

**PROPOSALS TO SEEK REVERSAL
OF THE RECLASSIFICATION OF
REGISTERED SOCIAL HOUSING
PROVIDERS IN NORTHERN
IRELAND**

CONSULTATION DOCUMENT

**IMPACT ASSESSMENT SCREENING
FORMS**

NOVEMBER 2016

**PROPOSALS TO SEEK REVERSAL
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REGISTERED SOCIAL HOUSING
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**SECTION 75 POLICY SCREENING
FORM**

NOVEMBER 2016

Section 75 Policy Screening Form

Part 1: Policy Scoping

The first stage of the screening process involves scoping the policy or policy area. The purpose of policy scoping is to help prepare the background and context and set out the aims and objectives for the policy being screened. At this stage, scoping the policy will help identify potential constraints as well as opportunities and will help the policy maker work through the screening process on a step by step basis.

You should remember that the Section 75 statutory duties apply to internal policies (relating to people who work for the authority), as well as external policies (relating to those who are, or could be, served by the authority).

Information about the policy

Name of the policy or policy area:

Registered Social Housing Providers reclassification by the Office for National Statistics
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Is this an existing, revised or a new policy/policy area?

Existing	Revised	New
✓		

Brief Description

The ONS is the UK's largest independent producer of official statistics and is the recognised national statistical institute for the UK. It is responsible for collecting and publishing statistics related to the economy, population and society at national, regional and local levels. The main purpose of the classification system is to provide the foundation for the National Accounts on which the Government bases its fiscal statistics and budgeting rules. ONS independently determine classification decisions strictly in accordance with internationally agreed rules set out principally in the European System of Accounts 2010. The sector to which a body is classified in turn determines the treatment of its expenditure in departmental budgets.

On 29 September 2016 the ONS announced that Registered Social Housing Providers in Northern Ireland would be reclassified to the public sector and designated as Public Non-Financial Corporations.

This decision means that borrowing drawn down by Registered Social Housing Providers to finance new social housing developments would constitute public expenditure and would therefore have to be taken out of the money available for other public services.

Given the pressures on public funds this may not be possible and therefore the number of new social housing units built each year would be significantly reduced. This at a time of budgetary pressure and increasing waiting lists.

What is it trying to achieve? (intended aims and outcomes)

If the ONS decision of September 2016 is not reversed, the Executive will have to cover 100% of the costs of new social homes built by the Registered Social Home providers from its capital budget. Borrowing by the sector, although sourced privately and financed by tenants' rents, will be deemed to be public expenditure.

This will mean that instead of being able to afford to build some 2000 new homes per year as we are now, we will only be able to build 1000 homes (unless money is found from some other government programme). We will fall short year on year in the number of homes we will need to build to meet housing need.

The proposed changes seek to amend/repeal current legislation so that the ONS decision can be reversed and Registered Social Housing Providers return to a private sector classification. In order to achieve this and to mitigate the potential implications of this ONS decision the NI Executive has asked that proposals should be brought forward (including amendments to legislation as necessary) to enable it to seek a reversal of the ONS decision.

The proposals set out in this consultation document reflect the Department for Communities' assessment of the legislative change that would need to be made to the current governance and legislative framework governing Registered Social Housing Providers if reversal of the decision is to be achieved.

Are there any Section 75 categories which might be expected to benefit from the intended policy?

YES	NO	N/A
✓		

If YES, explain how.

While this decision is a technical one related to the UK public debt figures, if it cannot be reversed the implications will have a direct impact on all section 75 groups.

If the NI Executive decides to maintain social house building at current levels then funding will need to be found from other areas. This will mean a reduction of services in those areas with the ongoing impacts on all section 75 groups.

Alternately if the NI Executive decides not to put additional funding into social house building the number of homes built will significantly reduce – by at least 50%. Given that all section 75 groups are represented in the social housing tenant sector there will be impacts for all of them.

The individual elements of legislation that will be changed in the main will have no impact on the section 75 groups as they refer to the powers of the Department in relation to the supervision and control of the Registered Social Housing Providers. Many of the powers referred to in the legislation have not in fact been used but the ONS approach means that because they exist they are deemed to mean the Government exercises control over the Registered Social Housing Providers who are in fact independent bodies.

