



## **Pre-Announcement of Amendments to the ‘Monthly Statistics of Building Materials and Components’ Publication**

This note outlines changes to the Monthly Statistics of Building Materials and Components’ Publication. This includes methodology changes, such as changes in the Standard Industrial Classification and changes to the sample panels. Where completed, details of when these changes came into place are given below each change outlined.

### **Standard Industrial Classification Changes**

The Standard Industrial Classification (SIC) “provides a framework for the collection, tabulation, presentation and analysis of data and its use promotes uniformity”. Revisions are necessary over a period of time, new products and new industries to produce them emerge, and shifts of emphasis occur in existing industries. The latest revision occurred recently changing from SIC 2003 to SIC 2007. More information can be found on the ONS website:

<http://www.ons.gov.uk/ons/guide-method/classifications/current-standard-classifications/standard-industrial-classification/index.html>

#### **Table 2: Price Indices of Construction Materials**

Due to the change from SIC03 to SIC07 (which affects data from October 2010 onwards) the composition of our previously published aggregates and imported wood indices has been altered and so we are unable to produce a consistent series going forward. We will publish the previous indices (SIC 2003) alongside the new indices (SIC 2007) until the previous indices all show as not available (due to the discontinuation).

**Completed:** Change implemented from April 2011 edition (published 4 May 2011).

We took the decision to create new price indices series for ‘Crushed Rock’, ‘Sand & Gravel’, ‘Imported Sawn & Planed Wood’ and ‘Imported Plywood’ for the May 2011 Publication and a new ‘Coated Roadstone’ index will be introduced to the publication from the December 2011 bulletin. We have obtained back data for 2009 and 2010 to enable comparisons with the previous indices.

**Completed:** Change implemented from May 2011 edition (published 1 June 2011).

In order to make space for these new series we will remove (in the May 2011 Publication) the following series from Table 2 as they have been disclosive for over a year:

‘Plasterboard etc’

‘Other Builders Ironmongery’

‘Metal Sanitaryware’

‘Electric heating apparatus’

**Completed:** Change implemented from May 2011 edition (published 1 June 2011).

As the following indices have each become obsolete and have been disclosive for over a year they will be removed (from the March 2012 publication) from table 2:

- Coated Roadstone including levy
- Previous Index Crushed rock including levy
- Previous Index Crushed rock excluding levy
- Previous Index Sand & gravel including levy
- Previous Index Sand & gravel excluding levy
- Previous Index Imported hardwood
- Previous Index Imported softwood
- Previous Index Imported plywood

Data for previous years for these indices, where available, will continue to be provided in Table 3.

**Completed:** Change implemented from March 2012 edition (published 4 April 2012).

Re-instate the following indices in to Table 2 as they are no longer disclosive:

‘Other Builders Ironmongery’

‘Metal Sanitaryware’

‘Electric heating apparatus’

**Completed:** Change implemented from July 2014 edition (published 6<sup>th</sup> August 2014).

Publish rebased indices (on 2010=100 basis, rather than 2005=100) in line with the rebasing of ONS Producer Price Indices which were rebased to update the reference period and the weighting patterns of indices within the index framework (see the ONS website for more details: <http://www.ons.gov.uk/ons/rel/ppi2/producer-price-index/producer-price-index-rebasing--2010-100/-rebasing-the-producer-price-index.html#tab-Introduction>). This includes the removal of indices that use a classification system less recent than SIC07.

ONS advise on how indices on a 2010=100 basis can be converted to a 2005=100 basis: <http://www.ons.gov.uk/ons/guide-method/user-guidance/prices/ppi/producer-price-index--ppi--rebasing-2010---question-and-answer-document.pdf>

**Completed:** New data published in the December 2013 edition (published on 8 January 2014)

### Table 3: Price Indices of Construction Materials – Annual averages

We will remove ‘Worked Monumental or Building Stone’ from Table 3 as the indices have not been available for publication for 4 years.

**Completed:** Change implemented from May 2011 edition (published 1 June 2011). Previous editions should be consulted for the historical 'Worked Monumental or Building Stone' index.

Publish rebased indices (on 2010=100 basis, rather than 2005=100) in line with the rebasing of ONS Producer Price Indices which were rebased to update the reference period and the weighting patterns of indices within the index framework (see the ONS website for more details: <http://www.ons.gov.uk/ons/rel/ppi2/producer-price-index/producer-price-index-rebasing--2010-100-/rebasing-the-producer-price-index.html#tab-Introduction>). All indices in the table are composed using SIC07 codes. Previous indices based on older SIC codes are available from earlier editions of these tables.

ONS advise on how these indices can be converted to a 2005=100 basis: <http://www.ons.gov.uk/ons/guide-method/user-guidance/prices/ppi/producer-price-index--ppi--rebasing-2010---question-and-answer-document.pdf>

**Completed:** New data published in the December 2013 edition (published on 8 January 2014)

We will remove the following indices from the table, as they have been disclosive for over 5 years: plasterboard, fibre cement products, central heating pumps, copper pipes, floor covering, and electric heating apparatus.

