represents public sector net worth excluding public sector banks.

Updates to modelling of central government lease liabilities

In September 2026, we expect to update the central government lease liability estimates from FYE March 2014 onwards. Our Looking ahead – developments in public sector finance statistics 2026 article describes recent changes to the modelling of central government lease liabilities. These improvements are being introduced to address methodological changes in the underlying source data.

The international guidance on the statistical treatment of leases continues to develop. A longer time series based on the International Financial Reporting Standard 16: Leases (IFRS 16) is also becoming available. Consequently, we expect to keep the estimates from FYE March 2023 onwards under review and potentially make further revisions in the following years. The provisional impact of the revisions on central government lease liabilities is presented in Table 3.

Table 3: Provisional impacts of the revisions of modelling in central government leases, to be introduced in September 2026, on the latest estimates of the headline fiscal aggregates, UK

Financial year (£ billion)	PSCBD ex	PSNI ex	PSNB ex	PSND ex	PSNFL ex	PSNW ex
2014 to 2015	-0.3	0.6	0.3	0.4	0.4	2.1
2015 to 2016	0.3	-0.6	-0.4	0.3	0.3	1.7
2016 to 2017	0.1	-0.1	-0.1	0.3	0.3	1.7
2017 to 2018	0.0	2.1	2.0	2.5	2.5	1.5
2018 to 2019	0.0	-0.3	-0.4	2.2	2.2	1.6
2019 to 2020	-0.1	-0.1	-0.3	0.8	0.8	1.7
2020 to 2021	0.1	1.9	1.9	3.0	3.0	1.3
2021 to 2022	0.1	-4.2	-4.2	-0.8	-0.8	1.2
2022 to 2023	0.1	-0.9	-0.9	-1.9	-1.9	2.2
2023 to 2024	0.1	0.3	0.3	-0.9	-0.9	1.5
2024 to 2025	0.1	0.2	0.2	-0.6	-0.6	1.6
2025 to 2026	0.1	0.2	0.3	-0.4	-0.4	1.6

Source: Public sector finances from the Office for National Statistics

Notes

1. "PSCBD ex" represents public sector current budget deficit excluding public sector banks.
2. "PSNI ex" represents public sector net investment excluding public sector banks.
3. "PSNB ex" represents public sector net borrowing excluding public sector banks.
4. "PSND ex" represents public sector net debt excluding public sector banks.
5. "PSNFL ex" represents public sector net financial liabilities excluding public sector banks.
6. "PSNW ex" represents public sector net worth excluding public sector banks.

Implementation of Scottish National Investment Bank into UK public sector finance statistics

The Scottish National Investment Bank (SNIB) is a public development bank, which is classified to the central government subsector.

As part of ongoing improvements to PSF, SNIB's full balance sheet data are expected to be included in the PSF publication to be published in September 2026. The balance sheet data will be used in the measurement of PSND and PSNFL, while its contribution to PSNB continues to be compiled using data from HMT's OSCAR system.

The inclusion of SNIB will result in a decrease in PSND by £14.8 million and a decrease in PSNFL by £618.4 million, in FYE March 2025. The full provisional impacts of this implementation on the fiscal aggregates are presented in Table 4.

Table 4: Provisional impacts of the implementation of Scottish National Investment Bank into UK public sector finance statistics, to be introduced in September 2026, on the latest estimates of the headline fiscal aggregates, UK

Financial year (£ billion)	PSCBD ex	PSNI ex	PSNB ex	PSND ex	PSNFL ex	PSNW ex
2020 to 2021	0.0	0.0	0.0	0.0	0.0	0.0
2021 to 2022	0.0	0.0	0.0	0.0	-0.2	0.2
2022 to 2023	0.0	0.0	0.0	0.0	-0.3	0.3
2023 to 2024	0.0	0.0	0.0	0.0	-0.5	0.5
2024 to 2025	0.0	0.0	0.0	0.0	-0.6	0.6
2025 to 2026	0.0	0.0	0.0	0.0	-0.7	0.7

Source: Public sector finances from the Office for National Statistics

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1. “PSCBD ex” represents public sector current budget deficit excluding public sector banks.
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5. “PSNFL ex” represents public sector net financial liabilities excluding public sector banks.
6. “PSNW ex” represents public sector net worth excluding public sector banks.

Updates to student loan modelling

We are making improvements to the forecasting model used in the statistical treatment of student loans and expect to implement these into the PSF alongside the next routine update of the student loan estimates, expected to take place in March 2027. The revised model reflects changes made by the Department for Education (DfE) to improve and extend the economic models used to produce student loan forecasts.

These methodological changes, which are expected to be implemented in March 2027, will not affect previously published data. However, the student loan estimates will be updated in September 2026 to incorporate the latest available source data. The impact of this routine data update on the fiscal aggregates will be available in the next edition of this article.

