

ADVISORY PANEL ON CONSUMER PRICES – TECHNICAL

Terms of Reference**Purpose**

1. This paper outlines and seeks endorsement for initial terms of reference for the Advisory Panel on Consumer Price Statistics – Technical (referred to as the panel for the remainder of this paper).

Recommendations

2. Members of the Panel are invited to:
 - a) Provide comments on the draft terms in writing to the panel secretariat in advance of the panel meeting on 22 January 2016. Members are requested to highlight any issues they would like discussed at the panel meeting. The e-mail address for comments will be provided separately to panel members.
 - b) Endorse the terms of reference.

Background

3. A draft set of terms of reference were circulated to members at their first meeting on 27 November 2015 as an annex to paper APCP-S(15)03.
4. During the course of the first panel meeting, a number of points were raised that necessitated changes to the draft terms of reference. Of perhaps the greatest importance was the need for protocols on the extent to which members could share papers with others prior to meetings.
5. A revised terms of reference reflecting these changes is included in Annex A below. The aforementioned protocols have been included in the form of a brief code of conduct for members.

Next Steps

6. We are aiming for the terms of reference to be signed off at the panel's next meeting on 22 January. The panel secretariat and chair will review the terms of reference on an annual basis to ensure they remain relevant. Members' feedback will be sought for each review. Revised terms will be signed off at the first meeting of each calendar year.

Ainslie Woods
Prices Division, Office for National Statistics
January, 2016

List of Annexes

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

Overview

The Advisory Panel on Consumer Prices (Technical) (APCP Technical) provides independent advice to the National Statistician on technical aspects of consumer price indices.

Introduction

The establishment of the APCP Technical was recommended by an independent review of the governance of price 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 (Stakeholder), to provide advice to the National Statistician on the uses and application of the statistics. These recommendations were accepted by the Board of the UK Statistics Authority in February 2014.

Functions

The APCP Technical provides independent advice to the National Statistician on technical aspects of consumer price indices, as requested by ONS and/or the Stakeholder Panel.

Specifically, the panel will:

- Provide technical advice on the relevant outcomes of the Johnson review of the range of prices statistics;
- Provide technical expertise on relevant aspects of the ONS consumer prices work programme;
- 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 Technical advises the National Statistician, who is also the Authority Chief Executive and a member of the Authority Board.

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

Under the *Statistics and Registration Service 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 Stakeholder

The Technical Panel secretariat works with the Technical Panel chair and respective members, the Secretariat of the Stakeholder Panel, the UK Statistics Authority and ONS to ensure that the activities of the stakeholder and technical panels are coordinated.

Chairing

The Chair of the APCP Technical is the ONS Director of National Accounts and Economic Statistics.

The Chair sets the panel's agenda, guided by the strategic direction of the Authority Board and the Chief Executive, and by the needs of the Stakeholder Panel and ONS.

Membership

Membership of the panel provides for a mixture of expertise in price index methodology, including international experts. Members are appointed for fixed terms of three years, by the Chair and the National Statistician. Reappointments will be permitted. The composition of the panel will be reviewed periodically by the Chair and the National Statistician.

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

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

Members are not remunerated. All reasonable travel and subsistence costs will be reimbursed.

Transparency / Confidentiality

The panel will operate transparently. Meeting agendas, papers and minutes will be made publically available following meetings, unless it is deemed that they are of a sensitive nature. Panel members will have the opportunity to comment on the minutes before publication for issues of accuracy. The panel chairs will have the final sign off on the minutes.

Code of Conduct

Panel members are expected to provide their expertise and advice on the topics they are asked to consider. Members are welcome to share papers in advance with colleagues in order to develop their advice.

On occasion members will be asked to consider topics of a sensitive nature. In these instances certain restrictions will apply. These will be clearly set out by the panel secretariat in advance of receiving any papers. Members who feel they are not able to abide with the restrictions will not receive papers and will be asked not to attend the relevant meeting.

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.