



Ministry of Housing,  
Communities &  
Local Government

# Improving the measurement of new homes built:

Action Plan



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# Improving the measurement of new homes built: action plan

## Purpose

This note sets out the activity MHCLG has undertaken to assure and improve the coverage of its statistics relating to new homes built and to outline a plan of further steps for continued improvements. This work is being undertaken as part of best practice to continually seek to improve the quality of the statistics in line with the Code of Practice for Statistics<sup>1</sup> and is in the context of the Office for Statistics Regulations' systemic review of UK housing and planning statistics<sup>2</sup>

## Background

There are two main departmental statistics releases which provide information on new housing supply: the quarterly release '[House building: New Build Dwellings](#)'<sup>3</sup> which reports on starts and completions; and the annual '[net additions](#)'<sup>4</sup> release, which reports on completions as well as conversions/changes of use and demolitions. In addition, there is a separate more detailed release on the supply of affordable housing<sup>5</sup>.

In December 2011 the UK Statistics Authority assessed house-building and net additions releases as meeting the highest standards of trustworthiness, quality and value set out in the Code of Practice for Official Statistics, which in turn means users can rely on their accuracy<sup>6</sup>. We consider the work outlined in this Action Plan develops these statistics so they can continue to meet these high standards.

For as long as both series have existed (since 2006/07 when net additions were first produced – the house-building release goes back to 1946) there have been differences in the estimates from each release. This is to be expected as they cover, and are designed to cover, different aspects; the quarterly house-building statistics look only at new-builds and when they are started and completed; while net additions also includes new supply that comes from conversions, changes of use, as well as losses to the stock from demolitions.

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<sup>1</sup> <https://www.statisticsauthority.gov.uk/code-of-practice/>

<sup>2</sup> <https://www.statisticsauthority.gov.uk/publication/public-value-of-statistics-on-housing-and-planning-in-the-uk/>

<sup>3</sup> <https://www.gov.uk/government/collections/house-building-statistics/>

<sup>4</sup> <https://www.gov.uk/government/collections/net-supply-of-housing>

<sup>5</sup> <https://www.gov.uk/government/collections/affordable-housing-supply/>

<sup>6</sup> <https://www.statisticsauthority.gov.uk/publication/statistics-on-housing-in-england/>

In both releases users are made aware of the differences and are advised to regard net additions as the fullest and most accurate estimate of the total (net) increase in new housing units over the course of the year, and that the house-building release is a leading indicator of this as well as providing a good indication of the trend.

Though each release estimates different aspects, they both contain estimates of new-build completions. Each year there is a difference in the two figures from the different releases (see Table 2). For 2016/17 overall net additions were 217,350 of which the new-build completions component was 183,570. For the same year, new build completions from the house-building releases totalled 147,930 – a difference of around 35,640. This is broadly the same as the difference in 2014/15, though, for example, in 2010/11 the difference was just 10,000.

**Table 1: House building completions versus the ‘new build’ estimates recorded as part of Net Additions.**

Source of new build completions data	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
House building: new build dwellings	140,990	119,910	107,870	118,510	107,980	112,330	124,640	139,670	147,930
Housing supply; net additional dwellings	157,630	124,200	117,700	128,160	118,540	130,340	155,080	163,940	183,570
New build dwellings as a percentage of Net additional dwellings	89%	97%	92%	92%	91%	86%	80%	85%	81%

Sources: Live Table 209, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>  
 Live Table 120, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-net-supply-of-housing>

The Department has been undertaking an ongoing programme of work which has (a) confirmed the accuracy and coverage of the annual housing supply and net additional dwellings estimate compared to other similar statistics; and (b) explored the coverage of the quarterly house-building release.

The programme involved detailed discussions with a range of organisations (See Annex B) and user consultation. Specifically, the house-building statistical release (published 23 February 2017) included an expanded ‘User Engagement’ section to invite comments/suggestions on how to improve coverage.

The outcome of these user engagement sessions has generated a series of proposed actions to further improve the coverage of the department’s quarterly new build statistics.

## Systemic review of statistics on housing and planning

Separately from the ongoing data improvement work being done within the department, in 2017 the Office for Statistics Regulation carried out an independent systemic review across housing and planning statistics in the United Kingdom.

The Office for Statistics Regulation regularly undertakes systemic reviews bringing stakeholders together to explore sets of statistics in a thematic area or on a cross-cutting topic. This work is part of their role in regulating National and Official statistics to explore the public value of the statistics and to look for any system-wide issues.

The final findings of the systemic review were published on the 10<sup>th</sup> November 2017 and are available on the Office for Statistics Regulations website <https://www.statisticsauthority.gov.uk/publication/public-value-of-statistics-on-housing-and-planning-in-the-uk/>

The Review highlighted the issues with quarterly house building data outlined in the background section of this paper.

The department is part of a cross government working group, including devolved administrations and the Office of National Statistics, responding to the findings of the review. This paper contributes to the ongoing response across government to the systemic review to make the planned improvements on house building statistics clear and transparent to users.