One element of the proposed change which may have an adverse impact on the section 75 groups is the proposal to amend the House Sales Scheme for Registered Social Housing Providers. Recent figures suggest that over the next 30 years some 2970 homes from Registered Social Housing Providers will be sold via the scheme. However should the scheme not be amended and as a consequence ONS not reverse their decision there is the potential for a reduction in the number of new social homes built. At the current proposed levels of building this would see a reduction of 28,800 in the number of new social homes being built over the 30 year period. The benefit therefore to section 75 groups is significantly higher if the NI Executive takes the action outlined to reverse the ONS decision.

Who initiated or wrote the policy?

The approach adopted to deal with this issue has been mandated by the NI Executive who agreed at their meeting on 29 September 2016 to the Department for Communities bringing forward proposals to facilitate a reversal of the ONS decision. The Department for Communities will lead in developing the consultation and any subsequent legislation.

Who owns and who implements each element of the policy?

The affected legislation is housing legislation therefore this will be owned by the Department for Communities. The issue of the impact of ONS will also need to be considered for future housing policies so that a potential reversal is not negated at a later stage.

Implementation factors

Are there any factors which could contribute to/detract from the intended aim/outcome of the policy/decision?

YES	NO	N/A
✓		

If YES, are they

Financial: YES (If YES, please detail)

If this decision cannot be reversed there will be significant impacts on Departmental budgets. This will result either in a significant reduction in the number of social homes being built each year or other capital programmes being affected so as to maintain the Social Housing Development Programme at its current level.

There are staff costs attached to the development of the legislation but otherwise these changes will be cost neutral.

Legislative: YES (If YES, please detail)

There will need to be significant change to existing legislation so as to achieve a reversal of the ONS decision. The Department has identified a number of articles in the Housing (Northern Ireland) Order 1992 and the Housing (Northern Ireland) Order 1983 that will need to be amended/repealed. There is also the possibility that consultation will raise additional issues.

These are mainly technical in nature and will impact on the Department's power to direct the activities of Registered Social Housing Providers.

Other, please specify:

N/A

Main stakeholders affected

Who are the internal and external stakeholders (actual or potential) that the policy will impact upon?

Staff:

There will be a need for staff to take forward the development of the legislation, otherwise there will be no impact on staff.

Service users:

The changes will be produced so as to continue protections for tenants. However as noted above should the decision not be reversed there are potential impacts for all section 75 groups.

Other public sector organisations:

No other public sector organisations will be affected.

Voluntary/community/trade unions:

Registered Social Housing Providers

Other, please specify:

N/A

Other policies with a bearing on this policy

What are they and who owns them?

Depending on the final proposals there are potentially some consequential amendments to other legislation that will have to be undertaken. On completion of the consultation exercise and analysis of the comments this screening will be revisited and impacted legislation will be recorded before the final bill is drafted.

Available evidence

Evidence to help inform the screening process may take many forms. Public authorities should ensure that their screening decision is informed by relevant data.

What evidence/information (both qualitative and quantitative) have you gathered to inform this policy? Specify details for relevant Section 75 categories.

Section 75 Category	Details of Evidence/Information
Overview of Evidence used:	
Religious Belief/ Political Opinion	<ul style="list-style-type: none"> • EQIA on Housing Selection Scheme (2007) • EQIA on NIHE's strategic guidelines for the Social Housing Development Programme (2011) • DfC (ASU) Equality Analysis Report (2016) • <i>Housing and Communities' Inequalities in NI Report</i> (Wallace, Alison, University of York, June 2015) • NIHE Waiting List Data (2014-16)
Ethnic Origin/ Racial Group	<ul style="list-style-type: none"> • EQIA on NIHE's strategic guidelines for the Social Housing Development Programme (2011) • <i>Housing and Communities' Inequalities in NI Report</i> (Wallace, Alison, University of York, June 2015) • NIHE Waiting List Data (2014-16) • Census 2011 • Sheffield Hallam University Report: Housing impacts of Welfare Reform in Private Rented Sector (2014)
Age	<ul style="list-style-type: none"> • EQIA on Housing Selection Scheme (2007) • EQIA on NIHE's strategic guidelines for the Social Housing Development Programme (2011) • DfC (ASU) Equality Analysis Report (2016) • House Condition Survey (2011) • <i>Housing and Communities' Inequalities in NI Report</i> (Wallace, Alison, University of York, June 2015) • <i>NIHE Waiting List Data (2014-16)</i> • Census 2011
Marital Status	<ul style="list-style-type: none"> • EQIA on Housing Selection Scheme (2007) • EQIA on NIHE's strategic guidelines for the Social Housing Development Programme (2011) • <i>Housing and Communities' Inequalities in NI Report</i> (Wallace, Alison, University of York, June 2015) • NIHE Waiting List Data (2014-16)
Gender	<ul style="list-style-type: none"> • <i>Housing and Communities' Inequalities in NI Report</i> (Wallace, Alison, University of York, June 2015) • NIHE Waiting List Data (2014-16)
Sexual Orientation	<ul style="list-style-type: none"> • EQIA on Housing Selection Scheme (2007) • EQIA on NIHE's strategic guidelines for the Social Housing Development Programme (2011) • <i>Housing and Communities' Inequalities in NI Report</i> (Wallace, Alison, University of York, June 2015) • Office of National Statistics Integrated Household Survey (2009/10 &

