

#### Article

# Economic statistics sector classification – classification update and forward work plan: November 2023

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, 130.6KB</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.

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. 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, 652.7KB)</u>.

We now use the more transparent and accessible format of our <u>Public sector classification guide (XLSX, 652.7KB)</u>. If you have any comments on the new structure, please email us at <u>econstats.classifications@ons.gov.uk</u>.

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.

## Adoption of Updated International Statistical Guidance

The National Statistician has approved the recommendation of the National Statistician's Committee for Advice on Standards for Economic Statistics (NSCASE) to adopt the 2022 edition of the MGDD. This is with the provision that any emerging evidence of a clear diversion from UK methodology and international best practice can be brought to NSCASE meetings as separate agenda items. Classification decisions have previously referred to the 2019 edition of the MGDD.

For reference, the <u>UK Statistics Authority published the decision on 22 September 2023 (PDF, 103KB)</u>, which is located on their <u>web page recording committee minutes</u>.

# 2. Forward work plan

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

# 3. Classification update

## Office of the Public Guardian (England and Wales)

The Office of the Public Guardian (OPG) is responsible for the oversight of deputies, attorneys, and guardians in England and Wales, in relation to both the health and financial affairs of those who lack capacity. It was founded within the framework of the Mental Capacity Act 2005.

The assessment concluded that, in accordance with the System of National Accounts (SNA) 2008, 4.2 and the European System of Accounts (ESA) 2010, 2.12, the OPG has the requisite autonomy of decision to be an institutional unit and is subject to public sector control. Public sector control exists for reasons including that the Public Guardian is a statutory office appointed by the Lord Chancellor, who is the Secretary of State for Justice, and all board members are appointed with approval from the Secretary of State for Justice.

The assessment also concluded that the OPG is a non-market producer because the fees it charges for the administration of the lasting power of attorney (LPA) and enduring power of attorney (EPA) functions in England and Wales can only be carried out by the OPG by law, and it has no competitors. Therefore, it does not meet the criteria for being a market producer (ESA 2010, 20.29(c)).

As such, the OPG was classified to the central government subsector (S.1311). This is effective from 1 October 2007, the date on which the OPG was established.

#### Enduring power of attorney registration charge (England and Wales)

The EPA registration charge was first introduced on 1 October 2007, when the Public Guardian (fees, etc) Regulations 2007 came into force. EPAs are a right conferred to an individual over the property and finances of a person who lacks capacity. EPAs can only be registered by an attorney once a person has started to lose mental capacity. In order to register an EPA, individuals are required to pay a registration charge to the OPG.

The assessment concluded that the EPA registration charge is compulsory and requited, as it is used to provide a regulatory service proportionate to the charge, and designated attorneys will be able to receive the associated enduring power of attorney on completion of approved registration.

Therefore, the EPA registration charge has been classified as a payment for non-market output (P.131). This is effective from 1 October 2007, the date the Public Guardian (fees, etc) Regulations 2007 came into force.

### Lasting power of attorney registration charge (England and Wales)

The LPA registration charge was first introduced on 1 October 2007, when the Public Guardian (fees, etc) Regulations 2007 came into force. LPAs are a right conferred to an individual over the property and finances as well as the health and well-being of a person who lacks capacity. LPAs can be registered in advance and while a person has mental capacity. To register an LPA, individuals are required to pay a registration charge to the OPG.

The assessment concluded that the LPA registration charge is compulsory and requited, as it is used to provide a regulatory service proportionate to the charge, and designated attorneys will be able to receive the associated lasting power of attorney on completion of approved registration.

Therefore, the LPA registration charge has been classified as a payment for non-market output (P.131). This is effective from 1 October 2007, the date the Public Guardian (fees, etc) Regulations 2007 came into force.

### Victims' Commissioner for England and Wales

We assessed the classification of the Victims' Commissioner for England and Wales (VC). The VC was initially defined in the Domestic Violence, Crime and Victims Act 2004, and was established in May 2010, when the first VC was appointed.

The VC is a body dedicated to the improvement of the treatment of victims and witnesses within the criminal justice system and promotes good practice of their treatment in England and Wales.

The assessment concluded that the VC does not have the requisite autonomy of decision to be an institutional unit. Therefore, for economic statistics purposes, it was classified as part of its controlling unit, the Ministry of Justice. This is effective from the 1 May 2010, the date on which the first VC was appointed.

## **Prisons and Probation Ombudsman**

We assessed the classification status of the Prisons and Probation Ombudsman (PPO). The PPO is a body established in 1994 that investigates complaints and deaths within the prisons and probations system in England and Wales.

The assessment concluded that the PPO does not have the requisite autonomy of decision to be an institutional unit. Therefore, for economic statistics purposes, it was classified as part of its controlling unit, the Ministry of Justice. This is effective from the 1 May 1994, the date on which the first PPO was appointed.

# 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, 130.6KB)

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, 652.7KB)

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

Office for National Statistics (ONS), released 29 November 2023, ONS website, article, <u>Economic statistics</u> sector classification – classification update and forward work plan: November 2023