**Completed:** Change implemented from July 2014 edition (published 6<sup>th</sup> August 2014). Previous editions should be consulted for information on the historical values of these indices.

#### Table 8: Cement & Clinker - Production and Deliveries

The cement data collection is co-ordinated by the Mineral Products Association (MPA). Arrangements for publication of the cementitious data have been revised following discussion and agreement by the MPA Cement members. Data will be available on an annual basis and data for 2013 due on 5 March 2014. No further quarterly or monthly data will be collected or distributed following the quarterly and monthly data published in the December 2013 edition (on 8 January 2014).

On 18 January 2012 the Competition Commission (CC) launched an investigation into the aggregates, cement and ready-mixed concrete market. The CC's final decision on a remedy is due by 17 January 2014. All documents relating to the investigation can be found here:

<http://www.competition-commission.org.uk/our-work/directory-of-all-inquiries/aggregates-cement-ready-mix-concrete>

**Completed:** Monthly data ceased publication in the December 2013 edition (published on 8 January 2014)

Table 14: Value of Overseas Trade in Selected Materials and Components for Constructional Use: Imports (cif) & Exports (fob)

Due to changes to the European Commission product classifications, a number of categories of materials have been combined as the individual products are no longer collected separately and one series is no longer able to be collected.

‘Slate Roofing Tiles’ and ‘Other Slate Products’ have been combined into ‘Slate Products’.

‘Concrete Roofing Tiles’ and ‘Other Concrete Tiles & Pavings’ have been combined into ‘Concrete Tiles and Pavings’.

‘Bituminous Roofing Felt’ and ‘Other Asphalt products’ have been combined into ‘Asphalt Products’.

‘Zinc Pipes & Fittings’ and ‘Other Zinc Building Products’ have been combined into ‘Zinc Building Products’.

Imports and Exports for ‘Lead Pipes & Fittings’ are no longer collected so we are unable to publish any more data for 2011.

**Completed:** Change implemented from May 2011 edition (published 1 June 2011).

Table 15: Value of EU and Non-EU Trade in Selected Materials and Components for Constructional Use : Imports (cif) and Exports (fob)

Since the February 2012 bulletin, the same changes to products as above for table 14 have also been made to table 15.

**Completed:** Change implemented from February 2012 edition (published 7 March 2012).

From the August 2012 bulletin, table 15 will include revision markers for each individual figure to show where data have been revised since the previous quarterly update.

**Completed:** Change implemented from August 2012 edition (published 5 September 2012).

**Sampling Panel Changes**

Since the Review of the Monthly Statistics of Building Materials and Components in 2010, the BIS Construction Market Intelligence team, alongside the ONS Business Data Division team and Trade Associations, have been working to improve the sampling panels for our surveys. Through this we have identified new sites to add to some of our surveys. While this makes our statistics more accurate, it does mean that some discontinuities occur.

#### Table 7: Slate: Production, Deliveries and Stocks

We have taken the decision to remove a number of non-pure slate sites and to include some new pure slate sites into our quarterly slate survey from Q1 2011 onwards. In line with the National Statistics Code of Practice we have revised the data as far back as possible for Q2, Q3 and Q4 2010 to bring these results in line with the new panel.

**Completed:** Change implemented from May 2011 edition (published 1 June 2011).

#### Table 9 and 10: Bricks – Production, Deliveries and Stocks

We have identified a number of new sites and added them to our Monthly Brick survey from February 2011 onwards. Following the receipt of more accurate data on Brick Production, Deliveries and Stocks from sites already sampled and additional historical data from new sites which were added to the sample panel from February 2011, data covering January 2009 to February 2011 have been revised. A pre-announcement of the change was posted on the BIS website from 22 November 2011. These revisions affect tables 9 and 10 of the Monthly Statistics of Building Materials and Components bulletin and subsequent bricks data discussed in this commentary document.

If we obtain further historical data for the new sites, we will revise past figures to produce a consistent back series.

**Completed:** Change implemented from December 2011 edition (published 11 January 2012)

We are hoping to further improve the accuracy of our survey by adding more sites to our survey in the June 2011 Publication. Following the completion of work by the Office for National Statistics Methodology Advisory Service (ONS/MAS) to improve methodologies used for processing survey results (recommendation 3 of the [review](#)), missing data will be estimated using a new imputation methodology for provisional monthly bricks data. This will affect data published in table 9 and will take effect at some point after the March 2012 publication on 4 April 2012. An exact date for the change will be announced nearer the time.

