

**CONSULATATIVE COMMITTEE ON CONSTRUCTION INDUSTRY STATISTICS
(CCCIS)**

Minutes of meeting held on Thursday 30th January 2020

Venue:
Conference Centre,
Department for Business, Energy and
Industrial Strategy, 1 Victoria Street,
London,
SW1H 0ET

*For queries regarding the Consultative
Committee on Construction Industry
Statistics, please contact:
Frances Pottier
frances.pottier@beis.gov.uk
020 7215 1953*

Attendees

Frances Pottier	Department for Business, Energy and Industrial Strategy
Oliver Wright	Department for Business, Energy and Industrial Strategy
Ole Black	Office for National Statistics
John Allcoat	Office for National Statistics
Craig McLaren	Office for National Statistics
Arran Cleminson	Health and Safety Executive
Alicia Hammond	CITB Research
Ian Murdoch	
Neil Higgins	Ministry of Housing, Communities and Local Government
Sandy Stewart	Scottish Government
Simon Cross	BRE group
Sree Vinayak	Invennt
Jane Tarver	AMA Research / Informa
Les Ruddock	University College London
Noble Francis	Construction Products Association
Ian Pegg	Royal Institute of Chartered Surveyors
Brian Green	Brickonomics
Allan Wilén	Glenigan
Aurelie Delannoy	Mineral Products Association
Alex Murray	Infrastructure and Projects Authority
Marco Yu	University College London
Stephen Gruneberg	University College London
James Donald	Mace Cost Consultancy Limited
John Kelsey	University College London
Tom Hall	Barbour ABI / Informa
Sonya Patel	Experian

Apologies

Martine Damon-De Waele	RICS
Robert Davies	Glenigan

1. Welcome, introductions and apologies

Frances Pottier (FP) welcomed attendees to the meeting and invited them to introduce themselves.

2. Minutes from last meeting

FP noted that minutes for the last meeting have been published.

3. ONS (Office of National Statistics) construction statistics update (John Allcoat – JA)

JA provided information on various topics relevant to ONS construction statistics, summarized below.

i. The Blue Book 2019

- The Blue Book was published in September 2019 with revisions in construction output back to January 2010
- It includes improvements in imputation methods, revisions to construction output price indices, incorporation of Value Added Tax (VAT) data for 2018Q4 and 2019Q1, an annual review of seasonal adjustment factors, and revisions to nominal data (both ONS survey data and VAT).

ii. Update on regular ONS publications

- ONS have started to publish a new release showing regional GDP¹. The regional construction estimates in this release are sourced from the NUTS1 data from the sub-national construction output data tables.
- JA requested feedback on the publication's new style. (construction.statistics@ons.gov.uk)
- The publication of new orders data for Q4 2019 has been brought forward by a month to 11th February 2020 to align with publication of output data for the same period. This would be the new publication schedule in future. Aside from the benefit of an earlier release date for new orders in the construction industry, it also means new orders and construction quarterly estimates are published at the same time and that sub-sector and sub-national estimates are published earlier.

iii. Articles published by ONS since last CCCIS meeting

- JA gave an overview of relevant articles^{2 3 4}, published that morning and encouraged feedback

¹ [GDP, UK regions and countries: April to June 2019](#)

² [Housing in construction output statistics, Great Britain: 2010 to 2019](#)

³ [Research output: Measuring transactions of new dwellings, financial years ending 2014 to 2018](#)

⁴ [Comparing ONS's economic data with IHS Markit and CIPS Purchasing Managers' Index surveys](#)

iv. Current and future plans

- ONS plans to review revisions performance to assess the efficacy of a recently adopted bias adjustment methodology.
- JA also mentioned plans to move data collection modes online.

v. Meetings

- JA emphasized the value of feedback relating to the Construction Statistics Steering Group. He noted that the meeting in October 2019 was very productive and valuable feedback was received, particularly relating to the housing in construction output article and the analysis into the sub-sector output data.
- An update on the latest sub-group meeting specifically set up to discuss construction as part of the Devolved Economics Statistics Co-ordination Group was provided. This was held in Belfast in October 2019 with representatives from ONS, Scottish Government, Welsh Government and the Northern Ireland Statistics and Research Agency.

Discussion/questions

- Brian Green (BG) amongst others asked whether Chained Volume Seasonally Adjusted data may have been affected by SIC (Standard Industrial Classification) reclassifications of large companies and asked whether ONS can provide guidance when such shifts occur (for example at the end of 2016 into 2017). Ole Black (OB) suggested any such changes would be apparent in imminent data releases. Craig McLaren (CM) suggested that ONS could try to give such guidance but there were concerns around confidentiality.
- Arran Cleminson (AC) asked about the use of survey versus VAT data and whether data collection methods cover non-registered business. OB responded that all data relating to big companies comes from survey data and that non-registered businesses were not picked up.
- Ian Murdoch asked why some data, such as that from IHS Markit/CIPS are used in preference to others. Noble Francis (NF) suggested this is because it is timely and easily digestible.