Summary

The total impacts of these changes can be seen in Table 5. They will result in PSNFL reducing by £41.8 billion at the end of March 2026, mostly because of updated estimates of public sector pensions liabilities.

Table 5: Provisional impacts of the revisions to public sector pension funds, revisions on central government equity assets in multilateral development banks, revisions of modelling in central government leases and the implementation of Scottish National Investment Bank into UK public sector finance statistics, to be introduced in September 2026, on the latest estimates of the headline fiscal aggregates, UK

Financial year (£ billion)	PSCBD ex	PSNI ex	PSNB ex	PSND ex	PSNFL ex	PSNW ex
1997 to 1998	0.0	0.0	0.0	0.0	-1.5	1.5
1998 to 1999	0.0	0.0	0.0	0.0	-1.5	1.5
1999 to 2000	0.0	0.0	0.0	0.0	-1.5	1.5
2000 to 2001	0.0	0.0	0.0	0.0	-1.7	1.7
2001 to 2002	0.0	0.0	0.0	0.0	-1.9	1.9
2002 to 2003	0.0	0.0	0.0	0.0	-2.0	2.0
2003 to 2004	0.0	0.0	0.0	0.0	-2.2	2.2
2004 to 2005	0.0	0.0	0.0	0.0	-2.0	2.0
2005 to 2006	0.0	0.0	0.0	0.0	-2.8	2.8
2006 to 2007	0.0	0.0	0.0	0.0	-2.6	2.6
2007 to 2008	0.0	0.0	0.0	0.0	-3.3	3.3
2008 to 2009	0.0	0.0	0.0	0.0	-6.1	6.1
2009 to 2010	0.0	0.0	0.0	0.0	-4.6	4.6
2010 to 2011	0.0	0.0	0.0	0.0	-5.0	5.0
2011 to 2012	0.0	0.0	0.0	0.0	-5.1	5.1
2012 to 2013	0.0	0.0	0.0	0.0	-5.4	5.4
2013 to 2014	0.0	0.0	0.0	0.0	-5.6	5.6
2014 to 2015	-0.3	0.6	0.3	0.4	-5.0	7.5
2015 to 2016	0.3	-0.6	-0.4	0.3	-6.0	8.0
2016 to 2017	0.1	-0.1	-0.1	0.3	-7.2	9.2
2017 to 2018	0.0	2.1	2.0	2.5	-6.1	10.1
2018 to 2019	0.0	-0.3	-0.4	2.2	-7.0	10.8
2019 to 2020	0.2	0.1	0.2	-0.9	-24.6	26.8
2020 to 2021	-1.6	1.7	-0.1	2.9	-37.0	40.7
2021 to 2022	-1.4	-4.3	-5.7	-0.5	-22.4	21.9
2022 to 2023	-2.5	-0.8	-3.3	-2.1	-23.5	22.7
2023 to 2024	0.1	0.5	0.5	-0.9	-21.2	20.5
2024 to 2025	-0.3	0.6	0.1	2.2	-27.5	27.5
2025 to 2026	-1.5	2.2	0.7	-2.3	-41.8	41.9

Source: Public sector finances from the Office for National Statistics

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4 . Review of emerging issues in the economy

Rewiring the State – Cabinet Statement

In July 2026, the Cabinet Office published a policy paper Rewiring the State : Cabinet Statement, which set out proposed changes related to devolution. As these proposals are at an early stage, their impact on the public sector finance statistics cannot yet be determined. We will continue to assess any implications as further details emerge and proposals are implemented.

User needs of Country and regional public sector finances statistics

Country and regional public sector finances (CRPSF) is an annual publication providing estimates of public sector revenue, expenditure and net fiscal balance across the UK countries and regions. We would like to hear how you use CRPSF statistics, including which outputs and data are most valuable to you, whether there are any barriers to accessing, interpreting or using the information, and suggestions for improvements to be made.

Improvements to HMRC's provisional monthly tax receipts data

From August 2026, HM Revenue and Customs (HMRC) has introduced monthly alignment of Income Tax, National Insurance contributions and Value Added Tax receipts with HMRC accounting data. The methodology has been applied retrospectively to receipts from April 2026 onwards. Corporation Tax receipts are already aligned to accounting data on a monthly basis.

The change is intended to improve the quality of provisional monthly tax receipt statistics and strengthen quality assurance by increasing the proportion of receipts aligned with HMRC accounting data each month. It forms part of HMRC's wider programme to improve statistical production and quality, including recommendations arising from the HMRC Statistics Review.

In August 2026, HMRC also aligned its provisional tax receipts data for the financial year ending March 2026 with the figures published in its annual report and accounts (ARA): 2025 to 2026, published in July 2026.

For queries about the information discussed inSection 3: Improvements and data updates in public sector finances statisticsandSection 4: Review of emerging issues in the economy, please contact public sector inquiries by email atpublic.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 August 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

Office for National Statistics (ONS), 21 August 2026, ONS website, article, [Economic statistics classifications and developments in public sector finances: July 2026]