

Article

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

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

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Release date:  
31 May 2023

Next release:  
30 June 2023

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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 out in the [United Nations System of National Accounts \(SNA\) 2008](#), the [European System of Accounts \(ESA\) 2010](#) and the accompanying [Manual on Government Deficit and Debt \(MGDD\) 2019](#). 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 classifications web page](#).

Our [Forward work plan \(XLS, 130.6KB\)](#) 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 [classification process](#).

We do not announce or discuss such policy proposal assessments to give policymakers the space to develop policy. When a policy is implemented, we will publish a classification decision. You can read our [Public sector classification guide \(XLS, 3.1MB\)](#) for more information.

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

There are two additions to the forward work plan this month:

- Caledonian Sleeper
- TransPennine Express

There are no deletions from the forward work plan.

## 3 . Classification update

## **Non-Domestic Alternative Fuel Payment (including top-up payment for users of kerosene)**

The Office for National Statistics (ONS) has completed an assessment of the Non-Domestic Alternative Fuel Payment (ND AFP). The ND AFP provides a one-off payment of £150 to organisations or businesses with non-domestic properties connected to the electricity grid, who use alternative fuels. In addition, the ND AFP offers a top-up payment for large users of heating oil (kerosene), in addition to the £150. Funding was provided to energy suppliers by the former Department for Business, Energy and Industrial Strategy (BEIS), and passed onto consumers as a payment on electricity bills in the form of credit to the customer's account, refund or cheque.

The assessment acknowledged that the ND AFP is a fixed amount per customer and entirely unrelated to the quantity or price of the energy provided. The top-up payment for large users of kerosene is paid in fixed amounts on the basis of usage bands, except for those purchasing over 150,000 litres in the eligible period, who are paid £0.07 pence per litre. Energy companies are acting as an agent for government to supply the ND AFP payments (including the top-up payment) to eligible customers, and the one-off payment does not influence levels of production or the price of products. The ND AFP and the top-up payment were therefore not considered to be a Subsidy (D.3).

The assessment determined that, as the intention of this scheme is to benefit eligible customers, the ND AFP and the top-up payment are classified as Other miscellaneous current transfers (D.759). This is consistent with the precedent set by the classification of the Alternative Fuel Payment (Domestic). Given the similarities, this assessment applies to both the Great Britain ND AFP and the Northern Ireland ND AFP.

## **Passengers' Council (operating as Transport Focus)**

Transport Focus is the operating name of the Passengers' Council, previously known as the Rail Passengers' Council, which was established on 7 April 2005 by the [Railways Act 2005 \(amended\)](#). The Rail Passengers' Council became the Passengers' Council in 2010, when [The Passengers' Council \(Non-Railway Functions\) Order 2010](#) came into force. Transport Focus aims to protect the interests of:

- Britain's rail passengers
- England's bus and tram passengers outside London
- coach passengers in England on scheduled domestic services
- users of England's motorways and major "A" roads

The assessment concluded that Transport Focus has the requisite autonomy of decision to be an institutional unit and is subject to public sector control, as all members of its governing body are appointed by the Secretary of State for Transport, Scottish Ministers, Welsh Ministers, and the London Assembly. The assessment also concluded that Transport Focus is a non-market producer, as it is mainly funded by grant in aid from the Department for Transport.

As such, the Passengers' Council (operating as Transport Focus) has been classified to the central government subsector (S.1311) with effect from 25 February 2010, the date on which [The Passengers' Council \(Non-Railway Functions\) Order 2010](#) came into force.

## **Public Health Scotland**

Public Health Scotland leads and supports work across Scotland to prevent disease, prolong healthy life, and promote health and wellbeing. Public Health Scotland was established on 1 April 2020, bringing together Health Protection Scotland, the Information Services Division of NHS National Services Scotland, and NHS Health Scotland.

The ONS has assessed the classification status of Public Health Scotland and concluded that it is an institutional unit, which is subject to public sector control. Public sector control exists for reasons, including:

- that the [National Health Service \(Scotland\) Act 1978](#) enables the Secretary of State to vary the remit of any Health Board, whether or not this variation involves the constitution of a new board or the termination of the functions of an existing board
- the functions of the board are specified in the [Public Health Scotland Order 2019](#)
- non-executive members are appointed through an open public appointments process
- most of the organisation's expenditure is met from funds advanced by the Scottish Government

The assessment concluded that Public Health Scotland is a non-market producer, as it is largely funded by the Scottish Government.

As such, Public Health Scotland has been classified to the central government subsector (S.1311) with effect from 1 April 2020, the date on which the organisation was established.

## 4 . Cite this article

Office for National Statistics (ONS), released 31 May 2023, ONS website, article, [Economic statistics sector classification – classification update and forward work plan: May 2023](#)