

ADVISORY PANEL ON CONSUMER PRICES – STAKEHOLDER

Forward Work Plan**Purpose**

1. Following recent discussions, the idea of creating a Forward Work Plan for the Panel was agreed, in order that Panel members are sighted well in advance in terms of which agenda items will be discussed throughout the year, and so Prices Division can prepare with more certainty when workstream updates should be brought to the Panel.
2. This paper provides a draft Forward Work Plan, alongside information (when possible) on what types of issues will be discussed as part of each agenda item.

Actions

3. The paper is primarily for information, but we'd appreciate the panel's thoughts on whether:
 - a. there should more agenda items added to the Forward Work Plan.
 - b. each agenda item has been assigned to the correct month.
 - c. moving October's Panel to September is the correct decision, in order that additional time can be provided so ONS stakeholders can take decisions relating to the RPI update,

Draft Forward Work PlanApril 2024

1. ADS update

Placeholder item – exact content to be determined closer to the time based on project progress and need.

2. OSR review of PIPR & OOH

The Office for Statistics Regulation (OSR) are planning to review the ONS's improved rental price statistics (Price Index of Private Rents, or PIPR) to determine whether it is ready to be an Accredited Official Statistic (formerly known as a National Statistic). Alongside this they are looking to do a review of the accreditation of Owner Occupied Housing (OOH), in light of changes to rental price statistics.

While plans have yet to be confirmed, the OSR are looking to do this review in the spring or summer, following the implementation of PIPR into the ONS's consumer price statistics. This agenda item would allow OSR to discuss aspects of the review with the Panel with a more detailed agenda to be agreed by the OSR closer to the meeting.

3. EDIF-funded research on HCIs

The ONS has commissioned a research project from the University of Strathclyde (Fraser of Allander Institute) to understand potential options the ONS may have to improve the basket of items used for different households in the Household Costs Indices (HCIs). The ONS are currently unable to take into account different types of items (e.g. premium and budget ranges) that may be bought by different households and this research is to look at potential options the ONS could take forward in

the future. The project is expected to be completed by the end of March and a paper of their findings will be provided. The aim is for Strathclyde University to present and discuss their findings with the Panel.

July 2024

1. Prioritisation framework

The purpose of this agenda item is to follow up on the discussion at the Panel in October 2023 by updating Panel members on the ONS's proposed research and data acquisition priorities within the area of Prices Transformation. Specifically, it will provide an updated version of the Prioritisation Framework that informs 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.

The team will also update on recent methodological work undertaken and set out the proposed scope of future methodological research. The item will primarily be for information, but the ONS would welcome the Panel's views and questions on the framework and priorities provided.

2. ADS update

Placeholder item – exact agenda to be determined closer to the time based on project progress and need.

3. Ofgem update

Throughout 2023 the ONS kept the Panel updated on their progress on how they can incorporate fixed tariffs into their measures of gas and electricity inflation, including the possibility of using Ofgem data. In July 2024 the ONS hope to update the Panel on their progress in passing the Ofgem data through existing Alternative Data Sources (ADS) pipelines, their work assessing the data quality, on any agreements between the ONS and Ofgem on expediting the speed of delivery, and on any progress made in investigating alternatives to the Ofgem data and/or to the ADS pipelines. In light of these updates the ONS will again ask for the Panel's views on the various methodological decisions to make, namely those relating to index methods and those relating to which vintages of Ofgem data to use.

4. COICOP18 implementation

In 2018 the UN Statistical Commission adopted the COICOP 2018 as a new standard, and Eurostat and EU countries are now working towards introducing COICOP 2018 by early 2026. The transition to COICOP 2018 requires substantial changes in methodological, operational, IT and legal aspects. Therefore, this agenda item will provide an overview of the ONS's implementation plans and the main challenges they expect to have to overcome.

September 2024 (joint panel)

1. ADS impact analysis

In preparation for submitting impact analysis to the Bank of England and subsequently publishing these impacts, this paper will provide an overview of the impacts of incorporating grocery scanner data into the ONS's headline consumer prices indices, in terms of CPI, CPIH and RPI. To enable

scanner data to be incorporated and to uplift elements of the ONS's legacy systems they are making a number of methodological and systems changes.

Beyond presenting the total impact relative to published indices, the impact analysis will therefore also aim to disentangle the impact of these different changes to provide the panel with an understanding of the drivers of any impacts. The Panel will be asked to comment on the impacts provided and to advise on the suitability of introducing these new data, methods, systems and processes into live production.

2. RPI update

The purpose of this agenda item is for the ONS to provide a brief update on future plans for which consumer price transformation categories will be proposed under the RPI protocol in future and the timelines around these proposed changes and the RPI protocol process. The item will be primarily for information, but the ONS will also invite the Panel's advice on the plans and the external communication around these plans.

3. Carli/Jevons/Dutot discussion

This agenda item will allow for discussion of viewpoints on the advantages and disadvantages associated with using Carli, Jevons and Dutot indices. It's likely that at least one discussion paper will be prepared and circulated in advance of the Panel, but further clarity can be provided closer to the time of the Panel.

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