**Status:** Awaiting completion

#### Table 11: Concrete Blocks – Production, Deliveries and Stocks

In 2010, BIS conducted a [review](#) of the publication. It recommended that methodologies used to process survey results should be improved (recommendation 3). This recommendation was addressed as part of the work that BIS commissioned the Office for National Statistics Methodology Advisory Service (ONS/MAS) to carry out.

There are two surveys for collecting information on concrete blocks; a voluntary monthly survey and a statutory quarterly survey. Data from the monthly block inquiry is available ahead of the quarterly results, so it is published (as provisional) earlier than the quarterly data. Before being published, the monthly data is grossed up to include the activity of

those quarterly contributors to ensure the monthly figures cover all contributors. This grossing method is outlined on pages 14 and 15 of the [review](#). As the monthly data is also used for estimating quarterly data, the published quarterly figures include results from both the monthly and quarterly inquiries. Monthly and quarterly figures are both grossed following each statutory quarterly return and following this, monthly figures are no longer 'provisional'.

This method for producing monthly provisional estimates was used for the final time to construct provisional January 2012 figures for the February 2012 publication. The method for constructing quarterly figures will not change. However, from the March 2012 publication (published on 4 April 2012), an improved methodology will be used for estimating missing returns for provisional monthly data, which will first be applied to January and February 2012 provisional figures. This new methodology considers data for the latest month and the month before it, and looks at those businesses that responded on both occasions. For each such business, the growth rate for the latest period is calculated. The median and interquartile range of this sample of growth rates is then calculated and a 'trimmed mean' growth rate is calculated by excluding those growth rates that are more than two interquartile ranges from the median and finding the mean of this trimmed sample. This trimmed mean growth rate is then applied to the previous period's values for the current period's non-responders (it may well be the case that the previous period's value for a business is itself the result of imputation of course). This methodology, and how it was chosen and assessed against other methodologies, is explained in more detail on pages 8 - 19 of ONS/MAS's [findings](#). ONS/MAS are due to complete their work in March 2012 which will inform a full summary Quality Report that will be published by BIS, which will contain details of this and other new methodologies.

Table 1 provides a comparison of the provisional figures produced by the old and new methods since November 2011. Table 2 provides a comparison between 'final' figures and 'provisional' figures produced using both the old and new methods. Stocks data are not provided as these are confidential when data are provisional.

**Completed:** Change implemented from March 2012 edition (published 4 April 2012).

Table 1. Comparison of figures produced by the old and new methods.

Concrete blocks (thousand square metres)	Response rate	All types		Dense		Lightweight		Aerated	
		Production	Deliveries	Production	Deliveries	Production	Deliveries	Production	Deliveries
<b>Old Method (as published)</b>									
November	55%	4,188	4,321	1,723	1,866	1,233	1,272	1,232	1,182
December	61%	3,288	3,498	1,333	1,440	908	950	1,047	1,108
January	82%	4,327	3,874	1,772	1,620	1,190	1,001	1,365	1,253
<b>New Method (not published previously)</b>									
November	55%	4,173	4,267	1,632	1,801	1,262	1,279	1,278	1,187
December	61%	2,722	2,991	1,114	1,277	652	724	957	990
January	82%	4,173	4,287	1,906	1,813	1,244	1,076	1,024	1,398
<b>% difference between old and new methods</b>									
November		-0.3%	-1.2%	-5.3%	-3.5%	2.4%	0.5%	3.8%	0.4%
December		-17.2%	-14.5%	-16.4%	-11.3%	-28.2%	-23.8%	-8.6%	-10.7%
January		-3.5%	10.7%	7.6%	11.9%	4.5%	7.6%	-25.0%	11.5%





### Table 13: Other Building Materials

We have identified a number of new sites and have added them to our Concrete Roofing Tiles survey from Q1 2011 onwards. This means that there will be a slight discontinuity from Q4 2010 to Q1 2011.

**Completed:** Change implemented from May 2011 edition (published 1 June 2011).

Concrete roofing tiles data for Q1 2012 (see May 2012 edition) included estimation for a non-responder.

**Completed:** Change implemented from May 2012 edition (published 6 June 2012).

### Other Methodological Changes

#### Tables 4, 5 & 6

Historically, to ensure that rounded values of the different sub-categories of sand and gravel sales summed to the same value as that given in the rounded total column, we made a series of minor adjustments to the quarterly figures. This has been identified recently as adding an unnecessary source of error to the figures. Thus, from 2014Q1, we will publish rounded quarterly figures without adjustments. This may mean that in any given quarter, the sum of all sub-categories of sand and gravel does not exactly match that shown in the total column.

**Completed:** Change implemented from May 2014 edition (published 4<sup>th</sup> June 2014).

Last updated: 6<sup>th</sup> August 2014

For more information please contact:

Liam Cavin  
BIS Statistical Officer

Email: [liam.cavin@bis.gsi.gov.uk](mailto:liam.cavin@bis.gsi.gov.uk)  
Phone: 0207 215 3822