

Article

# Economic statistics sector classification – classification update and forward work plan: June 2021

The forward work plan sets out the units and transactions that we expect to assess and classify in the coming 12 to 18 months.

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## Notice

### 1 July 2021

In the light of new information following our publication, we have withdrawn our classification of the 'Preparer's Levy' charged by the Financial Reporting Council. We will consider the impact of this information on our decision and announce the result in the July PSCG. We apologise for any inconvenience caused.

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# 1 . Introduction

Our economic statistics are produced in accordance with international rules and guidance. Central to this are the rules set forth in the European System of Accounts 2010: ESA 2010, and accompanying Manual on Government Deficit and Debt (MGDD). 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 [Economic statistics classification page](#).

The [Forward Work Plan \(XLS, 125.4 kB\)](#) sets out the units and transactions that we expect to assess and classify in the next 12 to 18 months. There is high demand for classification assessments, and at any one time we progress many active cases, with new cases often arising. These include confidential assessments of government and devolved administration policy proposals as explained in our [classification process](#).

We do not announce or discuss such policy proposal assessments to give policymakers the space to develop policy. At such a time that a policy is implemented, we will publish a [classification decision \(XLS, 2.7 MB\)](#).

As such, the forward work plan does not cover all cases that will arise over the next 12 to 18 months; minor cases (with smaller statistical and policy impacts) 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
- their importance to public policy

## End of EU exit transition period

As the UK enters into a new Trade and Co-operation Agreement with the EU, the UK statistical system will continue to produce and publish our wide range of economic and social statistics and analysis.

We are committed to continued alignment with the highest international statistical standards, enabling comparability both over time and internationally, and ensuring the general public, statistical users and decision makers have the data they need to be informed.

This means that our sector classifications process will continue to draw on the [European System of Accounts \(ESA\) 2010](#) and the [Manual on Government Deficit and Debt](#), and associated guides following the end of the transition period.

As the shape of the UK's future statistical relationship with the EU becomes clearer over the coming period, the Office for National Statistics (ONS) is making preparations to assume responsibilities that as part of our membership of the EU, and during the transition period, were delegated to the statistical office of the EU, Eurostat. This includes responsibilities relating to international comparability of economic statistics, deciding what international statistical guidance to apply in the UK context and to provide further scrutiny of our statistics and sector classification decisions.

In applying international statistical standards and best practice to UK economic statistics, we will draw on the technical advice of experts in the UK and internationally, and our work will be underpinned by the UK's well-established and robust framework for independent official statistics, set out in the Statistics and Registration Service Act 2007. Further information on our proposals will be made available later this year.

## 2 . Impacts on fiscal aggregates

Approximate potential impacts on fiscal aggregates are given in the forward work plan. The fiscal aggregates are:

- public sector net borrowing and public sector net debt for the UK
- general government consolidated gross debt and general government net borrowing for European measures

The impact described would occur only if an organisation's classification status changes from public to private sector (or the other way around), or if a new organisation is classified to the public sector. Transactional classifications can also affect the fiscal aggregates.

For indicative impacts on fiscal aggregates, the following definitions are used:

- small: less than £100 million change
- medium: between £100 million and £1 billion change
- large: more than £1 billion change

This month, we have also reviewed all cases previously listed against these criteria. As a result of this exercise, we have removed cases that are either no longer deemed a priority or are unlikely to be concluded within the next 12 months. However, it should be noted that further cases will be added over the coming months to reflect our priorities for the next year.

## 3 . Future developments

There are no additions to the forward work plan this month.

Deletions from the forward work plan this month:

- Minor Trust Ports