	<p>2011/12)</p> <ul style="list-style-type: none"> • NIHE commissioned Research on LGBT Housing & Homelessness Experience. 'Through Our Eyes' Report (2015)
Disability	<ul style="list-style-type: none"> • EQIA on Housing Selection Scheme (2007) • EQIA on NIHE's strategic guidelines for the Social Housing Development Programme (2011) • <i>Housing and Communities' Inequalities in NI Report</i> (Wallace, Alison, University of York, June 2015) • NIHE Waiting List Data (2014-16) • Census 2011
Dependants	<ul style="list-style-type: none"> • EQIA on Housing Selection Scheme (2007) • EQIA on NIHE's strategic guidelines for the Social Housing Development Programme (2011) • DfC (ASU) Equality Analysis Report (2016) • <i>Housing and Communities' Inequalities in NI Report</i> (Wallace, Alison, University of York, June 2015) • NIHE Waiting List Data (2014-16) • Census 2011

Section 75 Category	Details of Evidence/Information
ALL	<p>The Department has considered the NIHE's equality impact assessment on the Housing Selection Scheme (EQIA 2007) and NIHE's strategic guidelines for the Social Housing Development Programme (EQIA 2011) alongside Census data. The Social Housing Development programme is concerned with the location and quantity of new-build social housing but looked at allocations data for all properties (including existing stock).</p> <p>In their EQIA on the Housing Selection Scheme in 2007 the NIHE stated:</p> <p><i>“As the Housing Selection Scheme Policy addresses specific housing needs in Northern Ireland it affects some groups more than others; equally, the response to the needs of some groups when compared to others can be different.</i></p> <p><i>This difference is, however, as a consequence of the applicant's needs (i.e. household needs) and not their equality status. In this respect...where impacts are different, but in the context of a household's (or group's) 'needs' being the determining factor, it is considered that such impacts are not adverse.”</i></p> <p>In regards to this screening for the changes in legislation to achieve reversal of the ONS decision the key factor is the difference in the number of social homes that would be built should the decision not be reversed. In order to comply with HM Treasury rules as set out earlier in this document there would be at least a 50% reduction in the number of social homes being built each year in Northern Ireland. This will have a negative impact on all section 75 groups.</p>
Religious Belief/ Political	<p>There are no restrictions in access to the Housing Selection Scheme in terms of eligibility relating to a person's religion.</p>

<p>Opinion</p>	<p>There is no data available on political opinion of tenants of social housing or prospective tenants. It may be reasonable to assume some overlap between political opinion and religious background.</p> <p>As with all the section 75 groups, failure to have the ONS decision reversed will have the more significant impact as it will lead to significant reductions (at least 50%) in the number of social homes being built each year in Northern Ireland. This will have an adverse impact on all section 75 groups with restriction of choice as fewer homes are built in fewer areas and increases in waiting lists.</p>
<p>Ethnic Origin/ Racial Group</p>	<p>It is difficult to meaningfully analyse the data for ethnic minorities because the numbers are small, both in terms of the proportion of the population and the applications for social housing.</p> <p>As with all the section 75 groups, failure to have the ONS decision reversed will have the more significant impact as it will lead to significant reductions (at least 50%) in the number of social homes being built each year in Northern Ireland. This will have an adverse impact on all section 75 groups with restriction of choice as fewer homes are built in fewer areas and increases in waiting lists.</p>
<p>Age</p>	<p>Wallace 2015 points out that</p> <p>“the Northern Ireland Census 2011 illustrates that Northern Ireland has an ageing population, with more people over 65 years old and fewer children than in previous years. These changes have not been even as in some locations there has been a growth in younger people aged 16- 39 years old and infants aged nought to three years old – such as in Dungannon and Craigavon, undoubtedly due to inward migration – and in other locations a growth in older people aged 40 to 64 years old – particularly pronounced in Antrim and Limavady. These changing demographics have implications for the types of housing required. The incomes of different age groups differ significantly and thus their potential to meet their own housing needs.”</p> <p>In relation to eligibility, there are no significant differential or adverse impacts in respect of age.</p> <p>As with all the section 75 groups, failure to have the ONS decision reversed will have the more significant impact as it will lead to significant reductions (at least 50%) in the number of social homes being built each year in Northern Ireland. This will have an adverse impact on all section 75 groups with restriction of choice as fewer homes are built in fewer areas and increases in waiting lists.</p>
<p>Marital Status</p>	<p>The relationship between marital status and housing is complex. A single person may be cohabiting, a married person could be living with someone other than their spouse. In terms of housing, the living arrangements are more relevant than marital status. Wallace 2015 states that no additional housing requirements were identified for people with different marital</p>

