

Article

# Economic statistics classifications and developments in public sector finances: March 2026

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

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Release date:  
23 April 2026

Next release:  
22 May 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: 2025 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 the 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 \(xlsx, 720.0KB\)](#). 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

#### Extended Producer Responsibility for packaging – PackUK

The Extended Producer Responsibility for packaging (pEPR) is a scheme that requires packaging producers to pay a range of charges for the packaging they supply to, or import into, the UK market.

PackUK was established by the Department for Environment, Food and Rural Affairs as a non-profit organisation to undertake the scheme-administrator responsibilities for pEPR. As part of this function, it collects fees for redistribution to local authorities to fully cover their waste recycling costs.

We concluded that PackUK is an institutional unit for reasons including that PackUK has responsibility for the calculation of packaging base fees payable by producers. PackUK is governed by ministers from the four countries of the UK, which indicates public sector control. We also concluded that PackUK is a non-market producer, as it is the only supplier of this service and is wholly funded by packaging base fees, classified as a tax.

Therefore, PackUK has been classified to the central government subsector with effect from 1 January 2025, the date [The Producer Responsibility Obligations \(Packaging and Packaging Waste\) Regulations 2024](#) came into force.

## **Environmental Standards Scotland**

Environmental Standards Scotland (ESS) is an independent body that oversees Scotland's public authorities to ensure they comply with environmental law and holds them accountable for maintaining environmental standards.

We concluded that ESS is an institutional unit and is subject to public sector control as all ESS board members, including the chair, are appointed by the Scottish Ministers. We also concluded that ESS is a non-market producer, as it is wholly funded by the Scottish Ministers through grant-in-aid.

Therefore, ESS has been classified to the central government subsector with effect from 29 January 2021, the date the [UK Withdrawal from the European Union \(Continuity\) \(Scotland\) Act 2021](#) received Royal Assent.

## **Transactions**

The following transactions relate to pEPR scheme and are classified with effect from 1 January 2025, the date [The Producer Responsibility Obligations \(Packaging and Packaging Waste\) Regulations 2024](#) came into force.

### **Producer registration fee**

This is classified as other taxes on production. It is paid by packaging producers in the private non-financial corporations subsector to the relevant nation's environmental regulator in the central government subsector.

### **Compliance scheme member registration fee**

This is classified as other taxes on production. It is paid by packaging producers in the private non-financial corporations subsector to the relevant nation's environmental regulator in the central government subsector.

### **Compliance scheme operator application and registration fees**

These are classified as payments for non-market output. They are paid by compliance scheme operators in the private non-financial corporations subsector to the relevant nation's environmental regulator in the central government subsector.

### **Reprocessor and exporter registration fees**

These are classified as other taxes on production. They are paid by reproducers and exporters in the private non-financial corporations subsector to the relevant nation's environmental regulator in the central government subsector.

### **Reprocessor and exporter accreditation fees**

These are classified as payments for non-market output. They are paid by reproducers and exporters of packaging in the private non-financial corporations subsector to the relevant nation's environmental regulator in the central government subsector.

### **Packaging base fees**

These are classified as taxes on products except Value Added Tax (VAT) and import taxes. They are paid by packaging producers in the private non-financial corporations subsector to PackUK in the central government subsector.

### **Payments to local authorities**

These are classified as current transfers within general government. They are paid by PackUK in the central government subsector to local authorities in the local government subsector.

## Forward work plan

The [Forward work plan \(xlsx, 46.6KB\)](#) 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 Extended Producer Responsibility for packaging scheme has been removed from the forward work plan following its classification this month.

The Energy Intensive Industry Levy and Support Payments scheme and the Vaping Products Duty have been added to the forward work plan this month.

For more information on our classification process, as well as the 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

The latest improvements were implemented and explained in the previous edition of our [Economic statistics classifications and developments in public sector finances: February 2026 article](#), published on 20th March 2026. Routine data updates made this month are explained in our main [Public sector finances, UK: March 2026 release](#).

## 4 . Review of emerging issues in the economy

### British Industrial Competitiveness Scheme

On 15 April 2026, the Chancellor of the Exchequer announced that more businesses would be eligible for the [British Industrial Competitiveness Scheme \(BICS\)](#), which is due to start from April 2027. Under BICS, some categories of business will be eligible for exemption from the indirect costs of electricity schemes, such as the Renewables Obligation, Feed-in Tariffs, and the Capacity Market. We expect that such exemptions will be captured in our data automatically. For the schemes rearranged through government accounts, this will result in a lower value of imputed tax and subsidy.

We will further review and consider the statistical treatment of the final design of the BICS and any other schemes announced in response to the conflict in the Middle East. We will provide information on any changes or developments in later editions of this article, when further information becomes available.

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](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: 2025](#)

Article | Released 27 June 2025

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 23 April 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](#)

Press statement | Last updated 12 March 2026

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

## 6 . Cite this article

Office for National Statistics (ONS), 23 April 2026, ONS website, article, [Economic statistics classifications and developments in public sector finances: March 2026](#)