

**UK STATISTICS AUTHORITY  
ADVISORY PANEL ON CONSUMER PRICES – STAKEHOLDER**

**Minutes**

**Friday 27 October 2023  
Hybrid Meeting**

**Members in attendance**

Dame Kate Barker (Chair)  
Richard Gibson (Barnett Waddingham)  
Simon Kirby (Bank of England)  
Ashwin Kumar (Manchester Metropolitan University)  
Jill Leyland (Royal Statistical Society)  
Ian Rowson (Independent policy analyst)  
Daniela Silcock (Pensions Policy Institute)  
Geoff Tily (TUC)  
Morgan Wild (Citizens Advice)  
Thomas Yeomans (HMT)

**ONS secretariat**

David Beckett

**ONS presenters**

Fred Barnes  
Liam Greenhough  
Chris Payne  
Ifan Williams

**ONS observers**

Matthew Corder  
Grant Fitzner  
Michael Hardie  
Chris Jenkins

**Outstanding Actions**

6.	ONS to produce analysis (of the HCIs) for the three methods of implementing mortgage payments (the current Retail Prices Index (RPI) method, the simple revaluation method and the lenders' formula method) with a 20% fall in house prices and a 1% increase in interest rates.	On hold
15.	ONS to publish an update to the Consumer Prices Landscape in the autumn of 2023.	Completed
21.	Chris Payne to work with Jill Leyland to determine what form the RSS HCI event should take and how to involve the media and other stakeholders with the event in the most appropriate way.	Completed
22.	ONS to contact Panel members before October's Panel meeting with further guidance on their need to manage	Completed

	confidentiality and any potential conflict of interests arising from early access to impact analysis.	
23.	ONS to provide an update on the prospective Ofgem data source at a future Stakeholder Panel to allow Panel members to comment on when, how and if it should be used.	Completed
24.	The Secretariat to liaise with the Chair and Panel members to finalise the time and date of the next Panel.	Completed
25.	The Secretariat to provide the Chair with further information on how regularly the Terms of Reference state Panel membership should be reviewed.	Completed
26.	ONS to contact the Dutch statistical agency to determine the extent to which their price indices differed when using the national approach as opposed to the domestic approach and to ask if there were any particularly important lessons they learned when carrying out this work.	Ongoing

### **Actions from today's meeting**

27.	ONS to table the Prioritisation Framework for discussion at the July 2024 Stakeholder Panel.	-
28.	ONS to table Ofgem data for discussion at a future Stakeholder Panel when further information was available	-

## **1. Introductions, apologies, and actions**

- 1.1 The Chair welcomed everyone to the Stakeholder Panel meeting.
- 1.2 The minutes from the previous Stakeholder Panel meeting (24 July 2023) were approved.
- 1.3 It was agreed that action points 3, 12 and 17-20 had been completed and could be removed from the action point list.

## **2. Household Costs Indices and the consumer prices landscape**

- 2.1 Chris Payne (CP) gave an update on the ONS's Household Costs Indices (HCIs) work, explaining that the HCI publication on 4 December would include a bulletin, detailed reference tables, and a reworked timeseries back to 2007. CP also confirmed that CPIH and CPI-consistent subgroup data will no longer be published.
- 2.2 CP gave further details on what events had been planned, beginning with three ONS online events on publication day tailored to the needs of different users. There will also be a Royal Statistical Society event the week after publication day where a range of stakeholders with an interest in HCIs will discuss their development and how they can be used.
- 2.3 The Panel welcomed the publication of the HCIs and noted that there may be scope in the future to continue their development.
- 2.4 Michael Hardie (MH) explained that there would be a range of articles published on 1 December, including an update to the Consumer Prices Landscape article.

### 3. Prioritisation framework

- 3.1 Liam Greenhough (LG) updated the Panel on the ONS's proposed research and data acquisition priorities for Prices Transformation. The presentation included information on the Prioritisation Framework the ONS 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.
- 3.2 LG noted that the prioritisation framework would be used to agree key priorities as part of the ONS's future business planning. LG further explained that no decision had been taken on what the key priorities were but that they could include acquiring data for new categories (such as energy, package holidays, and air fares) and expanding data coverage on existing categories such as groceries.
- 3.3 LG further noted that any bid may include improvements to the methodology of existing data sources such as automation of classification through Global Trade Item Number (GTIN) linking and machine learning, exploring methodology associated with extremely seasonal data, and exploring GEKS-T compositions.
- 3.4 MH explained that the ONS intended to return to APCP-S in the summer of 2024 when there is further clarity in terms of the approach for the next Spending Review.
- 3.5 The Panel agreed that the Prioritisation Framework seemed like a reasonable way of assessing the ONS's acquisition priorities and welcomed the framework being included for discussion at the July 2024 Stakeholder Panel.

**Action:** ONS to table the Prioritisation Framework for discussion at the July 2024 Stakeholder Panel.

### 4. Ofgem data

- 4.1 Fred Barnes (FB) provided an update on the new data source for fixed-term tariffs from Ofgem, explaining that a Data Sharing Agreement had been signed at the beginning of October and that Ofgem have confirmed they are willing to give 12 months' notice of any change in the availability of the data.
- 4.2 FB further explained that the ONS were considering two main methods for measuring price changes in the fixed-term tariff data. The first was the unit value index method and the second was the matched-pairs approach.
- 4.3 FB noted that the ONS were investigating options for in-house data collection of fixed-term data in the eventuality that the Ofgem data source is no longer available in the future and that the possibility of using alternative data sources was being considered, with a view to further developing both the fixed-term and variable tariff methodologies.
- 4.4 The Panel noted that any manual collection by the ONS of fixed tariff prices may lead to reduced capacity to collect or analyse data in other non-energy categories.

4.5 The Panel further noted that there wasn't a need to rush changes through for inclusion in the annual update in February 2024's data, and that it may be more suitable to make the changes at a later date.

4.6 The Panel also noted that it wasn't in the position to express a view on whether the unit value index method or matched-pairs approach was more appropriate but asked for information to be provided at a future Panel so further consideration could be given in this area.

**Action:** ONS to table Ofgem data for discussion at a future Stakeholder Panel when further information was available

## **5 Retail Prices Index**

5.1 MH and Matt Corder (MC) provided an update on the ONS's strategy for maintaining the ongoing production of the Retail Prices Index (RPI) alongside a transformed Consumer Prices Index including owner occupiers' housing costs (CPIH) and Consumer Prices Index (CPI).

5.2 The update detailed key planned changes, agreed by the UKSA board, that may have an impact on RPI in 2024 and 2025 these being:

- scrutiny process improvements (January 2024)
- new index calculation systems, methods and data for second-hand cars (March 2024)
- new index calculation systems and methods for rents (March 2024)
- new index calculation, methods and data for groceries
- new aggregation system for local collection to allow for integration with scanner data and to reduce reliance on legacy systems (March 2025)

5.3 MH and MC explained that the ONS plan to update the Prices Landscape article to reflect these changes and to publish the updated article on 4 December alongside the new quarterly HCIs and to signpost the updated article in the consumer prices statistical bulletin.

5.4 MH and MC invited Panel members to comment on the proposed strategy and plan and welcomed any comments after the Panel, both from those Panel members in attendance and those that could not attend the Panel.

5.5 The Panel noted the changes and welcomed the work that had been done to update the Prices Landscape article.

## **6 AOB / Summary**

6.1 The Chair thanked Panel members for their contributions to today's meeting and the ONS for their presentations and papers.

The next Panel meeting will take place at 10:30 on Friday 2 February 2024.