Creative Industries
Policy and Evidence Centre

Led by Newcastle University Business School with RSA

Consultation Submission

ONS SIC 2026 Consultation Response

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October 2026

DOI: 10.5281/zenodo.24285955

The Creative PEC is funded by: UKRI Arts and Humanities Research Council

About the Creative Industries Policy and Evidence Centre

The Creative Industries Policy and Evidence Centre (Creative PEC) supports the growth of the UK's creative industries through the production of independent and authoritative evidence and policy advice.

Led by Newcastle University, with the Royal Society of Arts and funded by the UKRI's Arts and Humanities Research Council, Creative PEC comprises a core consortium of Newcastle University, Work Advance, the University of Sussex and the University of Sheffield.

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Citation

If the information in this report is used in any subsequent research and/or publications, please cite as follows:

Hay, B., Taylor, M. and Bakhshi, H. (2026) ONS SIC 2026 Consultation Response. Creative PEC. Available at: https://doi.org/10.5281/zenodo.24285955

Introduction

The Office for National Statistics (ONS) has reviewed the UK's Standard Industrial Classification (SIC) codes, which are used to categorise businesses by their economic activity and underpin many of the official statistics used to understand the UK's economy. As part of this process, the ONS consulted on proposed changes to the classification framework, providing an opportunity to improve how the creative industries are represented in official data.

Creative PEC submitted a consultation response advocating for the introduction of a new four-digit SIC code specifically for video games development, to replace the existing five-digit code. We argued that the current classification did not adequately capture the breadth of activity within the UK video games sector, contributing to gaps in official statistics on areas like businesses, employment and economic contribution.

The revised SIC 2026 framework has since been announced and included a new four-digit code for video games development, reflecting the recommendation made in Creative PEC's response. This is an important step towards improving the visibility of the creative sector in official statistics, which helps contribute toward more effective evidence-based policymaking.

Find more information on the consultation and the revised SIC 2026 framework here.

Creative PEC's Submission

1. **Do you wish to propose a change at the 4-digit Class or 5-digit Subclass level? If you would like to make changes at both the 4- and 5-digit level, please select '4-digit Class level'.**

   4-digit Class level
   5-digit Subclass level

2. **The ONS has published a proposed UK SIC 2026 framework which is a preliminary framework showing how the UK SIC has and could further change in line with Eurostat's Nomenclature of Economic Activities (NACE). Please use this as a guide when completing this section.**

   Please select the below option which aligns with your proposal:

   A proposal for the amendment of a current UK 5-digit Subclass
   A proposal for the addition of a new UK 5-digit Subclass

   Not relevant for our response.

3. **Using the ONS proposed 2026 framework, what is the 4-digit Class code and heading for which you wish to propose a Subclass addition or amendment?**

   We propose the addition of a new 4-digit SIC Class code for 'Development of video games, video game software and video game software tools', using the same definition found in ISIC Rev 5 6211. This would replace the existing 5-digit SIC 62101 'Ready-made interactive leisure and entertainment software development' and require an amendment to 6210 Computer

programming activities to exclude those activities covered by the new 4-digit SIC.

4. **What is the addition or amendment that you would like to propose? Please include the wording you would like to appear for the 5-digit Subclass in UK SIC 2026.**

   The new 4-digit SIC Class code should use the same wording as ISIC Rev 5 code 6211 for 'Development of video games, video game software, and video game software tools'. The wording is:

   This class includes
   - designing the structure and content of, and/or writing, modifying (including updates and patches), customizing, testing and supporting of the computer code necessary to create and implement:
   * video game software
   * video game applications
   * video game software tools
   * video game middleware

   This class excludes
   - publishing video games and gaming applications
   - activities of online gaming/video game sites
   - activities of gambling sites

5. **What is the wording you wish to appear for the other 5-digit Subclasses in the relevant 4-digit Class?**

   N/A

6. **Why is it important to make this 5-digit Subclass addition/amendment in UK SIC 2026?**

   The video games sector has been identified by the UK Government as a 'frontier growth sector' in its Creative Industries Sector Plan (2025). As a part of this, the Government has committed to develop robust monitoring and evaluation approaches to support these sectors, including making relevant official data available.

