

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

**Minutes**

**Friday 26 July 2024  
Hybrid Meeting**

**Members in attendance**

Dame Kate Barker (Chair)  
Jonathan Camfield (Lane Clark & Peacock)  
Richard Gibson (Barnett Waddingham)  
Jenny King (Which?)  
Simon Kirby (Bank of England)  
Jill Leyland (Royal Statistical Society)  
Ellie Price (HMT)  
Daniela Silcock (Pensions Policy Institute)  
James Smith (Resolution Foundation)  
Geoff Tily (TUC)

**ONS secretariat**

David Beckett  
Richard Harris

**ONS presenters**

Abi Casey  
Mike Hardie

**ONS observers**

Chris Payne

**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
27.	ONS to table the Prioritisation Framework for discussion at the July 2024 Stakeholder Panel.	Completed
28.	ONS to table Ofgem data for discussion at a future Stakeholder Panel when further information was available	Ongoing
30.	Chris Payne to come back to the Panel with a proposal for how to manage revisions in the HCIs.	Ongoing
32.	Secretariat to liaise with UKSA to ensure processes are streamlined so that all relevant documents are uploaded to the website in a timely fashion.	Completed
33.	Secretariat to circulate Chris Payne's slides on the national approach to compiling price indices with Stakeholder Panel members.	Completed

34.	ONS to review the Panel's feedback on communicating the use of GEKS-Törnqvist and to bring this issue to the July Panel for further discussion.	Completed
35.	ONS to provide the Panel with details on why the growth rate of the Price Index of Private Rents was different from the growth rate of Owner Occupiers' Housing Costs.	Completed
36.	Panel members to consider who may be affected by the change to consumption segment codes and to provide the ONS with contact details of affected parties.	Completed
37.	Secretariat to table an agenda item at the July Stakeholder Panel for members to discuss the prioritisation of improvements to the Household Costs Indices.	Completed
38.	Chris Payne to circulate further information to the Panel on the initial questions relating to revisions and additivity of seasonally-adjusted CPI before the next Panel.	Completed

### Actions from today's meeting

39.	Panel members to feed back any thoughts they had on the UKSA website proposal to David Beckett.	-
40.	Panel members to reflect on whether powerpoint presentations should be published on the UKSA website before discussing this topic at the September 2024 Panel.	-
41.	David Beckett to check whether the Ofcom announcement which prevents telecoms and pay TV providers including inflation-linked price rises in new contracts would have an impact on price collection for any basket categories or on where mobile phone charges are prioritised within the framework.	-
42.	Panel members to contact David Beckett if they disagreed with anything proposed in the Forward Work Plan.	-

1.1 The Chair welcomed everyone to the Stakeholder Panel meeting.

1.2 The minutes from the previous Stakeholder Panel meeting (26 April 2024) were approved.

1.3 It was agreed that action points 27 and 33-38 had been completed and could be removed from the action point list.

1.4 David Beckett (DB) explained that UKSA had proposed amending their website in a way that should make it easier for members of the public to find the Stakeholder Panel minutes and papers. DB explained that he had circulated the proposal to Panel members, who should take some time to reflect on the proposal before feeding back any comments to him.

**Action:** Panel members to feed back any thoughts they had on the UKSA website proposal to David Beckett.

1.5 It was noted that some agenda items are discussed where papers aren't tabled and it was queried whether in such instances the powerpoint presentation associated with the

agenda item should be published. No conclusions were reached but Panel members were asked to reflect on whether publishing presentations under these circumstances would be the correct course of action before discussing this at the next Panel. Further information would also be provided at the next Panel on whether there were any accessibility issues (for example relating to the visually impaired) that needed to be considered.

**Action:** Panel members to reflect on whether powerpoint presentations should be published on the UKSA website before discussing this topic at the September 2024 Panel.

## 2. Prioritisation Framework

2.1 Michael Hardie (MH) gave a presentation on the ONS's prioritisation framework, explaining the criteria that were used to prioritise the list of development work.

2.2 Simon Kirby asked whether the Ofcom announcement, which prevents telecoms and pay TV providers including inflation-linked price rises in new contracts, would have an impact on price collection for any basket categories or on where mobile phone charges are prioritised within the framework.

**Action:** David Beckett to check whether the Ofcom announcement which prevents telecoms and pay TV providers including inflation-linked price rises in new contracts would have an impact on price collection for any basket categories or on where mobile phone charges are prioritised within the framework.

2.3 The Panel confirmed they were happy with the prioritisation process and the order of priority of the categories for development.

