

Assessment of compliance with the Code of Practice for Official Statistics

UK and Northern Ireland House Price Indices

(produced by HM Land Registry, Office for National Statistics, Registers of Scotland and Land and Property Services Northern Ireland)

Office for Statistics Regulation

We provide independent regulation of all official statistics produced in the UK. Statistics are an essential public asset. We aim to enhance public confidence in the trustworthiness, quality and value of statistics produced by government.

We do this by setting the standards they must meet in the *Code of Practice for Official Statistics*. We ensure that producers of government statistics uphold these standards by conducting assessments against the *Code*. Those which meet the standards are given National Statistics status, indicating that they meet the highest standards of trustworthiness, quality and value. We also report publicly on system-wide issues and on the way statistics are being used, celebrating when the standards are upheld and challenging publicly when they are not.

Contents

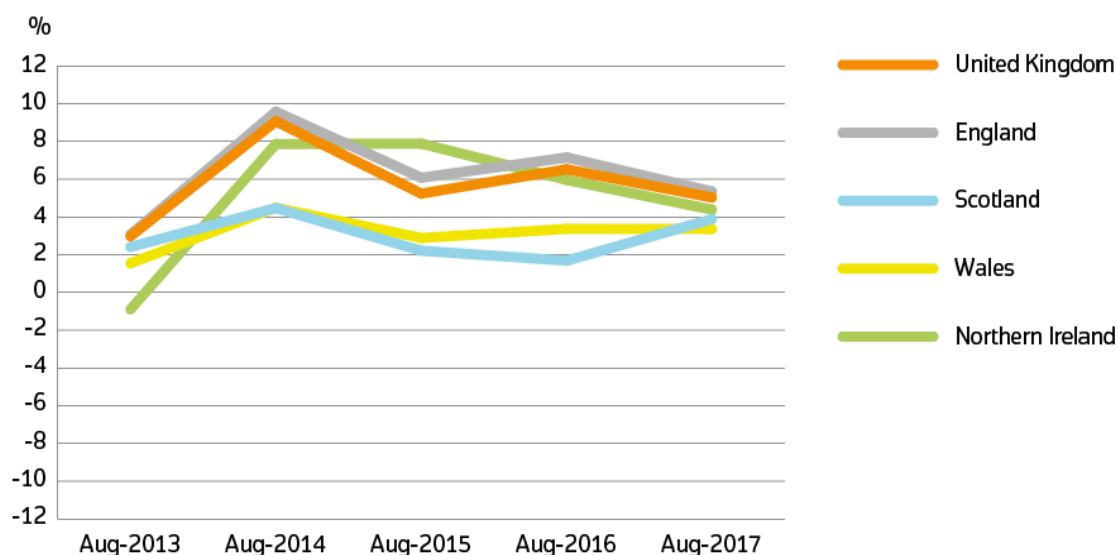
Office for Statistics Regulation.....	2
Executive Summary	4
Judgement on National Statistics Status.....	4
Key Findings	5
Public Value.....	5
Quality, data and methods	6
Trusted systems, people and processes.....	6
Next Steps.....	7
Chapter 1: Public Value	8
Introduction	8
Findings	8
Value – Findings and Requirements	13
Chapter 2: Quality, data and methods.....	15
Introduction	15
Findings	15
Quality, data and methods – Findings and Requirements	23
Chapter 3: Trusted people, systems and processes.....	25
Introduction	25
Findings	25
Trusted people, systems and processes – Findings and Requirements	27
Annex 1: About the Statistics	28
The Statistics.....	28
Data Sources and Methods	32
Uses and Users.....	33
Annex 2: The Assessment Process	35
Annex 3: Next Steps	37
Responding to the assessment report: what the Office for Statistics Regulation and HM Land Registry and partners and Land and Property Services Northern Ireland should expect from each other.....	37

Executive Summary

Judgement on National Statistics Status

- ES.1 We judge that the UK House Price Index statistics¹ (UK HPI) and the Northern Ireland House Price Index statistics² (NI HPI) can be designated as new National Statistics³ once HM Land Registry and partners, and Land and Property Services Northern Ireland (LPS), demonstrate to us that they have enhanced these statistics in the ways described in chapters one to three of this report. This report includes eight requirements; seven of which relate to the UK HPI and are the responsibility of HM Land Registry and partners to implement, and one of which relates solely to the NI HPI and is the responsibility of LPS to address.
- ES.2 The UK HPI is produced by HM Land Registry in partnership with the Office for National Statistics (ONS), Registers of Scotland (RoS) and Land and Property Services Northern Ireland (LPS), referred to as HM Land Registry and partners. The NI HPI is produced by Land and Property Services Northern Ireland (LPS). Figure 1 shows the time series of the different nations' indices since 2013.

