Department for Business Innovation & Skills

CONSULTATIVE COMMITTEE ON

CONSTRUCTION INDUSTRY STATISTICS

Minutes of the meeting of 26 April 2013

Present

Keith Folwell	BIS (Chair)	**Apologies**	
James Liley	BIS (Minutes)	Bethan Slater	HSE
Aloke Siddique	BIS	Joe Martin	BCIS
Kate Davies	ONS	Robert Dent	BCIS
Stuart Deneen	ONS	Peter Rumble	BCIS
Ian Pegg	BCIS	Noble Francis	CPA
Allan Wilen	Glenigan	Neil Higgins	DCLG
Stephen Gruneberg	University of Westminster	Julia Evans	NFB
James Hastings	Experian	Lee Bryer	Construction Skills
John Stewart	Home Builders Federation	Jacqui Jones	ONS
Ian Murdoch	National Specialist Contractors Council	Jerry McLaughlin	MPA
Brian Green	Brian Green Media		
Milja Keijonen	Construction Products Association		
Karen Hazelden	Construction Skills		
Helen Sleight	DCLG		

1. Preliminaries

1.1 Members introduced themselves to the group and minutes from previous meeting were agreed. Regarding an action point from the previous meeting to call for volunteers to sit on the GDP improvements board, Kate Davies reported that the board had not been set up yet. Keith Folwell had re-circulated joining instructions for Construction Statistics Community on Statistics User Net since the last meeting but said he would circulate them again.

Action 1: James Liley to publish minutes of last meeting on the BIS website

Action 2: Keith Folwell to re-circulate joining instructions for the Construction Statistics Community on Statistics User Net

2. ONS construction statistics update

2.1 New Orders consultation

2.1.1 Kate Davies outlined the consultation on the future of the New Orders in the Construction Industry statistics, explaining what was being consulted on and why. Kate asked the group to share how they used each table in the New Orders publication. A second consultation document would be published in the event that anything is proposed for cessation. Visits (where users don't just click on the link but stay longer) to the last published Output in the Construction Industry statistical bulletin were around 1,400, whilst visits to the last New Orders in the Construction Industry publication were around 200. Kate went through each table in the New Orders release and asked the group to explain how often they use the data in each one, what they use the data for and why they consider the data to be important.

2.1.2 The group gave their views on the data to Kate, which Kate explained would inform the consultation.

2.1.3 Stephen Gruneburg commented that he and his students often experienced difficulties in locating construction data on the ONS website. Kate explained that ONS are in the process of trying to improve their website's navigation and search functions. Output and New Orders data are available under the 'Business and Energy' theme group from the ONS home page. Stuart Deneen added that a Construction landing page is now available.

Action 3: Stuart Deneen to circulate link to Construction landing page on ONS website

2.1.4 Milja Keijonen explained that the web hits figures provided by Kate would not include some Construction Product Association (CPA) members because the CPA circulate the data by email, so some members have not needed to access the website to access the data. Stephen Gruneburg explained that he distributes data to around 30-40 students, so these also would not be captured in the web metrics.

2.1.5 Keith Folwell suggested that web links for Output and New Orders should be updated in the summary document 'Construction Statistics: Sources and Outputs'

Action 4: ONS to update links in 'Construction Statistics: Sources and Outputs' PDF

2.2 Construction Output development work including sample design and estimation, deflators and seasonal adjustment changes

2.2.1 Kate Davies explained that the Output in the Construction Industry survey and outputs had undergone an end to end review. Improvement work on deflators is ongoing. Improvements following this review included:

Improvements to statistical commentary

- by the inclusion of other regular economic statistics such as measures of GDP and Index of Production

Improvements to sample design

- by including more granular options for reporting employment bandings ie the 5–19 has been split into 5–9 and 10–19. This should reduce Coefficients of Variation and

reduce sample rotation effects as all of those in the 5-19 band are being kept in the panel for just 15 consecutive months when those with more than 9 employees can be kept in the sample for 27 consecutive months (due to the Osmotherly rule). Keeping more firms in the sample for longer should reduce some of the volatility currently seen in the construction estimates

- by reducing the turnover threshold on fully enumerated bands. Currently the threshold is set at 20+ employees and turnover of around £60m. Reducing the turnover threshold to £40m should reduce the Coefficient of Variation but implementation of this change will be decided following once effect on respondent burden/compliance has been fully considered

- increasing the sample size from 8,000 to 12,000 was considered but ruled out due to potential quality gains not offering value for money when considering the additional operational costs

2.2.2 Kate explained that ONS want to better understand how businesses interpret the Output questionnaire and its instructions as there are currently issues around interpretation. As an example, sometimes respondents get confused by instructions to 'exclude sub-contractors' from figures which result in some respondents misinterpreting this to meant that sub-contractors should not complete the form at all.

Action 5: BIS to help recruit volunteers, through Statistics User Form, to help ONS test the current questionnaire and the identify subsequent improvements

2.2.3 Allan Wilen suggested that Glenigan researchers may be able to offer some insight. James Hastings commented that any group looking at improvements would need to know exactly the kinds of people who complete the forms and any comments left on the form or made through the form's helpline would be handy.

2.2.4 Kate outlined details of the forthcoming paper on the three options for producing a monthly seasonally adjusted series for Output in the Construction Industry. Stuart Deneen added that the general aim was to make the series consistent with National Accounts measures and methodologies. One of the options involved the use of Chained Volume Measures (CVMs). Keith Folwell suggested a future agenda item on CVMs and other technical terminology would be beneficial.

Action 6: An agenda item on CVMs and other terminology should be included on the agenda of a future meeting

3. **Update from BIS**

3.1 Construction Strategy Analysis

3.1.1 Aloke Sidique gave a presentation providing a brief overview to analyses made on the Construction Sector to inform the government's Industrial Strategy for Construction; "Construction 2025".

3.1.2 Following discussion and questions from the group it was confirmed that for most analyses construction was defined by construction contracting only, as this is how data tend to be available.

3.1.3 Stephen Gruneberg questioned whether it was time to redefine the construction industry definition. Keith Folwell explained that it is difficult to change international standards and that UK Standard Industrial Classification codes tend to change every 5–10 years which complicates matters. However, measures of Gross Value Added tend to be comparable between countries.

3.2 Price and Cost Indices consultation results

3.2.1 James Liley presented the results of a consultation by BIS on the uses of the Price and Cost Indices. These results will help BIS to improve the indices and inform the retendering process when the current contract with BCIS comes to an end in June.

4. AOB

4.1 James Liley reminded the group to contact him if they have any items to contribute at further meetings.

4.2 Helen Sleight informed the group that DCLG house building statistics will be available for Local Enterprise Partnerships (LEPs) but will no longer be available at regional level (old Government Office Regions).

5. Date of next meeting

5.1 The group agreed that the next meeting should take place around November 2013.