

Article

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

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

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Release date:
19 June 2026

Next release:
21 July 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](#). The next edition of this article will be published on 22 June 2026.

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 \(xlsx, 721.3KB\)](#). 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.

Transactions and schemes

Vaping Products Duty

The Vaping Products Duty was introduced in the [Finance Act 2026](#) and is a charge on vaping products that are produced in, or imported into, the UK.

The outcome of our classification assessment is that the Vaping Products Duty is a compulsory payment, as it is imposed through legislation. The payer of the Vaping Products Duty does not receive any goods or services in return for making the payment. This duty is therefore a tax. Separate classifications are made for the duty on vaping products produced in the UK, and those imported into the UK.

- Vaping Products Duty on vaping products produced in the UK is classified as a tax on products, except Value Added Tax (VAT) and import taxes; it is payable by UK producers within the private non-financial corporations subsector to the central government subsector.
- Vaping Products Duty on vaping products imported into the UK is classified as a tax on imports, excluding VAT and duties; it is payable by UK importers within the private non-financial corporations subsector to the central government subsector.

Both classifications are effective from 1 October 2026, the date the duty comes into force.

Disbanded or deleted entities

Non-Fossil Purchasing Agency Limited and NFPA Scotland Limited

The Non-Fossil Purchasing Agency Limited administered the Non-Fossil Fuel Obligation (NFFO) in England and Wales, while NFPA Scotland Limited administered the Scottish Renewable Obligation (SRO). Both the NFFO and SRO schemes ended in 2019, and the scheme administrators were dissolved in 2021. They have therefore been listed as disbanded or deleted entities in the public sector classification guide.

- Non-Fossil Purchasing Agency Limited – with effect from 7 September 2021
- NFPA Scotland Limited – with effect from 21 August 2021

Former subsidiaries of David MacBrayne Limited

Because of changes in the David MacBrayne group, the following have been listed as disbanded or deleted entities in the public sector classification guide.

- Argyll Ferries Limited – with effect from 13 May 2025
- Cowal Ferries Limited – with effect from 11 June 2024
- Northlink Ferries Limited – with effect from 3 February 2026

Forward work plan

The [Forward work plan \(xlsx, 46.3KB\)](#) 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.

Vaping Products Duty has been removed from the forward work plan following its classification this month.

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

The latest improvements were implemented and explained in the previous edition of our [Economic statistics classifications and developments in public sector finances: April 2026 article](#), published on 22 May 2026. Routine data updates made this month are explained in our main [Public sector finances, UK: May 2026 release](#).

4 . Review of emerging issues in the economy

The [latest emerging economic issues](#) were covered in an article published on 22 May 2026.

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.

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 19 June 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), 19 June 2026, ONS website, article, [Economic statistics classifications and developments in public sector finances: May 2026](#)