	<p>status.</p> <p>Wallace 2015 notes that “non-couple households are disadvantaged in the housing market - in that they have higher levels of housing stress and more frequently seek support with their housing needs”.</p> <p>However that housing stress translates into greater priority for social housing, particularly where there is a priority need, e.g. there are children in the household.</p> <p>EQIA 2007 and EQIA 2011 found no adverse impacts in terms of marital status.</p> <p>As with all the section 75 groups, failure to have the ONS decision reversed will have the more significant impact as it will lead to significant reductions (at least 50%) in the number of social homes being built each year in Northern Ireland. This will have an adverse impact on all section 75 groups with restriction of choice as fewer homes are built in fewer areas and increases in waiting lists.</p>
<p>Gender</p>	<p>The 2011 Census shows 49 per cent of the population were male and 51 per cent female. Definitive figures around transgender are not available.</p> <p>As allocations are to households, not individuals it is hard to isolate gender as a category. NIHE data relates to that of the first applicant in the case of joint applications, and the criteria for deciding which of a mixed-gender household is first, is unclear. NIHE data do not appear to indicate any gender disadvantage (Wallace 2015) but this does not control for dependants, marital status or household composition. A household with a male or female household reference person may also contain other male or female adults. Data does not capture the gender of any children in applicant households.</p> <p>As with all the section 75 groups, failure to have the ONS decision reversed will have the more significant impact as it will lead to significant reductions (at least 50%) in the number of social homes being built each year in Northern Ireland. This will have an adverse impact on all section 75 groups with restriction of choice as fewer homes are built in fewer areas and increases in waiting lists.</p>
<p>Sexual Orientation</p>	<p>There are limited data resources that speak about the circumstances of people according to their sexual orientation. Sexual orientation is the only equality ground omitted from the Northern Ireland Census and the other data resources used to inform this review were limited in their sample sizes or omitted questions about sexual orientation.</p> <p>There are no eligibility rules relating to a person’s sexuality so there were no significant differentials or impacts according to EQIA 2007.</p> <p>As with all the section 75 groups, failure to have the ONS decision reversed will have the more significant impact as it will lead to significant reductions (at least 50%) in the number of social homes being built each</p>

	<p>year in Northern Ireland. This will have an adverse impact on all section 75 groups with restriction of choice as fewer homes are built in fewer areas and increases in waiting lists.</p>
<p>Disability</p>	<p>Census 2011 shows 20.7% of the Northern Ireland population has a life-limiting long-term health condition or disability. As the Northern Ireland population is ageing and disability prevalence increases with age overall levels of disability are likely to increase. Disability can reduce income (and therefore resources available for accommodation) and increase the requirements that a property must meet in order to be suitable for a person's mobility and sensory needs.</p> <p>Households with a person with disability are more likely to live in social housing than others.</p> <p>A number of rules in the current Selection Scheme make provision for needs associated with disability within the household. Points are awarded for functional and mobility needs, which in turn are used to prioritise applicants in the allocation of social housing. This is a differential impact which should be beneficial for people with disabilities.</p> <p>As with all the section 75 groups, failure to have the ONS decision reversed will have the more significant impact as it will lead to significant reductions (at least 50%) in the number of social homes being built each year in Northern Ireland. This will have an adverse impact on all section 75 groups with restriction of choice as fewer homes are built in fewer areas and increases in waiting lists.</p>
<p>Dependants</p>	<p>Census 2011 identified one third of households with dependent children and two thirds without.</p> <p>Almost a third of those on the waiting list and a third of those in housing stress are applicants with dependent children (in line with the proportion in the population more broadly).</p> <p>Dependants are considered when determining what number of bedrooms a household is entitled to.</p> <p>As with all the section 75 groups, failure to have the ONS decision reversed will have the more significant impact as it will lead to significant reductions (at least 50%) in the number of social homes being built each year in Northern Ireland. This will have an adverse impact on all section 75 groups with restriction of choice as fewer homes are built in fewer areas and increases in waiting lists.</p>