## Recent improvements and action plan

In November 2016, the department clarified the difference between 'quarterly new build' and 'annual net additions' statistics. The titles of the release were changed and explanatory text added to more clearly emphasise the purpose of each release. Specifically that 'Net additions' is the definitive and comprehensive measure of housing supply and 'new build' is a leading indicator.

The release titles were changed to:

- Housing supply; net additional dwellings, England
- House building: new build dwellings, England

The department is working with all data providers to enhance data quality e.g. we are identifying opportunities for potential recording improvements through comparison with related statistics (Net Additions, Energy Performance Certificates, Council Tax Stock of Properties).

We have worked with the Independent Approved Inspector sector to increase the number of responders and had a specific focus to ensure recording of 'starts' rather than 'initial notices'. In the Local Authority and National House Building Council sectors, we have been working to understand the building control data recording issues to inform the refresh of definitions and validation rules.

This action plan sets out the further changes the department is making to the data collection and publication process for *House building: new build dwellings*. These changes will make improvements to the quality of the statistics presented in the quarterly release. The statistics are also highly dependent on the quality and coverage of the information provided by organisations that supply the underlying administrative data, collected as part of the building control inspection process.

The department has set up a working group with the National House Building Council and have met with the Chief Executives of the Association for Consultant Approved Inspectors (ACAI) and LABC (the representative organisation of Local Authority Building Control). The group has identified the following ways to further improve coverage:

- To strengthen the definitions and issue guidance notes, to increase clarity and consistency of recording across the sector by producing guidelines for the comprehensive and consistent collection of housing starts and completions via the Building Control Performance Standards Advisory Group. In March 2017, this proposal was presented to the Building Control Performance Standards Advisory Group and the committee agreed in principle. In March 2018 draft guidance was presented and an amendment of the Building Control Performance standard was agreed by the Advisory Group committee, with further work to discuss and agree the definitions of starts and completions. We are working to draft guidance for April 2019.
- Improving IT systems to make it easier and faster for building control starts and completions to be submitted is being taken forward. This is part of work to implement a new data collection system (DELTA) for the Department. The new

DELTA House Building data collection, for Local Authorities and Independent Approved Inspectors, has begun.

- We have completed an in-depth review of Approved Inspector coverage, implementing improvements in the consistency of recording and achieving a record-level response (from 66 companies in 2015, to 80 companies in 2018) and have worked with individual data providers to increase clarity and consistency of recording across the sector.
- The department will consult with Local Authorities about providing information on all completions as part of the regular P2 data collection return. This would provide additional assurance about completions reported by Approved Inspectors
- The department plans to meet with specific local authorities to discuss their returns and share best practice.

The department has also been working closely with the Office for Statistics Regulation who, as a follow up to the systemic review, carried out some compliance checks on a number of housing statistical releases. These compliance checks identified ways in which the content of the statistical release could be further improved and the department will be working with the Office for National Statistics Good Practice team to achieve this.

As part of the cross-government housing statistics user group, the department has contributed to the agreed work programme which is a series of work packages both to respond to the Office for Statistics Regulations systemic review and improve housing statistics more broadly. The work plan is published here <https://blog.ons.gov.uk/wp-content/uploads/sites/6/2019/05/HousingWorkProgrammeMay2018.pdf>



## Future steps and invitation for views

A full breakdown of the ongoing improvement work is provided in Annex A. We welcome any views users have in response to this programme of improvement work or on other improvements to the statistics. The views can be submitted to the housing statistics mailbox [housing.statistics@communities.gsi.gov.uk](mailto:housing.statistics@communities.gsi.gov.uk)

There are two specific further changes to statistics which the department would welcome views on

- Updating the P2<sup>7</sup> collection currently provided by local authorities to include additional fields on the number of completions (final certificates) reported by all approved inspectors. The duties of approved inspectors are set out in the Building Act 1984 and the Building Regulations 2010. Local Authority building control receives the Approved Inspectors initial notice and final certificate) which are available here <http://www.legislation.gov.uk/ukxi/2010/2215/contents/made> Collecting this information from local authorities directly would allow the data to be used to further quality assure and cross check the figures with other sources to enable better imputation where missing data is identified. The changes required to the form will be consulted upon as part of the Central Local Information Partnership (CLIP) -Planning meeting between the departments and local authorities due in October 2018.
- Another source of information on quarterly house building completions is the Energy Performance Certificate (EPC) statistics. These statistics are also produced by the Ministry of Housing, Communities and Local Government and are available <https://www.gov.uk/government/collections/energy-performance-of-buildings-certificates>. The new domestic EPC lodgements data are a count of certificates issued and lodged for new domestic properties which include new build and conversions but do not take account of losses such as demolitions. There may also be duplicate certificates for some dwellings. Previous data shows EPC figures are most likely to overestimate net additions but in recent years have been very close, although there are local variations, especially in London. Therefore one option is that the quarterly *House Building: new build dwellings* release could be updated to regularly include estimates derived from the previously published Energy Performance Certificates in order to give users a fuller set of data to estimate housing supply in England.