Figure 1: Annual price change for UK by country, August 2013 – August 2017



Source: *UK House Price Index summary: August 2017*

- ES.3 House price statistics are key economic indicators and provide important insights into the wider economy and society by helping users to understand trends in the UK and the Northern Ireland housing markets. Economic policy makers use the indices to assess impacts on both the demand and supply sides of the economy, to inform decisions about household consumption and inflationary effects arising from changing prices, the health of the construction industry, the affordability of housing for new housing market entrants, and the capacity of the finance sector to extend credit to households and businesses to support home ownership and investment. Central and devolved governments use the indices as indicators of overall economic performance and to inform economic, housing and taxation

¹ <https://www.gov.uk/government/collections/uk-house-price-index-reports>

² <https://www.finance-ni.gov.uk/articles/northern-ireland-house-price-index>

³ National Statistics (NS) status means that official statistics meet the highest standards of trustworthiness, quality and public value and comply with all aspects of the *Code of Practice for Official Statistics*. National Statistics status is awarded by the UK Statistics Authority (The Authority) on the advice of the Office for Statistics Regulation. The Office for Statistics Regulation undertakes an assessment which considers whether the statistics meet the required standard.

policy decisions; and they are used to inform housing policy decisions at the local government level. UK HPI and NI HPI are also widely used outside government, by housing market analysts, estate and letting agents, banks and building societies, house builders and housing associations as well as citizen users.

- ES.4 To maximise the public value of the UK HPI, HM Land Registry and partners must build on the progress already made in establishing the UK HPI as a key economic indicator. Crucially, the methods used to produce UK HPI must be further developed, to ensure that the UK HPI represents a robust estimate of the change in average house prices, with acceptable revisions to published estimates. This development, coupled with HM Land Registry's ongoing work to address its operational backlog in registering new build sales transactions, are essential prerequisites for enhancing users' confidence in the UK HPI and establishing its credibility as the single official house price index. HM Land Registry and partners will need to engage proactively with key stakeholders as part of this development work, to understand what information they need to aid their understanding of price changes, the limitations of the index, and what further insights into national and local housing market performances and trends are needed to increase the value of these statistics to users.
- ES.5 The NI HPI has been produced since 2012 and appears well established. Both the NI HPI and UK HPI are produced using a single agreed methodology, the development of which is overseen by the UK HPI Working Group. LPS could look for further opportunities to enhance its public value by more prominently drawing out relevant insights presented alongside the UK HPI in the presentation of NI HPI, for example about its coherence with other house price statistics.

Key Findings

Public Value

- ES.6 The UK HPI is presented on GOV.UK in a summary report and accompanying reports for England, Wales and Scotland. The supporting commentary presents high-level economic context to support users' understanding of UK trends and HM Land Registry and partners recently published a helpful article explaining the coherence of UK HPI with non-official measures of house prices. Several users told us they want to understand more about trends within countries and local markets, and at present, insightful commentary in these areas is limited. To enhance the value of UK HPI, HM Land Registry and partners should continue to work with key stakeholders to understand what information would be most helpful to them and also glean any contextual insight they can offer, and build these developments into their future plans.
- ES.7 The *NI HPI* quarterly statistics report presents valuable insight about house prices in Northern Ireland and trends over time and LPS statisticians have continually improved its presentation in response to users' needs.
- ES.8 Each published *NI HPI* overwrites the previous quarter's report. Historical data for the index are available in a published time series, supporting economic commentary and data tables as part of the latest report. Some of the information presented in historic reports, such as the scale of historic revisions to the index, is not publicly accessible. To maximise the public value of these statistics, in future important information from historic reports – such as revisions to the index – should remain publicly available for easy reference and to help maintain public trust in the statistics, in line with the *Code of Practice for Official Statistics*.
- ES.9 An essential element of maximising the public value of the UK HPI is to explore and understand users' experience of statistics to inform and shape HM Land Registry and partners' future development plans. Given the importance of UK HPI as a key economic indicator, and given the growth in revisions since March 2017, which has negatively impacted users' confidence in UK HPI, it is essential that HM Land Registry and partners build on their previous engagement activities and proactively engage with a wide range of

different users on an ongoing basis, including more-focussed engagement with key stakeholders, to inform improvements.