Action: Craig McLaren to investigate whether ONS can give guidance relating to large company SIC reclassifications

4. Detailed look at ONS sub-sector output data (JA)

The presentation focused on addressing concerns over these outputs, which are no longer national statistics.

- JA discussed the modelling process used to form the data, highlighting some of the caveats and assumptions involved. A version of these slides was presented and discussed at the Construction Statistics Steering Group meeting in October 2019.
- He also provided examples illustrating how some of the previous model's underlying assumptions and limitations of the have been [explored and/or addressed](#).

Discussion/questions

- Several attendees (e.g., NF, BG) expressed doubts as to whether the data in question accurately reflects construction output activity at the sub-sector and sub-national level. The model assumes the proxy that new orders can be used to model sub-sector and sub-national construction output. Possible reasons for this being the case were discussed, including the idea that the SIC codes of some firms involved in large projects are non-construction SICs. It was also highlighted that the value of new orders does not always equate to the amount of construction output undertaken on a project. An example of a wind farm within the electricity sub-sector was discussed where the initial new order can be £500million plus, yet only a relatively small amount of this figure is the construction output element.
- Cost over-runs were also suggested as a potential cause of distortions (BG), as were data handling procedures. JA responded and stated that where possible, ONS make amendments to valuations, start dates and end dates from the initial new order to try to reflect this. The main issue for ONS is where valuations and end dates change after the start date of the project and thus has started to be fed through the model. To reflect these correctly would lead to significant revisions in the sub-sector and sub-national construction output data due to changes in the weights used within the model.
- NF suggested it would be difficult in practice to get the figures right, but relatively easy to understand when data are likely problematic.
- The discussion also touched on current infrastructure definitions, initiated by JA, who requested input on about how they could be modified. Any feedback should be sent to construction.statistics@ons.gov.uk.

5. Construction Leadership Council innovation in building metrics (Simon Cross – SC)

SC, from the Building Research Establishment (BRE) gave a presentation describing the work of the Construction Leadership Council's Buildings Workstream group.

- He explained how the group is working to drive change in the industry, focussing on the collation and aggregation of data into a useful form.
- SC described the dashboard of housing industry metrics that the workstream has produced.
- He mentioned difficulties encountered in getting companies to share data and invited organizations represented in the room to get involved.

Discussion/Questions

- Several attendees questioned the use and value of the data dashboard, suggesting potential improvements that could be incorporated.
- BG, NF and others asked about assumptions surrounding the data and expressed the concern about its potential to mislead.
- Potential difficulties that the buildings workstream group might encounter in realizing its objectives were also discussed. Stephen Gruneberg (SG), stressed the fragmented nature

of the construction industry, noting that any changes would inevitably benefit some players and harm others.

- Alex Murray (AM) shared his experiences relating to a similar project he had been involved with, highlighting some of the challenges faced.
- John Kelsey (JK) wondered if the group SC represents might gain insight by examining the work undertaken by equivalent organizations in other countries.
- BG suggested that it would be a good idea to involve behavioural scientists as the aim is to promote change.

6. Discussions (led by NF)

i. Construction: Brexit related data

- NF stated that the Construction Products Association (CPA) have been collecting data relating to impacts of Brexit on the construction industry: for example, on exports and tariff rates.
- He asked if other attendees and the organizations they represent have been collecting similar data and if anyone know of relevant sources of data.
- Allen Wilén (AW) suggested data on the nationality of the construction industry workforce would be of value, such as proportions of EU nationals. Aurelie Delannoy (AD) and FP drew attention to practical difficulties in doing so. FP mentioned ONS articles^{5 6}, published in 2018, bringing together different data on migration in the construction workforce:
- AD also suggested that information about Brexit related regulatory changes might be of more value than data.
- NF also recommended future changes in BEIS Building Materials and Components publication to include new sources of data of relevance to the issues discussed.

Action: Frances Pottier to investigate possible inclusion of new data in BEIS Building Materials and Components publication

ii. UK construction data hub

- NF asked whether there was interest amongst those present in supplying data for a proposed UK construction data hub.
- As a rationale for the proposed hub, he pointed to difficulties in locating historic data in existing ONS' construction data and a lack of clarity relating to the range of construction related data published by ONS.
- SG expanded on the rationale NF provided, suggesting that a sense of structure was lacking in ONS' construction statistics.
- Sree Vinayak (SV) also commented that ONS' presentation of data. He recommended a move away from publishing data in EXCEL format towards more interactive options.

⁵ [Migrant labour force within the construction industry: June 2018](#)

⁶ [Migrant labour force within the UK's construction industry: August 2018](#)

- He also recommended that in developing the proposed hub, consideration ought to be given to a range of other factors besides that of the data to include.
- AD also voiced support for the proposed data hub, echoing previous comments in noting the difficulty of using the ONS website. She added that part of CCCIS remit is to making construction data accessible and understandable to non-experts.
- FP offered to circulate a link to an ONS published list of [known sources of information available on the construction industry and their outputs](#). JA indicated he was happy to update the ONS list if other users would find it useful. He added that relevant information was available in Section 12 of the [Construction Statistics Annual](#).

6. Any other business

No items were raised