

Scottish Government (SG) & Office for National Statistics (ONS)
Stakeholder Event - Scottish PRS price indices and statistics
Wednesday 7th February, 2024, 2pm – 4pm

Chair:

Adam Krawczyk, Head of Housing, Homelessness & Regeneration Analysis, SG

Presenters:

Mike Hardie, Deputy Director for Prices Transformation Division, ONS

Abi Casey, Head of Prices Development and Responsive Analysis, ONS

Natalie Jones, Head of Housing Market Indices Transformation, ONS

Emma Nash, Head of Housing Statistics & Analysis, SG

Minutes:

Iain Scherr, Housing Statistics, SG

Attendees:

Over 50 people joined the Teams event, with representatives from a number of Scottish local authorities, Registers of Scotland, SPICe, housing charities, university researchers, and private sector organisations with an interest in housing policy.

Minutes:

1. Welcome and introductions
 - **Adam Krawczyk** welcomed attendees and gave overview of agenda.
2. Overview of ONS's consumer price inflation transformation programme
 - **Abi Casey** presented on the transformation programme, with the slides available online
3. Changes to rents data and data granularity
 - **Natalie Jones** presented on the changes that had been made to the Private Rental Market Index, with the slides, [impact analysis](#) and [methodology](#) available online.
 - Encouraged people to contact hpi@ons.gov.uk if they had any queries.
4. Scottish Rental Data used in the production of ONS indices and implications for results for Scotland,
5. Comparison of results for Scotland with England & Wales
 - **Emma Nash** gave presentations on the two subjects above, slides available online.
6. Questions and discussion
 - Adam thanks the presenters, and opens the discussion for all attendees.

Discussion points:

- There is a discussion on **how appropriate the ONS private rented sector measures are for Scotland**. It is mentioned that the data sample used to construct the ONS measures were based on predominantly advertised rental data. It was also highlighted that rents for tenancies that were collected by

Scottish Government beyond 14 months were not included in the ONS statistics. With these two aspects in mind, along with the rent caps introduced through the Cost of Living (Tenants Protection) Act, the Scottish Government had worked with ONS to ensure appropriate caveats to the Scottish data. ONS confirm they are working with SG to seek ways to improve the measurement of rents for existing tenancies and raised that improved data collection would be the most effective way forwards.

- There is further discussion on **the sample for data collection**, how representative it is of Scotland, and how this compares across the nations. Every year, Rent Service Scotland (RSS) collect ~30,000 records Scotland wide and have a minimum target for properties per bedroom size and Broad Rental Market Area (BRMA). In general, RSS aim to capture 10% of the total PRS, but will capture higher proportions where needed to meet those minimum targets. This means that appropriate weighting is required when analysing the RSS data at a national and subnational level. The corresponding data collection in England and Wales is similar, also aiming for 10% of the PRS, and use Census data alongside knowledge of the areas to identify the size of the PRS in each local authority area. The ONS applies weights to the data for their analysis. The crucial difference in the data collection for England and Wales is that landlords are re-contacted for data on whether there have been any changes in rents for existing tenancies after around 12 months, if no updates are provided before then.
- Discussion moved on to what **scope there is to enhance data collection in Scotland**. SG discussed their proposal to collect rental data on every tenancy in Scotland whenever it changes. This was set out in the SG [‘A New Deal for Tenants’](#) draft strategy consultation document. This is the approach taken by Ireland which set up the Private Residential Tenancies Board (RTB), whose functions include the collection of comprehensive rental data, with operating costs of around £15 million a year. The priority in Scotland is to ensure that any new data collection supports any future rent controls. SG is also keen to collect data at areas smaller than BRMAs, such as local authorities and hotspots. They are also exploring the method used by rent officers in England and Wales, who revisit tenancies after 12 months to collect follow-up data. Any changes to data collection in Scotland may require changes to the Scottish Landlord Register, which would have knock on effects to the local authority staff that maintain it. The time it would take to implement changes was also discussed, potentially taking years. Other considerations than just resourcing need to be considered, such as IT developments, stakeholder engagement and co-operation, potential legislative changes etc.
- **Alternative data sources** were discussed, including the potential limitations of using them. Letting agents themselves may hold data, but it was pointed out that there may be commercial sensitivities to this, and that they may not collect all the information required. Safe Deposit Scotland and other deposit schemes were also floated, but when these were last considered by SG, they didn’t collect information on rents and property characteristics. Housing benefit and Universal credit records were also discussed which hold information on rents paid by claimants, but there may also be issues, particularly with representativeness in certain areas. ONS mentioned that they don’t have

access to this data currently, so there would be issues there as well, and it might not have the detail required regardless.

- A few **miscellaneous issues** were raised too:
 - There was a question about whether SG had plans around reinvesting unclaimed tenancy deposits as proposed in New Deal for Tenants. It was confirmed that this has been considered by policy teams in SG, and updates would be provided at Private Sector Stakeholder meetings, as well as what was contained in the New deal for tenants - rented sector reform proposals: consultation.
 - There was discussion on whether private rented sector landlords exiting the market were switching to Short Term Lets, leading to lower supply of rented properties and inflated rents. It was commented that during Covid the opposite may have occurred when there were restrictions in place on travel and use of Short Term Lets.

7. Whats next?: Mike & Adam

- Mike thanked the attendees and gave a brief overview of methodology development. He reiterated that ONS would provide advisory support where it is able to for improving data collection in Scotland, and thanks attendees for feedback both during the session and more generally.
- Adam also thanks attendees, and concluded that the ONS measures did not capture the unique impact of rent controls in Scotland on private sector rents and indices. He commented that there were two ways in which this could be addressed, firstly to collect more data on rents for exiting tenancies or secondly to introduce specific Scottish amendments to the ONS methodologies.
- Mike highlights that to make methodological amendments, ONS would need evidence to support any proposed changes. Any changes made would subsequently need to be considered by ONS's Technical Advisory Panel on Consumer Prices (APCP – Technical). . Mike outlined that the APCP - Technical has highlighted previously that the most important thing that can be done by both SG and ONS is to look at improvements to source data.
- Adam brought the meeting to a close.