

Article

# Economic statistics sector classification – classification update and forward work plan: February 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 (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. 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 <a href="Public sector classification guide dataset">Public sector classification guide dataset</a> (XLSX, 673.6KB).

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.

## 2. Forward work plan

The Atomic Weapons Establishment Pension Scheme has been added to the forward work plan.

# 3. Classification update

### **UK Centre for Ecology & Hydrology**

The UK Centre for Ecology & Hydrology (UKCEH) delivers independent environmental science for the UK research community, governments, businesses, and wider society.

The Office for National Statistics (ONS) has assessed the classification status of UKCEH and concluded that, in accordance with <u>United Nations System of National Accounts (SNA) 2008</u>, 4.2 and the <u>European System of Accounts (ESA) 2010</u>, 2.12, UKCEH has the requisite autonomy of decision to be an institutional unit.

The assessment also determined that UKCEH was subject to public sector control in accordance with SNA 2008, 4.77 and ESA 2010, 20.309 (a), from 1 December 2019 (the date UKCEH became an independent research institute and began trading) up to and including 17 June 2023. This was because the majority of the board of trustees were appointed by the public sector during this period.

The assessment also concluded that UKCEH is a market producer, as it covers at least 50% of its costs through income considered to be sales over a sustained multi-year period, (see ESA 2010, 20.29 (c)).

The ONS further concluded that UKCEH should be reclassified to the private non-financial corporations subsector (S.11002) with effect from 18 June 2023. This is the date that the composition of the board changed to have a majority of private sector appointed trustees, and public sector control ceased to exist.

#### **UK Centre for Ecology & Hydrology Enterprise Limited**

The UK Centre for Ecology & Hydrology Enterprise Limited (UKCEH Enterprise Ltd) is the subsidiary of UKCEH. Its purpose is to increase UKCEH's impact through commercial products and commercialisation of its outputs.

The assessment concluded that, in accordance with SNA 2008 4.2 and ESA 2010 2.12, UKCEH Enterprise Ltd, which was incorporated on 9 October 2019, does not have the requisite autonomy of decision to be an institutional unit. On this basis, UKCEH Enterprise Ltd is classified as part of its controlling unit, UKCEH, effective from 1 December 2019, the date on which UKCEH Enterprise Ltd began trading.

#### Centre for Ecology & Hydrology

The Centre for Ecology & Hydrology (CEH) is the predecessor body to UKCEH. On the 18 September 2019 CEH changed its name to UKCEH. UKCEH became an independent research institute and started trading from 1 December 2019. Therefore, CEH is now listed as a former central government body. This is effective from 1 December 2019, the date on which UKCEH became an independent research institute.

#### **Cwmni Egino**

Cwmni Egino is a company based at the nuclear power station site in Trawsfynydd, north Wales. The purpose of Cwmni Egino is to promote socio-economic growth for north-west Wales through new projects, such as the development of medical research reactors and new generation low carbon energy nuclear reactors.

The assessment concluded that Cwmni Egino has the requisite autonomy of decision to be an institutional unit. It also concluded that it is under public sector control, as it is a wholly owned subsidiary of the Welsh Government, and that it is a non-market producer, as it is fully funded by government grants.

As such, Cwmni Egino has been classified to the central government subsector (S.1311) with effect from 24 June 2021, the date from which it was incorporated.

#### 4. Related links

#### Economic statistics classifications - Office for National Statistics

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

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

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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