Needs, experiences and priorities

Taking into account the information referred to above, what are the different needs, experiences and priorities of each of the following categories, in relation to the particular policy/decision? Specify details for each of the Section 75 categories

Section 75 Category	Details of Needs/Experiences/Priorities
All categories	<p>The impact of the ONS decision will be to significantly reduce the number of social homes being built each year. Unless the decision can be reversed.</p> <p>Irrespective of the needs/experience/priorities of the section 75 groups overall this decision will impact the supply of homes available and restrict choice and increase waiting lists for all</p>

Part 2: Screening Questions

Introduction

1. If the conclusion is **none** in respect of all of the Section 75 categories, then you may decide to screen the policy **out**. If a policy is 'screened out' you should give details of the reasons for the decision taken.
2. If the conclusion is **major** in respect of one or more of the Section 75 categories, then consideration should be given to subjecting the policy to an EQIA.
3. If the conclusion is **minor** in respect of one or more of the Section 75 categories, then consideration should still be given to proceeding with an EQIA, or to measures to mitigate the adverse impact; or an alternative policy.

In favour of a 'major' impact

- a) The policy is significant in terms of its strategic importance;
- b) Potential equality impacts are unknown, because, for example, there is insufficient data upon which to make an assessment or because they are complex, and hence it would be appropriate to conduct an EQIA;
- c) Potential equality and/or good relations impacts are likely to be adverse or are likely to be experienced disproportionately by groups of people including those who are marginalised or disadvantaged;
- d) Further assessment offers a valuable way to examine the evidence and develop recommendations in respect of a policy about which there are concerns among affected individuals and representative groups, for example in respect of multiple identities;
- e) The policy is likely to be challenged by way of judicial review;
- f) The policy is significant in terms of expenditure.

In favour of 'minor' impact

- a) The policy is not unlawfully discriminatory and any residual potential impacts on people are judged to be negligible;
- b) The policy, or certain proposals within it, are potentially unlawfully discriminatory, but this possibility can readily and easily be eliminated by making appropriate changes to the policy or by adopting appropriate mitigating measures;
- c) Any asymmetrical equality impacts caused by the policy are intentional because they are specifically designed to promote equality of opportunity for particular groups of disadvantaged people;
- d) By amending the policy there are better opportunities to better promote equality of opportunity and/or good relations.

In favour of none

- a) The policy has no relevance to equality of opportunity or good relations.
- b) The policy is purely technical in nature and will have no bearing in terms of its likely impact on equality of opportunity or good relations for people within the equality and good relations categories.

Taking into account the earlier evidence, consider and comment on the likely impact on equality of opportunity / good relations for those affected by this policy, by applying the following screening questions and the impact on the group i.e. minor, major or none.

Screening questions

1 What is the likely impact on equality of opportunity for those affected by this policy, for each of the Section 75 grounds? Minor/Major/None		
Section 75 Category	Details of Policy Impact	Level of Impact? Minor/Major/None
Religious belief Political opinion Racial / ethnic group Age Marital status Sexual orientation Gender Disability Dependants	The proposals aim to reverse the ONS decision and therefore ensure the level of social homes being built annually is maintained.	Minor

2 Are there opportunities to better promote equality of opportunity for people within any of the Section 75 categories?		
Section 75 Category	If Yes , provide details	If No , provide reasons
		No. The changes outlined in this set of proposals are about reverting the status of Registered Social Housing Providers to that of private bodies and ensuring the level of new social house building is maintained.

