

ADVISORY PANEL ON CONSUMER PRICES – TECHNICAL

Terms of reference**Purpose**

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

Actions

2. Members of the panel are invited to:
 - a) review the terms of reference for operation of APCP-T
 - 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-T may wish to consider.
4. One of the current written functions of APCP-T is to ‘Provide a report to the Authority Board each year, describing its activities and future plans’. However, the Technical panel’s function is also to ‘provide independent advice to the National Statistician on technical aspects of consumer price indices’. Professor Sir Adrian Smith’s [Review of the Governance of Prices Statistics](#), which led to the creation of APCP-T, 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-T 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.

Christopher Payne
Prices, Office for National Statistics
January, 2017

List of Annexes

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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. Technical Panel members will be copied in on papers sent to Stakeholder Panel members and vice versa.

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.