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<sup>7</sup> <https://www.gov.uk/guidance/house-building-data-notes-and-definitions-includes-p2-full-guidance-notes-and-returns-form>

## Annex A: House building statistics improvement action plan summary

Deliverable	Date
<b>Continue work with all data providers to further improve data quality</b> Particular issues in some areas - we will talk to them individually to address	On-going
<b>Testing new IT System, DELTA.</b> To make it easier and faster for building control starts and completions to be submitted. User testing and validation of data return with Local Authorities and Independent Approved Inspectors.	On-going
<b>Increase joint working with the building regulations sector to further improve data quality and the new performance standard for 2019/20:</b> 'Good reporting of starts and completions' via the Building Control Performance Standards Advisory Group.	On-going
<b>Present discussion paper to BCPSAG on new performance standard and proposed improvements to definitions and guidance notes</b> Agreed. Action with Local Authority Building Control(LABC) and Association of Consultant Approved Inspectors(ACAI) to review and provide sector specific definitions and further comments prior to wider circulation to National House-Building Council (NHBC).	20 March 2018
<b>Review LA coverage</b> There are potential issue with data quality arising from building control partnerships and outsourcing of building control. MHCLG plans to contact LA's, especially those with building control partnerships and arrange to visit them to see how data quality can be improved and share best practice.	June 2018 onwards
<b>Present discussion paper</b> on the 'House Building Statistics Improvement ' project at the next MHCLG and BEIS Statisticians Gathering meeting	10 April 2018
<b>Present discussion paper</b> on the 'House Building Statistics Improvement' project at the next meeting of the Consultative Committee on Construction Industry Statistics. User views were invited and they supported the proposals, especially to strengthen the definition of starts and in particular retaining the 'tenure of developer' split, which they considered an early leading indicator and very useful for forecasting future trends by sector.	15 May 2018
<b>Work with ONS Good Practice Team to review the main releases on housing supply:</b> To further improve the quality of the statistical releases the department will be working with the ONS to review and improve the content of the releases.	June 2018 onwards
<b>MHCLG statistics to visit local authorities and other data providers to review data and share best practice:</b> To further improve the understanding and importance of the underlying data provided and improve the quality of returns	September 2018 onwards
<b>Consult on proposed improvements to definitions and guidance notes</b> Dependent on LABC, ACAI, NHBC actions above in statistical release, with NHBC, LABC, ACAI, CLIP -Planning and others. The Local Authority CLIP planning group will be consulted on making changes to the P2	September / October 2018
<b>Publish strengthened definitions and guidance notes,</b> (After agreement with LABC, ACAI and NHBC and consultation	April 2019
<b>Implement new performance standard for 2019/2020:</b> 'Good reporting of starts and completions' via the Building Control Performance Standards Advisory Group	April 2019
<b>Building Regulations Division to issue Departmental circular</b> to all building control bodies asking them to help and co-operate in the collection of house building statistics. (Opportune to tie in with launch of new performance standard).	April 2019

## Annex B: List of organisations met with as part of improvement work

<b>Organisation</b>	<b>Date of meeting</b>
<b>Office for National Statistics, Welsh Government Statistics,</b>	23 February 2016
<b>Central Local Government Information Partnership (CLIP) Planning Statistics Sub-Group</b>	10 March 2016, 20 October 2016
<b>Greater London Authority (GLA)</b>	20 April 2016
<b>Land Registry, Office for National Statistics (ONS)</b>	21 April 2016
<b>Home Builders Federation, (HBF) National House Building Council (NHBC)</b>	25 April 2016
<b>National House Building Council (NHBC)</b>	12 May 2016, 27 November 2017
<b>Consultative Committee on Construction Industry Statistics: Balfour Beatty; Barbour ABI; Brian Green Media; Build UK; Construction Industry Training Board; Construction Products Association; Experian; Department for Business, Innovation and Skills; Federation of Master Builders; Glenigan; Mineral Products Association; Office for National Statistics; Royal Institution of Chartered Surveyors; University College London; University of Salford; University of Westminster.</b>	17 May 2016, 22 June 2017, 15 May 2018
<b>Greater London Authority and 33 London Boroughs</b>	17 May 2016
<b>Birmingham City Council</b>	18 May 2016
<b>Housing and Finance Institute</b>	13 July 2016
<b>London Borough of Tower Hamlets</b>	28 July 2016
<b>Valuation Office Agency</b>	25 August 2016
<b>Ordnance Survey (OS)</b>	12 October 2016
<b>National House Building Council, Home Builders Federation, (NHBC) Homes and Community Agency (HCA) now Homes England</b>	19 October 2016
<b>National House Building Council, (NHBC) Association of Consultant Approved Inspectors (ACAI)</b>	13 January 2017, 8 February 2017
<b>National House Building Council, (NHBC) Homes and Community Agency (HCA) now Homes England</b>	8 March 2017
<b>Building Control Performance Standards Advisory Group (BCPSAG)</b>	14 March 2017, 20 March 2018
<b>Cross Government housing statistics group: Welsh Government Statistics, Scottish Government Statistics Northern Ireland Government Statistics Office for National Statistics (ONS) Valuation Office Agency (VOA)</b>	20 November 2017, 22 May 2018
<b>UK Collaborative Centre for Housing Evidence</b>	11 June 2018