## 3. Alternative Data Sources update

3.1 MH detailed the timeline for implementing groceries scanner data into the production of ONS's consumer price statistics, describing the work that was being carried out in Prices Division.

3.2 MH explained that as the groceries microdata will not be available to the public, a consultation is being launched on Wednesday 14 August to find out more about how users currently make use of the microdata available to them.

3.3 Abi Casey summarised the ONS's communication and engagement timeline and explained that ONS intend to produce a video explainer on GEKS-Törnqvist for release at the same time the impact analysis is published and the webinar explainer sessions are held.

## 4. Household Costs Indices

4.1 Jill Leyland (JL) spoke to her paper and detailed areas where improvements could be made to the Household Costs Indices (HCIs). JL asked the Panel to comment on which areas of development should be implemented before the methodology was submitted to the Office for Statistics Regulation to begin their review to judge whether the HCIs can be given accredited official statistic status, and what their relative priority for each area of development was.

- 4.2 The Panel noted that they may wish interest on pay-day loans to be included in the HCIs. However, before agreeing to this the Panel wished to better understand the extent to which pay-day loans were still prevalent in the economy.
- 4.3 The Panel noted that most payment plans for student loans are already captured in the HCIs but that work would continue by ONS on an ongoing basis to ensure that the full range of payment plans will be incorporated if there are any changes in the future.
- 4.4 The Panel agreed that development work should be carried out so that items that have a long gap between payment and acquisition (such as theatre tickets or package holidays) should be recorded on a payment rather than an acquisition basis.
- 4.5 The Panel agreed that the difference between publishing HCIs on a national basis rather than a domestic basis was likely to be minimal, therefore it would be nice to include this change but that it was not necessary for this to be done before submitting the HCI methodology to OSR for review.
- 4.6 The Panel agreed that the calculation of mortgage interest should be considered a priority for development and that among other things, analysis should be carried out so indices up to 2024 were calculated to show changes in prices using the RPI method, the simple revaluation method and the lenders' formula. The Panel also agreed that the development work should include the preparation of options for how to include capital elements of house purchases.
- 4.7 The Panel noted that the ONS-commissioned research by the Fraser of Allander Institute had included helpful options that would allow for a better understanding of how different household groups paid different prices for the same or similar goods. The Panel also noted that the options presented in the research would be particularly useful in understanding how low-income households experience inflation as they buy a greater proportion of value or own-brand products.
- 4.8 However, the Panel agreed that the options presented in the paper were all long term or potentially expensive, or both. Therefore, the Panel further agreed that it would be helpful if an interim measure was developed so there was a standalone series for low-income households. It was thought that the interim measure could be based on an extension to the 'least-cost' work the ONS carried out in 2022, or an index based on the Loughborough University approach, or something else that may be deemed more appropriate.
- 4.9 Jill Leyland noted her view that the HCIs should receive accredited official statistic status well in advance of 2030. The Panel, while overall agreeing, thought it could take up to two years for OSR to carry out their review, meaning that the development work prior to accreditation would need to be limited.

## **5 Proposal to delay the implementation of COICOP 2018 in consumer prices inflation**

- 5.1 Mike Hardie (MH) explained that the United Nations had published a new version of the Classification of Individual Consumption by Purpose in 2018. ONS had hoped to have fully integrated the new classification into their statistics by 2026 but are no longer able to do so.
- 5.2 MH further explained that ONS now propose implementing the new classification in the national accounts in 2027 and early 2028 in consumer price inflation statistics. The work

required to compile weights for PPPs using the new classification is less difficult to implement and can be done in isolation, therefore work will continue on this separately, with implementation expected to be completed at an earlier date.

5.3 The Panel agreed with the proposal to delay implementation of the classification but thought that once implementation had taken place a back series should be published detailing price changes in the past against the newly-implemented categories. It was agreed that the most important period for a back series to cover would be the time between the date European Statistical System countries implemented the new classification and the date the UK did the same. It was agreed that further discussion would have to happen at a later date to determine if a back series should be published over a longer period once there was more information on the resource this would require and how important it was against other priorities.

## **6 Forward Work Plan**

6.1 As there was no remaining time for discussion it was agreed that Panel members should contact David Beckett if they disagreed with anything that had been proposed in the forward work plan.

**Action:** Panel members to contact David Beckett if they disagreed with anything proposed in the Forward Work Plan.

## **7 AOB / Summary**

7.1 The Chair thanked Panel members for their contributions to the meeting and the ONS for their presentations and papers.

The next Panel meeting will take place at 10am on Friday 27 September.