3 To what extent is the policy likely to impact on good relations between people of different religious belief, political opinion or racial group? Minor/Major/None		
Good Relations Category	Details of policy impact	Level of impact Minor/Major/None
Religious belief Political opinion Racial group	The proposals aim to reverse the ONS decision and therefore ensure the level of social homes being built annually is maintained.	None

4 Are there opportunities to better promote good relations between people of different religious belief, political opinion or racial group?		
Good relations category	If Yes , provide details	If No , provide reasons
		No. The changes outlined in this set of proposals are about reverting the status of Registered Social Housing Providers to that of private bodies and ensuring the level of new social house building is maintained.

Additional considerations

Multiple identity

Generally speaking, people can fall into more than one Section 75 category. Taking this into consideration, are there any potential impacts of the policy/decision on people with multiple identities?

(For example; disabled minority ethnic people; disabled women; young Protestant men; and young lesbians, gay and bisexual people).

The changes outlined in this set of proposals are about reverting the status of Registered Social Housing Providers to that of private bodies and ensuring the level of new social house building is maintained. As such there will be no adverse impacts on persons with multiple identities. However should the decision not be reversed there will be impacts as the supply of new social homes is reduced each year.

Provide details of data on the impact of the policy on people with multiple identities. Specify relevant Section 75 categories concerned.

n/a

Part 3: Screening Decision

In light of your answers to the previous questions, do you feel that the policy should: (please underline one):

- 1. Not be subject to an EQIA (with no mitigating measures required)**
- 2. Not be subject to an EQIA (with mitigating measures /alternative policies)
- 3. Not be subject to an EQIA at this time
- 4. Be subject to an EQIA

If 1. or 2. (i.e. not be subject to an EQIA), please provide details of the reasons why:

While there will be minor impacts for all section 75 groups as a result of one of the changes proposed there will be much more significant impacts if the ONS decision is not reversed.

If 2. (i.e. not be subject to an EQIA), in what ways can identified adverse impacts attaching to the policy be mitigated or an alternative policy be introduced?

N/A

In light of these revisions, is there a need to re-screen the revised/alternative policy at a future date? YES / NO

N/A

If 3. or 4. (i.e. to conduct an EQIA), please provide details of the reasons:

N/A

Timetabling and Prioritising EQIA

If 3. or 4., is the policy affected by timetables established by other relevant public authorities? YES / NO

If YES, please provide details:

N/A

Please answer the following questions to determine priority for timetabling the EQIA. On a scale of 1-3, with 1 being the lowest priority and 3 being the highest, assess the policy in terms of its priority for EQIA.

Priority criterion	Rating (1-3)
Effect on equality of opportunity and good relations	
Social need	
Effect on people's daily lives	
Relevance to a public authority's functions	

Note: The Total Rating Score should be used to prioritise the policy in rank order with other policies screened in for EQIA. This list of priorities will assist you in timetabling the EQIA. Details of your EQIA timetable should be included in the quarterly Section 75 report. Proposed date for commencing EQIA: _____

Any further comments on the screening process and any subsequent actions?

N/A

Part 4: Monitoring

Effective monitoring will help identify any future adverse impacts arising from the policy which may lead you to conduct an EQIA, as well as help with future planning and policy development. You should consider the guidance contained in the Commission’s Monitoring Guidance for Use by Public Authorities (July 2007). The Commission recommends that where the policy has been amended or an alternative policy introduced, then you should monitor more broadly than for adverse impact (See Benefits, P.9-10, paras 2.13 – 2.20 of the Monitoring Guidance).

Please detail proposed monitoring arrangements below:

The screening documentation will be reviewed on a number of occasions

- 1) Post consultation
- 2) Post Assembly Stage
- 3) Post ONS review of their decision

Part 5: Approval and Authorisation

Screened by:	Position/Job Title	Date
Shane Clements	Principal	7/12/2016
	ONS Bill Team	
Approved by:		
Bernie Rooney	Director	7/12/2016
	Urban, Community & Disability Policy & Housing Regulation Directorate	

Note: A copy of the Screening Template, for each policy screened should be ‘signed off’ and approved by a senior manager responsible for the policy, made easily accessible on your website as soon as possible following completion and made available on request.