   Currently, the DCMS produces some statistics for video games as 'Computer Games', aggregating data from SIC 2007 codes 58.21 and 62.01/1 'Ready-made interactive leisure and entertainment software development'. In this it recognises that both video games publishing (58.21) and video games development are key elements of the video games sector. These are proposed for retention in the new NACE Classification.

However, the existing 5-digit code is not fit-for-purpose, and the exclusion of a distinct 4-digit code for video games development means that key data gaps persist for the video games sector.

Our reasons for removing the current 5-digit SIC 62.01/1 and replacing it with a new 4-digit code are below.

The first is that the current wording of SIC code 62.01/1 is opaque and does not clearly describe video games development activities. As a result, video games companies are not accurately captured in the existing 5-digit SIC code. Nesta's A Map of the UK Games Industry (2014) took a big-data approach to identify over 1902 video games companies in the UK (more than the 1300 identified using video games related SIC codes). Of those companies, only 28% had a primary SIC code of 62011. This suggests that the code may poorly capture the sector it aims to assess as currently worded and may be leading to misclassification on the part of businesses.

One illustration of how the current code inaccurately describes the sector is its use of the language of 'ready-made'. This is because many video games development companies provide specific software development services to other companies who are developing the final readymade game. For example, video games development company Sumo Group provide specific games development services like remastering, audio, art and animation rather than exclusively developing games in their entirety in-house. Others specialise in specific software development, for instance designing weapons to be used within games.

A code focused on Development of video games, video game software and video game software tools is also not well characterised as a sub-class of the 4-digit 6201 Computer programming activities. Video games are cultural objects that require multi-disciplinary teams for their work, including expertise above and beyond computer programming, and their outputs are distinctive from others that emerge under activities currently classified as 'Computer programming activities'.

A further, fundamental limitation of using a 5-digit code to capture this component of the video games sector is that key data sources, like the Labour Force Survey, are not coded to the 5-digit level meaning there would be key data gaps for one of the frontier growth sectors identified in the UK Government's Creative Industries Sector Plan. A four-digit code would allow for the inclusion of video games development activities as a distinct class to feature more consistently in DCMS economic estimates, and allow DCMS to disaggregate the video games sector in its statistical releases to include both Publishing of Computer Games (58.21) and the new four digit SIC, consistent with its approach to other creative industries sub-sectors like Film, TV, video, radio and photography.

Finally, the video games sector is rapidly evolving, including through the use of new technologies and development of games for different platforms, including mobile, console and PC. In future, it may be necessary to explore new 5-digit codes within Development of video games, video game

software and software tools, which the introduction of a new 4-digit code would make possible.

7. **Size: the number of UK businesses in the proposed Class and/or Subclass.**

   For the proposed 4-digit video games SIC code, Ukie's video games map (2025) provides a comprehensive list of video games companies in the UK, disaggregated to video games developers, and video games publishers.

   Their map suggests that in 2021 there were 2,033 video games development companies in the UK. DCMS does not currently publish estimates for number of businesses in the computer games sector (including 4-digit SIC 58.21 'publishing of computer games' and 5-digit SIC 62.01/1 'ready-made interactive leisure and entertainment software development). (DCMS, 2025)

8. **Size: total turnover of businesses in the in the proposed Class and/or Subclass.**

   The Creative PEC does not hold total turnover of businesses for the proposed new four-digit class. However, previous unpublished research by Nordicity and Ukie in 2023, using a similar methodology to the BFI's Screen Business research but applied to the video games sector, found that the video games sector (including those classified under SIC 58.21) accounted for £3.2bn in GVA in 2021. Of this 19% was accounted for by businesses using SIC 62.01/1, 11% using SIC 58.21, 3% using both of these SICs and 66% using other SIC codes.

9. **Size: total employment of businesses in the proposed Class and/or Subclass.**
   The same research from Nordicity and Ukie estimated that in 2021, around 24,200 people were employed in the video games sector. Of these, 42% of employment was in businesses in SIC 62.01/1, 10% in SIC 58.21, 5% in businesses using both of these SIC codes, and 42% in businesses using other industry SIC codes.

