

## Social housing decision increases public sector net debt

The Office for National Statistics has announced today that “private registered providers” of social housing in England will be reclassified from the private to the public sector in the National Accounts.<sup>1</sup> This includes most housing associations and some for-profit housing bodies.

As a result, the outstanding debt of these bodies will be included in the headline measure of public sector net debt back to 2008. The ONS estimates this addition to be around £60 billion currently (equivalent to 3.2 per cent of GDP). That is similar to the amount we flagged in the July 2015 *Economic and fiscal outlook* (p.88) when we warned of this potential reclassification. The ONS will provide further information on the potential impact of the change on net debt and net borrowing when it publishes the next monthly public finance statistics on 20 November.

In general, we include classification changes in our forecast once the decision has been announced, rather than waiting until the effect of the decision has been incorporated within the ONS’s published outturn data. We listed a number of examples of items included in OBR forecasts that the ONS has not yet included in outturn in our July 2015 *EFO* supplementary fiscal tables (Table 2.42).

We will be publishing our next public finances forecast alongside the Spending Review and Autumn Statement on 25 November 2015. In this forecast we will include the effect of the social housing reclassification wherever necessary throughout the forecast. As usual, we will endeavour to present these changes as clearly and transparently as possible so that users can clearly identify the impact that the reclassification has had.

### Notes

1. The Office for Budget Responsibility is the UK’s independent fiscal watchdog – responsible for producing forecasts for the economy and the public finances, assessing progress against the Government’s fiscal targets, and reporting on long-term fiscal sustainability.
2. All documents published by the OBR are available on our website at: <http://budgetresponsibility.org.uk/>

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<sup>1</sup> <http://www.ons.gov.uk/ons/rel/na-classification/national-accounts-sector-classification/classification-update--october-2015/index.html>

3. Questions should be sent to [OBRpress@obr.gsi.gov.uk](mailto:OBRpress@obr.gsi.gov.uk)
4. The OBR's release policy can be found on our website at:  
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