**PROPOSALS TO SEEK REVERSAL
OF THE RECLASSIFICATION OF
REGISTERED SOCIAL HOUSING
PROVIDERS IN NORTHERN
IRELAND**

CONSULTATION DOCUMENT

**RURAL IMPACT ASSESSMENT
SCREENING FORM**

NOVEMBER 2016

Policy stage	Proposals to seek reversal of the reclassification of Registered Social Housing Providers in Northern Ireland
Design	<ul style="list-style-type: none"> • Have you identified what the context is for rural? <p>The ONS is the UK's largest independent producer of official statistics and is the recognised national statistical institute for the UK. It is responsible for collecting and publishing statistics related to the economy, population and society at national, regional and local levels. The main purpose of the classification system is to provide the foundation for the National Accounts on which the Government bases its fiscal statistics and budgeting rules. ONS independently determine classification decisions strictly in accordance with internationally agreed rules set out principally in the European System of Accounts 2010. The sector to which a body is classified in turn determines the treatment of its expenditure in departmental budgets.</p> <p>On 29 September 2016 the ONS announced that Registered Social Housing Providers in Northern Ireland would be reclassified to the public sector and designated as Public Non-Financial Corporations.</p> <p>This decision means that borrowing drawn down by Registered Social Housing Providers to finance new social housing developments would constitute public expenditure and would therefore have to be taken out of the money available for other public services.</p> <p>Given the pressures on public funds this may not be possible and therefore the number of new social housing units built each year would be significantly reduced. This at a time of budgetary pressure and increasing waiting lists.</p> <p>The impact of the ONS decision therefore has the potential to greatly restrict the funding for future social housing construction and directly impact on rural communities.</p> <ul style="list-style-type: none"> • Identify what are the policy objectives in terms of problem / outcome. <p>The aim of these changes is to ensure a reversal of the ONS decision therefore maintaining the levels of building of social home across Northern Ireland including rural communities.</p> <ul style="list-style-type: none"> • What are the rural specific impacts of the policy- in terms of access, transport requirements, potential delivery mechanisms and economic impacts? <p>Any reduction in the Social Housing Development Programme will impact equally on both urban and rural communities. However rural developments are in the main smaller than urban and potentially could be harder hit if there is an overall reduction in the build programme.</p>

	<ul style="list-style-type: none"> • Are there any potential local impacts different from the regional impact? <p>See above</p> <ul style="list-style-type: none"> • Have the most likely negative and positive impacts been identified - is there a need for a pre-consultation to inform your design? <p>The most likely negative impact will result from not taking action to reverse the ONS decision. In that scenario there will be one of two possible outcomes. Either a significant reduction in the number of social homes built annually or a reduction of other capital programmes. Either of these will have a much more significant impact on rural communities than the changes to the house sales scheme. None of the other proposed changes would have an adverse impact on rural communities.</p> <ul style="list-style-type: none"> • Is there a need for refinements or safeguards? <p>No. As indicated above the risk with regard to the ONS decision comes from not taking action to have the classification reversed.</p> <ul style="list-style-type: none"> • What are the wider policy drivers/ context? <p>Answers to questions 1 – 3 refer.</p>
<p>Evidence</p>	<ul style="list-style-type: none"> • Have these predicted impacts been informed by evidence? <p>The predicted impacts come from not seeking to reverse the ONS decision on reclassification. Evidence of the impact comes from HM Treasury guidance which states that any borrowing by public bodies will count against the Department’s capital budget. That being the case unless additional funding can be found it is likely that Registered Social Housing Providers will no longer be able to borrow leading to a significant reduction in the level of new social homes being built. Some limited information with regard to the numbers of homes sold under the House Sales Scheme is available from the Department’s review of the House Sales Scheme.</p> <ul style="list-style-type: none"> • Are there any areas of uncertainty, where further evidence would be useful? <p>None identified at this stage.</p> <ul style="list-style-type: none"> • Have you already put in place any design features as a result of the evidence considered? <p>The approach being adopted is designed to ensure the potential negative impacts of the ONS decision are mitigated.</p>

<p>Consulting</p>	<ul style="list-style-type: none"> • Has the consultation clearly identified any potentially different impacts in terms of rural areas/communities? <p>To date the negative impacts that have been identified are those associated with not taking action on the ONS decision. Following the formal consultation period this screening will be reviewed to incorporate any findings from the consultation.</p> <ul style="list-style-type: none"> • Can you demonstrate how you have targeted and fully engaged with rural stakeholders? <p>On this issue the concerns of rural and urban stakeholders will be the same – i.e. the reduction in the number of social homes being built. The proposals in the consultation aim to deal with this.</p> <ul style="list-style-type: none"> • Can you identify rural responses by nature of their concerns and issues - do they reflect your own predictions? <p>On this issue the concerns of rural and urban stakeholders will be the same – i.e. the reduction in the number of social homes being built. The proposals in the consultation aim to deal with this.</p> <p>Following the formal consultation period this screening will be reviewed to incorporate any findings from the consultation.</p>
<p>Monitoring and outcomes</p>	<ul style="list-style-type: none"> • Have you identified a need for any rural specific monitoring or developed any separate rural indicators? <p>The proposals do not anticipate the need for any rural specific monitoring and separate rural indicators have not been developed.</p> <ul style="list-style-type: none"> • Will the outcomes of the policy meet your set objectives in rural areas? <p>The outcome of the proposals will ensure that the Social Housing Development Programme will continue at current levels rather than be reduced due to the impact of the ONS decision.</p>

