

Article

Statistical classification of registered providers of social housing in Scotland, Wales and Northern Ireland: September 2016

As announced in the June 2016 Classifications Forward Work Plan, ONS has undertaken a review of the statistical classification of registered social landlords and housing associations in Scotland, Wales and Northern Ireland. This followed a similar review into private registered providers (PRPs) of social housing in England, concluded in 2015. ONS has concluded that registered providers of social housing in Scotland, Wales and Northern Ireland are public, market producers and as such they will be reclassified to the Public Non-Financial Corporations (S.11001) sub-sector for the purpose of national accounts and other ONS economic statistics.

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1 . Introduction

As announced in the [UK economic statistics sector classification update and forward workplan: June 2016](#), we have undertaken a review of the statistical classification of registered social landlords and housing associations in Scotland, Wales and Northern Ireland.

The review was undertaken to establish whether registered social landlords and housing associations should continue to be recorded as private non-financial corporations (S.11002) in our economic statistics, following a similar review into private registered providers (PRPs) of social housing in England that concluded in 2015.

As the relevant legislation and regulatory arrangements differ across the 3 devolved nations, each was considered separately.

The review's outcome is a statistical matter that does not have a direct bearing on the management structure, ownership or legal status of the organisations in question. Any potential implications arising from a classifications review (such as impacts on budgeting and fiscal management) are a policy matter for the relevant public body – in this instance the relevant devolved administrations.

2 . Conclusion

We have concluded that registered providers of social housing in Scotland, Wales and Northern Ireland are public, market producers and as such they will be reclassified to the public non-financial corporations (S.11001) sub-sector for the purpose of national accounts and other ONS economic statistics.

For Scotland, this classification applies with effect from 18 July 2001; the date of the Housing (Scotland) Act 2001.

For Wales this classification applies with effect from 24 July 1996; the date of the Housing Act 1996.

For Northern Ireland this classification applies with effect from 15 July 1992; the date of the Housing (Northern Ireland) Order 1992.

3 . Assessment process

This conclusion was reached in accordance with our [published classification procedures](#). Specifically, the ONS Economic Statistics Classification Committee (ESCC), which consists of our experts in National Accounts, considered the classification of registered social landlords and housing associations in the context of international rules laid out in the European System of Accounts (ESA) 2010 and the accompanying Manual on Government Deficit and Debt 2016 (MGDD 2016). The ESCC's assessment and recommendation was then reviewed and approved by the ONS Director of National Accounts and Economic Statistics.

The main conclusions reached in the assessment were:

The Scottish Housing Regulator is a public sector funded non-market body and has been classified to the central government (S.1311) subsector, with effect from 1 April 2011.

Registered social landlords (RSLs) in Scotland should be classified to the public non-financial corporations (S. 11001) subsector for the purpose of national accounts with effect from 18 July 2001, the date of enforcement of the Housing (Scotland) Act 2001. We judged that Scottish RSLs should be considered as institutional units as they have the ability to incur liabilities and hold assets on their own accounts, enter into contracts, and exhibit sufficient decision making autonomy. We also concluded that RSLs are subject to public sector control due to, amongst other things: Scottish Housing Regulator (SHR) powers over the management of an RSL, SHR powers over constitutional changes of an RSL, and SHR powers of consent in relation to the disposal of land and housing assets. Consistent with conditions described in ESA 2010, RSLs were also judged to be market producers.

Registered social landlords (RSLs) in Wales should be classified to the public non-financial corporations (S. 11001) subsector for the purpose of national accounts with effect from 24 July 1996, the date of enforcement of the Housing Act 1996. We judged that Welsh RSLs should be considered as institutional units as they have the ability to incur liabilities and hold assets on their own accounts, enter into contracts, and exhibit sufficient decision making autonomy. We also concluded that RSLs are subject to public sector control due to, amongst other things: Welsh Ministers' powers over the management of an RSL, Welsh Ministers' consent powers over the disposal of land and the disposal of housing assets, and Welsh Ministers' powers over constitutional changes of an RSL. Consistent with conditions described in ESA 2010, RSLs were also judged to be market producers.

Registered housing associations (RHAs) in Northern Ireland should be classified to the public non-financial corporations (S.11001) subsector for the purpose of national accounts with effect from 15 July 1992, the date of enforcement of the Housing (Northern Ireland) Order 1992. We judged that RHAs in Northern Ireland should be considered as institutional units as they have the ability to incur liabilities and hold assets on their own accounts, enter into contracts, and exhibit sufficient decision making autonomy. We also concluded that RHAs are subject to public sector control due to, amongst other things: Northern Ireland Executive consent powers over the disposal of land, and Northern Ireland Executive powers over the management of an RHA. Consistent with conditions described in ESA 2010, PRPs were also judged to be market producers.

4 . Implementation in ONS statistics

We will assess at the impact of these classification decisions and will update the affected statistics at the earliest opportunity. More information on the impact and the timing of implementation in our statistics will be provided in the relevant statistical bulletins. The main outputs impacted will be the Public Sector Finances, Public Sector Employment and National Accounts.

5 . Further information

Questions about the classifications process and this decision can be directed to econstats.classifications@ons.gov.uk

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