

Delay to Quality Improvements to New House Building Statistics.¹

Introduction

This statistical article looks at issues with accuracy of the data currently collected and published on new house building in Wales. It covers further issues with the data which have resulted in a delay to the introduction of improvements proposed in the previous article '[Quality Improvements to New House Building Statistics](#)' published in August 2011 and the impact this will have on the quarterly statistics that are published during 2012.

Background

The new house building statistics that are currently published in the quarterly statistical release '[New House Building](#)', are collected from Local Authorities (LAs) via the [LA Newbuilds form](#) and from the National House-Building Council (NHBC). This information is collated to provide the number of new dwellings started and completed by tenure. This information is used to assess the level of new house building across Wales and to help monitor trends in both the overall level of Welsh housing stock and the changes in its tenure distribution over time. Data is also used by the Welsh Government and local authorities to assess levels of housing supply across Wales and as an indication as to whether housing need is being met.

Issues

The statistical article '[Quality Improvements to New House Building Statistics](#)', published in August 2011 outlined two main issues which impacted on the accuracy of new house building data and proposed changes aimed at improving its quality. These proposed changes included:

- 1) Exploring the possibility of collecting and publishing data from Private Approved Inspectors (PAIs) other than the NHBC and
- 2) Changing the methodology for calculating new house building completions at an individual tenure level.

The first of these changes is currently being investigated and this article covers issues in relation to the second proposed change which has resulted in a delay in its implementation originally scheduled for 1 April 2012.

There has been concern for some time that the misclassification of new builds by building inspectors has resulted in an undercount of registered social landlord (RSL) new house building and an over count for the private sector. Data has been collected directly from RSLs since July 2007 with the understanding that should analysis of the data show it to be fit for purpose, then from 1 April 2012, it would be published in place of the data on RSLs provided by LAs and the NHBC, alongside a new methodology for calculating private sector completions.

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¹ Notes on the use of statistical articles can be found at the end of this document

LAs would be asked to provide only total new builds and LA new builds and the NHBC (and potentially other PAIs) would be asked to provide only the total new build completions for all tenures. Then by collating the data received from the local authorities, NHBC (and potentially other PAIs) and RSLs, the private sector new build completions would be calculated through subtraction.

Analysis of the data provided by RSLs between 1 July 2007 and 31 March 2011 did show that, while following a similar trend, the numbers of completions recorded by the RSLs over the period were significantly higher than the number of RSL completions reported by LAs and the NHBC. The RSL data was also compared with information from the Affordable Housing data collection which further highlighted the under count of RSL activity in the published local authority and NHBC figures. In the statistical release '[New House Building April to June and July to September 2011](#)', published on 14 December 2011 both sets of RSL completions data were presented so that users of the data could compare the figures provided and assess the impact of collecting and publishing only the data provided directly by individual RSLs from 1 April 2012.

However, since the release was published further investigation and analysis of the data has been carried out using validated and detailed data which had not been previously available in a useable format. This was because the data was in the process of being transferred into a new database as part of the general transfer of housing data collections from the Local Government Data Unit back to the Welsh Government. These detailed investigations included the testing of the proposed new method for calculating private sector completions as outlined above. This showed that for some quarters in some local authority areas the number of RSL completions reported by the RSLs exceeded the number of completions for all tenures reported by the LA and NHBC. Using the proposed new methodology would therefore result in a negative number of private sector completions being derived for those local authority areas. There is evidence to suggest that this may be due in part to timing differences between the LAs and NHBC and the RSLs in the recording of completions, but there may also be other factors which are impacting on the accuracy of the data and which we need to investigate further with the data providers.

For this reason it has been decided to delay the implementation of the changes to the collection and publication of new house building data from 1 April 2012 as originally proposed so that further investigation work can be carried out.