It is the opinion of the project that no Rural Impact Assessment is appropriate at this time. However this decision can and will be reconsidered if any issues are brought to the attention of the Department.

Completed by: Shane Clements, G7, ONS Bill Team

Authorised by: Bernie Rooney, Director, Urban, Community & Disability Policy & Housing Regulation

**PROPOSALS TO SEEK REVERSAL
OF THE RECLASSIFICATION OF
REGISTERED SOCIAL HOUSING
PROVIDERS IN NORTHERN
IRELAND**

CONSULTATION DOCUMENT

**REGULATORY IMPACT
ASSESSMENT SCREENING FORM**

NOVEMBER 2016

Title of Proposal

Proposals to seek reversal of the reclassification of Registered Social Housing Providers in Northern Ireland

Purpose and Intended Effect of Measure

The ONS is the UK's largest independent producer of official statistics and is the recognised national statistical institute for the UK. It is responsible for collecting and publishing statistics related to the economy, population and society at national, regional and local levels. The main purpose of the classification system is to provide the foundation for the National Accounts on which the Government bases its fiscal statistics and budgeting rules. ONS independently determine classification decisions strictly in accordance with internationally agreed rules set out principally in the European System of Accounts 2010. The sector to which a body is classified in turn determines the treatment of its expenditure in departmental budgets.

On 29 September 2016 the ONS announced that Registered Social Housing Providers in Northern Ireland would be reclassified to the public sector and designated as Public Non-Financial Corporations.

This decision means that borrowing drawn down by Registered Social Housing Providers to finance new social housing developments would constitute public expenditure and would therefore have to be taken out of the money available for other public services.

Given the pressures on public funds this may not be possible and therefore the number of new social housing units built each year would be significantly reduced. This at a time of budgetary pressure and increasing waiting lists.

The impact of the ONS decision therefore has the potential to greatly restrict the funding for future social housing construction.

The aim of these changes is to ensure a reversal of the ONS decision therefore maintaining the levels of building of social home across Northern Ireland including rural communities.

The effect of the proposals will be to reduce some technical elements of the requirements placed on Registered Social Housing Providers to seek Departmental permission for a number of activities.

Options for addressing the issue

The reversal of the ONS decision will be facilitated by some changes to elements of housing legislation – namely the Housing (Northern Ireland) Orders of 1983 & 1992.

Benefits

The benefits will be a continuance of the levels of social home building currently achieved and some minor changes to the requirements placed on Registered Social Housing Providers in terms of some of their activities.

Costs

There are costs associated with the development of the legislation but there are no costs to organisations in terms of the proposals being made.

Consultation with Small Business: The Small Business Impact Test

The proposals being considered will change the requirement to seek permission from the Department in some instances to a notification process. Other changes proposed include providing clarity around the definition of some term and process. In total there will be no increase in costs or activities for the Registered Social Housing Providers and in fact for many the requirements will reduce.

Enforcement and Sanctions

There will be no change to the enforcement or sanctions being used at present. The proposed changes will provide clarity on the circumstances in which those sanctions may be used.

Monitoring and Review

The ONS will review its decision once the proposed changes have been implemented. The need for further impact assessment will also be carried out following the consultation and once the changes have been implemented at which point this assessment will be reviewed.

Consultation

The consultation seeks views on the proposals and this assessment will be reviewed once that consultation is complete.

Summary and Recommendation

There will be no negative impact with regard to regulation as a result of the changes being proposed in this consultation. There is no requirement for a full regulatory impact assessment. The content of the screening assessment will be reviewed once the consultation is complete.

Declaration

It is the opinion of the project that no Regulatory Impact Assessment is required at this time. However this decision can and will be reconsidered if any issues are brought to the attention of the Department.

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