ADVISORY PANEL ON CONSUMER PRICES – STAKEHOLDER

Prioritisation framework
Status: Draft for discussion

Purpose

1. This short paper updates Panel members on the ONS's proposed research and data acquisition priorities within the area of Prices Transformation.

2. The paper includes the draft Prioritisation Framework that we have developed to inform which product categories are most suitable for development and transformation, based on the likely costs, benefits and feasibility of implementing alternative data sources or methods in each product category.

3. The initial results from the framework will inform future research and data acquisition; as will be discussed in more detail during the panel meeting. This in turn will help inform longer term transformation priorities.

Actions

4. The paper is primarily for information, but we'd appreciate the panel's:
   a. views and questions on the prioritisation framework and proposed research priorities
   b. suggestions on how to approach research or data acquisition in priority product categories.

Prioritisation framework

5. We have created a Prioritisation Framework to act as a structured tool for informing discussion and prioritisation of future data acquisition, research and transformation work within consumer prices.

6. The Framework produces an aggregate priority score for each product category based on a set of qualitative assessments on different aspects. Specifically, for each of the product categories a score is agreed to summarise the degree of improvement any new/alternative data source is likely to have in terms of each of the following aspects:

   a. Resource usage – change in resource requirement when new data source is integrated (could be negative)

   b. Extent of improvement – the methodological improvement expected when using the new data sources

   c. Ease of integration – level of difficulty anticipated when integrating the new data source, scale of data, changes in methods

   d. Ease of acquisition – how much difficulty is anticipated in acquiring the data required, number of retailers required, quality of data, timescales

   e. Contributions and weight (log scaled) – The average of the 5 year average weight and 5 year sum of absolute contributions to 12 month rate

7. Table 1 shows the resultant order of product categories ranked by the average score for that product category across the five aspects mentioned above.

Table 1: Product categories ranked by average prioritisation framework score

Rank	Product category	Resource usage	Extent of improvement	Ease of integration	Ease of acquisition	W & C	Average
1	Energy	4	7	8	9	8.1	7.2
2	Groceries	3	7	6	8	9.6	6.7
3	Rents	6	6	7	9	5.2	6.6
4	Clothing	6	9	2	7	7.4	6.3
5	Package holidays	7	7	5	6	4.6	5.9
6	Air fares	6	9	6	5	3.5	5.9
7	Tech goods	9	7	6	3	1.7	5.3
8	Chart collections (games)	7	3	1	8	5.1	4.8
9	Mobile phone charges	2	6	3	9	2.6	4.5
10	Pharmaceuticals	3	7	6	5	1.4	4.5
11	Furniture	2	6	7	2	4.5	4.3
12	Add insurance	2	8	5	4	1.7	4.1
13	Chart collections (books)	4	3	1	1	1.1	2.0
14	Chart collections (legacy media)	0	3	1	1	3.3	1.7

8. The prioritisation framework should not be seen as final, as it is expected to be updated over time in response to changes within product categories themselves and/or the external environment, as well as being informed by on-going research and data acquisition efforts.

9. The prioritisation order that results from the framework is also not intended to be narrowly implemented, but instead will serve as a tool to help prioritise and justify further research and data acquisition. More information on the research and data acquisition activities we intend to undertake within the higher priority product categories will be provided during the panel meeting.

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