

Article

Economic statistics sector classification – classification update and forward work plan: April 2024

Classification of units, transactions and assets for the purposes of economic statistics.

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1. Overview of the economic statistics sector classification update

Our economic statistics are produced in accordance with international rules and guidance. Central to this are the rules set out in the <u>United Nations System of National Accounts (SNA) 2008</u>, the <u>European System of Accounts</u> (<u>ESA) 2010</u> and the accompanying <u>Manual on Government Deficit and Debt (MGDD) 2022</u>. These include rules on classifying statistical units (organisations or bodies) and the transactions they engage in. A summary of these, and our approach to their application, can be found on our <u>Economic statistics classifications web page</u>.

Our <u>Forward work plan dataset (XLSX, 43.7KB)</u> sets out the organisations and transactions that we expect to assess and classify in the next 12 to 18 months. Please note that classification priorities can change quickly, and the expected dates of completion are only indicative at the time of publication.

The forward work plan does not cover all cases that will arise over the next 12 to 18 months. Cases that are likely to have a smaller statistical and policy impact will be assessed as resources allow. The cases scheduled in this article have been prioritised because of the impact they will have on important statistics, and their importance to public policy.

There is high demand for classification assessments, and we progress many active cases at the same time, with new cases often arising. These include confidential assessments of government and devolved administration policy proposals, as explained in our <u>Classification process methodology</u>.

We do not announce or discuss such policy proposal assessments, to give policymakers the space to develop policy. However, in each December publication, we provide the number of policy proposal reviews that were carried out during the preceding calendar year. As with other classification decisions, when a policy is implemented, it will be classified and included in the <u>Public sector classification guide dataset (XLSX, 672.8KB)</u>.

From March 2024, the Public Sector Classification Guide (PSCG) includes a separate worksheet entitled Non-Institutional Units. This contains a list of organisations that, following a classification review, were found not to meet the criteria to be an institutional unit.

These organisations classified as not meeting the criteria to be an institutional unit are classified as part of their controlling body, in accordance with ESA 2010, 2.24 to 2.25. They were previously included in the Organisation /Institutional Unit worksheet, within the information section of their controlling bodies.

We have introduced this new worksheet for two reasons: to provide more transparent and accessible representation of classification reviews carried out by the ONS; and because some institutional units have many organisations that will be included in their PSCG entry as non-institutional units, and there are limitations on cell size.

In March 2024, we transferred all the non-institutional units that have been classified as part of the Ministry of Justice as their controlling body, to the new worksheet. Over the coming months, we will gradually transfer other previously classified non-institutional units to the dedicated worksheet. Meanwhile, they are still available to find within the existing Organisation/Institutional Unit worksheet, within the entries of their controlling bodies.

Proposed change of publication date

We are planning to move the publication date of the PSCG and forward work plan to an earlier date in the month. This enables us to combine with the current <u>Recent and upcoming changes to public sector finance statistics</u> <u>article</u>, which is available on the 15th working day of each month (or, occasionally, on the 16th working day). Publication dates are announced for Public Sector Finances in advance in the ONS release calendar. We expect to implement the change in the publication date during the summer of 2024. There are no other planned changes to the information that is currently provided.

If you have feedback or questions about this planned change of publication date, or suggestions for improvement to any aspect of the PSCG, please contact us by email at <u>econstats.classifications@ons.gov.uk</u>.

2. Forward work plan

There have been no additions to the forward work plan this month.

South of Scotland Enterprise has been removed from the forward work plan.

3. Classification update

South of Scotland Enterprise

South of Scotland Enterprise (SOSE) provides support and services to the communities and businesses of Dumfries and Galloway and the Scottish Borders.

The assessment concluded that, in accordance with <u>United Nations System of National Accounts (SNA) 2008</u>, 4.2 and <u>European System of Accounts (ESA) 2010</u>, 2.12, SOSE has the requisite autonomy of decision to be an institutional unit. In accordance with SNA 2008, 4.80 (b) and ESA 2010, 20.309 (a), the assessment also concluded that SOSE is under public sector control, as the <u>South of Scotland Enterprise Act 2019</u> provides Scottish ministers with the right to appoint the chair of the board and all board members. SOSE is also a non-market producer, as it is majority funded by government grants.

As such, SOSE has been classified to the central government subsector (S.1311), effective from 1 April 2020, the date on which SOSE was established.

Citizens Voice Body for Health and Social Care

The Citizens Voice Body for Health and Social Care (CVB) is a body that aims to represent the voices and opinions of the people of Wales in relation to health and social care services. It replaces both the Community Health Councils (Wales) and the Community Health Councils (Wales) Board.

The assessment concluded that, in accordance with SNA 2008 4.2 and ESA 2010 2.12, the CVB has the requisite autonomy of decision to be an institutional unit. The CVB is subject to public sector control for reasons including that the chair, deputy chair, and the majority of board members are appointed by Welsh ministers. The right to appoint a majority of the governing body is sufficient by itself to determine that a unit is subject to public sector control (SNA 2008 4.80 (b), and ESA 2010 20.309 (a) and 20.310). The assessment also concluded that the CVB is a non-market producer as it is majority funded by the Welsh Government (ESA 2010, 20.29).

As such, the CVB has been classified to the central government subsector (S.1311), with effect from 1 April 2023, the date the CVB was established.

Both the Community Health Councils (Wales) and the Community Health Councils (Wales) Board are now listed as disbanded or deleted entities on the Public Sector Classification Guide, with effect from 1 April 2023.

English Partnerships (LP) Limited

English Partnerships (LP) Limited (EPL), a limited partnership and a subsidiary of Homes England, was established to invest in sustainable regeneration through directing investment into a partnership, the English Cities Fund.

EPL does not have the requisite autonomy of decision to be an institutional unit. For economic statistics purposes, it has therefore been classified as part of its controlling body, Homes England, with effect from 20 July 2001, the date EPL was incorporated.

4. Related links

Economic statistics classifications

Web page | Updated periodically Classification decisions taken in recent years, documentation on the classification process and a list of entities and their classification in the UK National Accounts.

Forward work plan (XLSX, 43.7KB)

Dataset | Updated monthly

A plan which sets out the organisations and transactions that the Office for National Statistics (ONS) expects to assess and classify in the next 12 to 18 months.

Public Sector Classification Guide (XLSX, 672.8KB)

Dataset | Updated monthly

An updated guide providing a list of bodies that have been classified by the Office for National Statistics (ONS) as public sector bodies within the National Accounts.

5. Cite this article

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