10. **Administrative sources: To what extent are administrative, or other, sources available to help populate the register in respect of the proposed Class and/or Subclass? How will it be possible to identify which specific businesses should be coded to the proposed Class and/or Subclass?**

    On administrative sources, Ukie's Games Map provides data on video games development companies, including name, company number, activity, status and year of incorporation. This could be used to help populate the proposed 4-digit SIC Code for Videogames Development.

    Engaging and working with video games trade bodies such as Ukie, TIGA, UK Games Fund, and Game Republic will be crucial in raising awareness and understanding of the new codes with relevant video games businesses.

11. **Relevance: Is the proposed Class and/or Subclass recognisable by and meaningful to businesses? Is it a true reflection of the structure of economic activity in this area? Please supply evidence.**

The video games sector and in particular the UK's video games development activity are well-recognised by businesses and government, in addition to being supported by UK-level trade bodies Ukie and TIGA, and regional videogames trade bodies like Game Republic in Yorkshire. We have engaged Ukie – the UK's trade body for video games – and their view is that the proposed definition would be recognisable and meaningful to businesses.

The video games sector encompasses both the development and publishing of video games, the latter of which are already captured by a 4-digit SIC code. The addition of a second 4-digit SIC would ensure more comprehensive capture of the UK video games sector as a whole that better reflects the distinctiveness of these two components of the video games sector. That ISIC Rev. 5 has recognised this distinction through the introduction of a new 4-digit code for video games development is further testament that this division better reflects the structure of economic activity in this area.

The inclusion of a 4-digit video games development SIC is also consistent with the UK's tax relief for video games – the Video Game Expenditure Credits (VGEC). VGEC is available on qualifying UK development expenditure by video games companies whereby the video game qualifies as British under the video games cultural test, be intended for release, have had at least 10% of core expenditure take place in the UK/EEA and have been made by a video game development company within the UK Corporation Tax net. (BFI, 2025)

12. **Relevance: Is the proposed Class and/or Subclass particularly significant in some respect other than size? Examples might be: growth potential, influence on the rest of the economy, or important for policy. Please provide an explanation.**

Yes. The UK's video games sector is a significant contributor to the UK economy. Research from the Creative PEC in *UK Trade in a Global Creative Economy* (2024) found that the UK is the fourth largest exporter of digital video games, with a value of US $8.8 billion in 2021, up 258.8% in 2016.

For this reason, the video games sector has been identified by the UK Government as a frontier growth sector in the Creative Industries Sector Plan, published by the Department of Culture, Media and Sport as a part of the government's Industrial Strategy (DCMS, 2025). As a part of this plan, "DCMS have committed to work with the ONS, DBT and other departments to contribute to the review of Standard Industrial Classification codes…. particularly for video games and music." (DCMS, 2025)

As we have discussed in our submission above, whilst the DCMS currently produces some economic estimates for video games using SIC 2007 codes 58.21 and 62.01/1 we believe these

do not adequately capture the UK video games sector. The new SIC codes proposed in this response would enable the DCMS to produce more accurate statistics for this frontier growth sector.

A further benefit of the introduction of the proposed SIC codes would be to provide accurate industry statistics for video games development that can continue to inform the development of the UK Government's Video Games Expenditure Credits (VGEC), as discussed above.

13. **Homogeneity: Is the activity of businesses in the proposed Class and/or Subclass reasonably homogeneous, that is, is it the case that the activity covered by a particular proposed Class and/or Subclass does not overlap in any substantial way with other Classes or Subclasses in the Group? Please provide evidence.**

Our proposed wording for the 4-digit Video Games Development SIC code will require revision of the existing 6201 Computer programming activities. Updated wording could be drawn for this from ISIC Rev. 5, consistent with the approach we propose for the new 4-digit code 'D

The A Map of the UK Games Industry report by Nesta (2014) found that video games companies identified using web-scraped data reported a broader range of SIC (2007) codes, including for example 8% of businesses identified using 6201/2 'Business and domestic software development', 7% using 6209/0 'other information technology and computer service activities', and 4% using 6202 'computer consultancy activities'. The clearer wording for our proposed digit code will mean that companies that would have previously registered with one of these SIC codes will now register (more accurately) to the new video games development SIC code.

14. **Do you have any final comments that you would like to add?**

N/A