

Public service productivity estimates: revisions policy

Scope of Revisions Policy

This revisions policy covers the three regular publications on public service productivity:

- *Public service productivity estimates: healthcare*
- *Public service productivity estimates: education and*
- *Total Public Service productivity estimates*

These publications use a wide array of data from administrative sources on activity and expenditure, as well as deflators used in other ONS outputs. Many of the measures, including the final productivity measures (indices of outputs divided by the volume of inputs) are derived measures, for example working out volumes of inputs by deflating expenditure. Revisions to a single component of the underlying data source can therefore have effects throughout the estimates.

Period which revisions cover

Although direct measurement of output was only introduced in 1998, output estimates for public services were produced for healthcare and education going back to 1986. However it has not been possible to get adequate input data that far back, so the current productivity estimates do not go back so far.

Healthcare productivity statistics start in 1995, Education productivity statistics in 1996 and Total Public Service Productivity statistics in 1997.

Each time a new article is published revisions are allowed for the whole of the time period. Major revisions to early years are rare, but have happened. The usual reason is that price deflators used elsewhere in ONS have been revised (some of the volume of input data is derived by deflating relevant expenditure). It is also sometimes the case that items of expenditure may be reclassified between COFOG (Classification of Functions of Government) categories, which can affect both estimates of the volume of inputs and the weights that are used to add both inputs and outputs together.

The biggest revisions are usually for the most recent year previously published. This is because, in general, the most recent year for which statistics are published is in fact partly forecast. Much administrative data is available on a financial year basis rather than a calendar year basis. So

estimates of output for year t published in year $t+2$ may use actual data for the first quarter of year t , plus a forecast for the rest of year t . When actual data is available for the whole calendar year this part-forecast will be replaced. This is the reason for most large revisions.

From time to time changes are made to the methods used to construct the productivity estimates. Major changes are documented in articles; more minor changes will be documented in a web announcement. Whenever there is a change in methods the whole of the relevant series will be revised appropriately where possible.

Productivity articles and National Accounts

ONS prepares estimates of public service outputs for both the quarterly and the annual National Accounts. The public service productivity articles provide estimates of annual productivity, not quarterly.

The output estimates are normally consistent with the most recently published Blue Book with two major exceptions. First, the productivity articles contain quality adjustments for healthcare and education which are not in National Accounts. Secondly, the productivity articles are always revised back to the beginning when relevant new or revised data become available, whereas the National Accounts data will only be revised for the years for which the “revisions window” is open.

Notification of Revisions

Each article published contains a revisions section which compares the revised statistics with those previously published together with a brief explanation of why the revisions have been made (e.g. forecast replaced by actual). Changes in methods are announced before the relevant article is published.