Quality, data and methods

- ES.10 The methods used to produce UK HPI are generally accepted by users. However, since March 2017 there has been a large increase in the magnitude of revisions to these statistics. This has negatively affected some users' confidence in UK HPI as they are unable to understand or explain house price trends with certainty. These revisions have been driven by volatility in new build property prices, which has been compounded by an operational backlog in HM Land Registry registering new build sales transactions. While HM Land Registry and partners have published some information about this backlog, and its likely implications, no information has yet been published to quantify these effects. ONS introduced a temporary adjustment factor in May 2017 to help control for the volatility of average price estimates, and is currently developing the methods further as a long-term solution to reduce revisions; and HM Land Registry is working to address the registration backlog. To increase the quality of the UK HPI, and to restore users' confidence, HM Land Registry and partners must prioritise these developments and be much more transparent about the impact of revisions and their work to address these. HM Land Registry and partners should therefore provide clearer and more helpful guidance about the reasons for the increase in revisions, the extent of any changes to the methods, and speak with key users in developing those methods and supporting analyses to aid their interpretation of the UK HPI.
- ES.11 HM Land Registry and partners have undertaken a great deal of work to assure themselves of the quality of administrative data sources used to produce the UK HPI, and have shared evidence of this with us. There is one administrative data source – HMRC's stamp duty land tax data, used to produce the NI HPI (which also feeds into UK HPI) – where LPS is continuing to work to assure itself that the quality of this data is robust. HM Land Registry and partners plan to publish a summary of these quality assurance procedures as part of the November 2017 publication of UK HPI. Over recent years, HM Land Registry and partners have published a range of supporting methods and quality information. These were updated ahead of the UK HPI's launch in June 2016 and the partners told us that they plan to further update this material to reflect changes made as a result of this assessment report. To establish the UK HPI as an authoritative measure of UK house prices, HM Land Registry and partners should ensure all published information about methods and quality is current and rationalise their published information about methods and quality.

Trusted systems, people and processes

- ES.12 Users appreciate having a single official measure of UK house price inflation, and the impartial commentary presented in the statistics reports, which they told us improves their confidence in government house price inflation measures. We also commend HM Land Registry and partners' decision to cease pre-release access for the UK HPI and NI HPI. Users of the NI HPI also expressed confidence in the statistics.
- ES.13 The UK HPI working group is a positive example of what can be achieved through effective cross-departmental collaboration, and the group should be proud of its achievements to date. In order to enhance users' confidence in the statistics and sufficiently realise the considerable public value that UK HPI has to offer over the longer term, we consider that the group should reflect on the areas highlighted in Chapter 3 and how its arrangements can be strengthened to better manage and drive developments to statistical methods, particularly in the short term given the ongoing issue with large revisions to the UK HPI.

Next Steps

ES.14 Following the publication of this Assessment Report:

- a. we expect HM Land Registry and partners, and LPS to publish its plan of proposed actions to increase public value, quality and trustworthiness as a result of this Assessment
- b. we expect HM Land Registry and partners, and LPS to report back to us by 31 March 2018 on how it has enhanced the public value, quality and trustworthiness of the statistics in the ways described in this report
- c. we will review the evidence and report to the Authority
- d. the Authority will decide whether to confirm new National Statistics status, based on our advice.

Chapter 1: Public Value

Introduction

- 1.1 Value means that the statistics and other numerical information are accessible, remain relevant and benefit society; helping the public to understand important issues and answer key questions.
- 1.2 Value is a product of the interface between the statistics or other numerical information and those who use them as a basis for forming judgements.

Findings

Drawing out further insight for countries and local areas

- 1.3 Each month, the UK HPI is presented in a series of monthly reports on GOV.UK:
 - *UK House Price Index summary*
 - *UK House Price Index England*
 - *UK House Price Index Scotland*
 - *UK House Price Index Wales*
- 1.4 UK House Price Index summary is the main statistics report presenting charts and data tables for the UK and includes an economic statement to provide some context around changes in house prices. Each country-level report presents detailed tables and charts for average house prices and annual changes by local authority, as well as for house sales volumes, building, buyer and funding status and repossessions. A separate report is not produced for Northern Ireland, as the NI HPI is presented separately in *Northern Ireland House Price Index (NI HPI)*, published on Northern Ireland's Department of Finance website⁴. To supplement the monthly presentation of the UK HPI on GOV.UK, ONS also publishes a summary of the statistics on its own website in *House Price Index UK*⁵ and Registers of Scotland also publishes a media release on its website⁶, both with links to the main GOV.UK publication. In February 2017, HM Land Registry and partners also published *UK House Price Index (HPI) annual review 2016*⁷ in response to users' feedback to present further context about the changes in UK house prices – this is a welcome development and HM Land Registry and partners intend to publish this article annually.
- 1.5 *NI HPI* presents the main measures of house prices and property market trends for a range of geographies within Northern Ireland to support users' insight into house prices at a regional level:
 - eleven Local Government Districts
 - five large regional areas
 - Urban – Rural classification