Proposed investigations

1) The first stage of this investigation will be to establish if there is any systematic undercounting of new house building activity by the local authorities. This could arise for example where new build completions data are added to an LA system after the LA have completed and submitted their quarterly returns to the Welsh Government, meaning that such completions will not be included in the quarterly totals collected and published. This is possible since data are collected very soon after the end of each quarter and in order to check this we will ask local authorities to provide us with an annual total of their new build activity for 2011-12 in addition to the data they provide for quarter 4 of 2011-12. This will allow us to compare the annual total against that derived from the separate quarterly data to check for any systematic differences.

2) The second stage will be to establish the extent to which RSL new build completions are being wrongly classified as private sector completions by LAs. This will involve approaching a number of local authorities and the relevant RSLs who operate within those authorities and asking them to carry out a number of case studies. The case studies will require the relevant RSLs to breakdown their annual completions data on a scheme by scheme basis and to work with the local authorities to ascertain whether or not all the RSL completions have been included within the LA total figures and have been properly assigned to the RSL sector.

3) Once the first two stages have been completed we then plan to arrange a workshop, open to all relevant data providers, to discuss our findings and agree possible solutions in order for us to improve the accuracy of new house building statistics.

Conclusion

It is clear from the comparisons of the data that collecting and publishing the information on RSL new build completions obtained directly from the RSLs will prevent the current under representation of RSL new house building activity. However issues still remain and in order to ensure that the data published on new house building is as accurate as possible, changes to the collection and publication of new house building completions and the implementation of a new method for calculating private sector completions will need to be put on hold until these issues can be resolved.

The next quarterly release due to be published on 1 March 2012 will not include the new build completions data provided by the RSLs. From 1 April 2012 data will continue to be collected from the RSLs as well as the LAs and the NHBC (and potentially other PAIs) but until we are satisfied that all issues have been resolved we will continue to publish only the data provided by the LAs and NHBC. We intend to keep users and providers of the new house building data fully informed of progress and to provide adequate notice of any future changes to its collection and publication.

Feedback

We invite feedback from users on the proposals outlined above. Please consider the following:

- Do you agree with our proposal to delay implementation of changes to the way new house building data is collected and published until further investigation of the data has been carried out?
- Do you agree with the way we plan to carry out this investigation?
- Do you foresee any difficulties for LAs in providing annual totals for 2011-12 for stage one of the investigations?
- Do you foresee any difficulties for LAs and RSLs in carrying out case studies and working together to ensure all RSL newbuild activity is correctly assigned by LAs for stage 2 of the investigation?
- Do you have any comments on what we have proposed or any information or advice which could help our investigation?

Please submit your comments by 2 March 2012 to:

E-mail: stats.housing@wales.gsi.gov.uk

Notes on the use of statistical articles

Statistical articles generally relate to one-off analyses for which there are no updates planned, at least in the short-term, and serve to make such analyses available to a wider audience than might otherwise be the case. They are mainly used to publish analyses that are exploratory in some way, for example:

- Introducing a new experimental series of data;
- A partial analysis of an issue which provides a useful starting point for further research but that nevertheless is a useful analysis in its own right;
- Drawing attention to research undertaken by other organisations, either commissioned by the Welsh Government or otherwise, where it is useful to highlight the conclusions, or to build further upon the research;
- An analysis where the results may not be of as high quality as those in our routine statistical releases and bulletins, but where meaningful conclusions can still be drawn from the results.

Where quality is an issue, this may arise in one or more of the following ways:

- being unable to accurately specify the timeframe used (as can be the case when using an administrative source);
- the quality of the data source or data used; or
- other specified reasons.

However, the level of quality will be such that it does not significantly impact upon the conclusions. For example, the exact timeframe may not be central to the conclusions that can be drawn, or it is the order of magnitude of the results, rather than the exact results, that are of interest to the audience.

The analysis presented does not constitute a National Statistic, but may be based on National Statistics outputs and will nevertheless have been subject to careful consideration and detailed checking before publication. An assessment of the strengths and weaknesses in the analysis will be included in the article, for example comparisons with other sources, along with guidance on how the analysis might be used, and a description of the methodology applied.

Articles are subject to the release practices as defined by the release practices protocol, and so, for example, are published on a pre-announced date in the same way as other statistical outputs.