

ADVISORY PANEL ON CONSUMER PRICES – STAKEHOLDER

Terms of reference**Purpose**

1. This note presents the current terms of reference for the operation of the Advisory Panel on Consumer Prices – Stakeholder (APCP-S) for review.

Actions

2. Members of the panel are invited to:
 - a) review the terms of reference for operation of APCP-S
 - b) consider the points raised in the discussion below

Discussion

3. In reviewing its terms of reference there are a number of points that APCP-S may wish to consider.
4. One of the current written functions of APCP-S is to ‘Provide a report to the Authority Board each year, describing its activities and future plans’. However, the Stakeholder panel’s function is also to ‘provide independent advice to the National Statistician on the uses and applications of consumer price indices’. Professor Sir Adrian Smith’s [Review of the Governance of Prices Statistics](#), which led to the creation of APCP-S, recommended that the National Statistician ‘withdraw from the advisory process and that the two panels report to [him] on behalf of the board’. It also recommended that APCP-Stakeholder ‘submit an annual report on its activities to the Board’. Panel members may wish to consider clarifying in the terms of reference the procedure for production of the annual report, including who the report is written for, when it should be produced, and how it should be circulated.
5. In 2016 a number of APCP-S papers were not published on the UK Statistics Authority (the Authority) website. Papers have been withheld because they were either drafts of articles that would be published at a later date, articles that had already been published and were available elsewhere, or papers that were deemed to be market sensitive. Members may wish to consider whether transparency should be a short standing item at meetings. This will inform decisions on whether any papers should be withheld. We could also include a brief statement on the Authority website stating why any papers have been withheld.
6. Finally panel members may wish to comment on any other aspects of the terms of reference that need updating, or ways in which the functioning of the panels may be improved.

James Tucker
Prices, Office for National Statistics
January, 2017

List of Annexes

Annex A	Terms of Reference for the Advisory Panel on Consumer Prices - Stakeholder
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Annex A – Terms of reference for the Advisory Panel on Consumer Prices – Stakeholder

Overview

The Advisory Panel on Consumer Prices (Stakeholder) (APCP Stakeholder) provides independent advice to the Authority Chief Executive on the uses and applications of consumer price indices.

Introduction

The establishment of the APCP Stakeholder was recommended by an independent review of the governance of prices statistics, which considered matters relating to the governance arrangements and structures underpinning the production of consumer price indices by the Office for National Statistics.

The report also recommended the creation of an Advisory Panel on Consumer Prices (Technical), to provide advice to the Authority Chief Executive on technical aspects of the statistics.

These recommendations were accepted by the Board of the UK Statistics Authority in February 2014.

Functions

The APCP Stakeholder provides independent advice to the Authority Chief Executive on the uses and applications of consumer price indices, to ensure that these statistics meet the needs of users and ‘serve the public good.’

Specifically, the panel will:

- Consider and take forward the outcomes of the Johnson review of the range of prices statistics;
- Monitor and provide advice on the ONS work programme;
- Raise other relevant issues or topics on the use and application of prices statistics, including on behalf of the user community;
- Provide a report to the Authority Board each year, describing its activities and future plans; and
- Formally review the operation of the panel after two years of its operation.

Reporting and Governance

The APCP (Stakeholder) advises the Authority Chief Executive, who is also the National Statistician and a member of the Authority Board.

The Chair of the APCP (Stakeholder) will prepare a report annually on the activities of the panel, for the Authority Board.

Under the *Statistics and Service Registration Act 2007*, the UK Statistics Authority Board is responsible for the compilation, maintenance and publication of the Retail Prices Index (RPI).

Relationship with the APCP (Technical)

The APCP Stakeholder Secretariat works with the Panel Chairs, the ONS and members to ensure that the activities of the stakeholder and technical panels are coordinated.

Chairing

The Chair of the APCP (Stakeholder) is appointed via open competition.

He/she sets the panel's strategic direction, and works with members and the Secretariat to set agendas for panel meetings.

The Chair also represents the panel publicly, as necessary.

Membership

Membership of the panel provides for a mixture of interests and expertise. Members are appointed for fixed terms, by the Chair and the National Statistician.

The role of each member of the APCP Stakeholder is to participate in consideration of the full-range of issues within the remit of the panel.

Substitutes will not be permitted to attend panel meetings unless with express invitation from the Chair.

Transparency / Confidentiality

The panel will operate transparently. Meeting agendas, papers and summaries will be made publically available following meetings, unless it is deemed that they are market-sensitive.

Secretariat

The Secretariat will be provided by ONS Prices Division.

Meetings

It is anticipated that the Panel will meet at least three times each year.