

Article

# Economic statistics sector classification – classification update and forward work plan: March 2020

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

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## Table of contents

1. [Introduction](#)
2. [Impacts on fiscal aggregates](#)
3. [Additions and deletions to the forward work plan](#)

# 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 \(XLS, 69.6KB\)](#) 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 in order to give policymakers the space to develop policy. At such a time that a policy is implemented we will publish a [classification decision](#).

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

## After EU withdrawal

As the UK leaves the EU, it is important that our statistics continue to be of high quality and are internationally comparable. During the transition period, those UK statistics that align with EU practice and rules will continue to do so in the same way as before 31 January 2020. This approach also applies to the classifications process.

After the transition period, we will continue to be guided by the UK Statistics Authority's [Code of Practice for Statistics](#) and act in accordance with internationally agreed statistical guidance and standards.

To ensure comparability with other countries, the classifications process will continue according to the existing definitions and standards until further notice, or until those standards are updated.

## 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 . Additions and deletions to the forward work plan**

Additions to the forward work plan this month:

- Coronavirus Business Interruption Loan Scheme
- Covid Corporate Financing Facility

Deletion from the forward work plan this month:

- Sale of railway arches