

David Beckett
Office for National Statistics
Government Buildings
Cardiff Road
Newport
NP10 8XG

Room: 1.264
Tel: 01633 456980
Email: David.Beckett@ons.gsi.gov.uk
Our Ref: Case 2017-5

Date: 16 November 2017

Mr. Andrew Evans
Public Expenditure Classification Branch
HM Treasury
2/N1 1 Horse Guards Road
London
SW1A 2HQ

Dear Mr. Evans,

Notification of Reclassification of Private Registered Providers (PRPs)

Her Majesty's Treasury invited ONS to consider the statistical classification of PRPs in England, after the passage of The Regulation of Social Housing (Influence of Local Authorities) (England) Regulations 2017 through the Houses of Parliament.

ONS assessed a copy of the regulations against the internationally-agreed rules in the European System of Accounts 2010 and the accompanying Manual on Government Deficit and Debt 2016. Having completed this assessment, ONS has determined that local authority and central government influence in combination with the existence of nomination agreements does not constitute public sector control. Therefore English PRPs have been reclassified from Public Non-Financial Corporations (S.11001) to Private Non-Financial Corporations (S.11002). The effective date for this reclassification is 16 November 2017, the date the regulations came into force.

The above conclusions have been approved by the Director of National Accounts (Nick Vaughan) to whom the National Statistician has delegated decision making on classifications.

This classification decision has been made on the basis of our current understanding of the role of the public sector in PRPs, however so that ONS can continue to ensure the correct classification we would request that ONS is notified if there are any changes in circumstances that would impact on our classification advice.

As you know, the European statistical agency, Eurostat, has the right to review any ONS classification decision. This means Eurostat could decide to undertake its own assessment of PRPs, and might reach a different conclusion.

I trust this provides sufficient explanation of the assessment. Please do get in touch if you have any questions or comments.

Yours sincerely,

David Beckett