NI HPI also presents a range of charts to supplement the data tables to illustrate the regional changes in house prices. LPS also sets the NI HPI within the economic context in Northern Ireland, by presenting a standardised NI HPI alongside other economic measures – the Northern Ireland Composite Economic Index⁸ (NICEI), and the Gross Domestic Product (GDP) indices for the UK and Republic of Ireland over time, presented in Figure 2 below:

⁴ Also linked from the Northern Ireland Statistics and Research Agency (NISRA) website

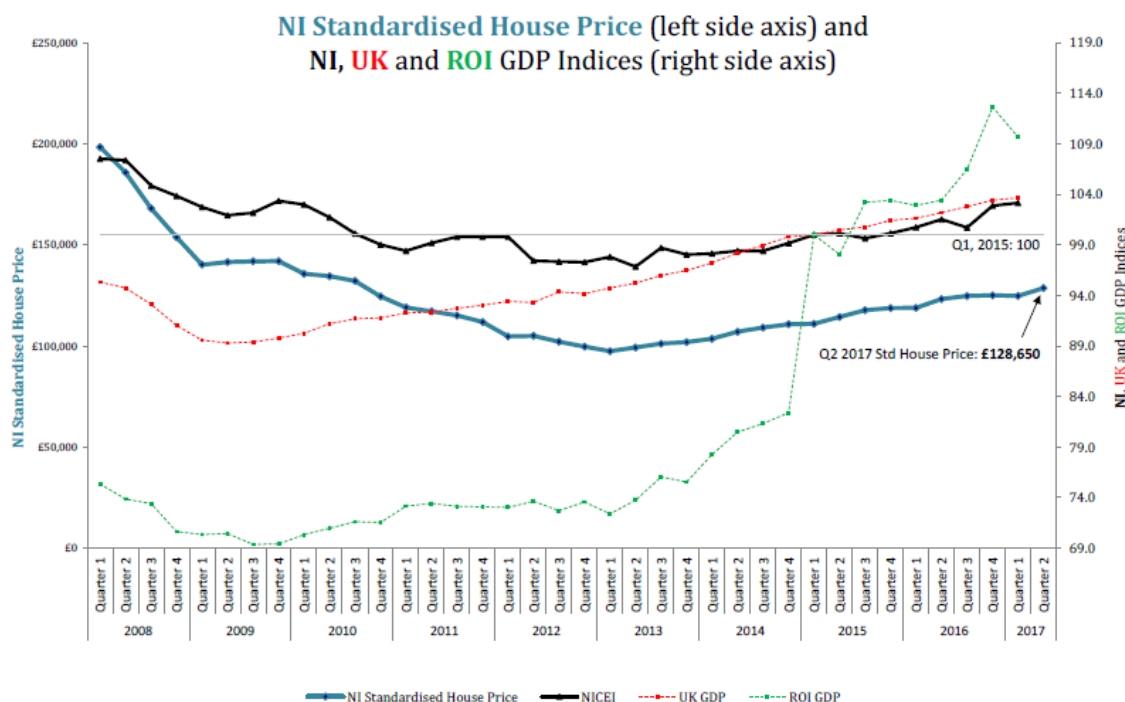
⁵ <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/previousReleases>

⁶ <https://www.ros.gov.uk/about-us/news/2017/monthly-house-price-index-statistics-for-september-2017-published>

⁷ <https://www.gov.uk/government/news/uk-house-price-index-hpi-annual-review-2016>

⁸ <https://www.nisra.gov.uk/statistics/economic-output-statistics/ni-composite-economic-index>

Figure 2: NI Standardised House Price with NICEI, UK and ROI GDP Indices



Source: Northern Ireland House Price Index, April - June 2017

- 1.6 It is clear that statisticians in LPS have worked to ensure that *NI HPI* presents helpful insight to support users' understanding of house price trends at a regional level and within the wider economic context in Northern Ireland. The *NI HPI* has been produced since 2012 and its presentation in *NI HPI* demonstrates how the LPS statisticians have continually improved the statistics in response to users' needs.
- 1.7 While the UK HPI country-level reports for England, Wales and Scotland present the main house price measures for local authorities, they do not present any supporting commentary drawing out insight for individual countries. HM Land Registry and partners told us that they initially developed the country-level reports to respond to users' feedback during their 2014 consultation. During the course of the assessment, some users expressed concern about the volatility of local authority estimates and felt that the credibility of these estimates was at risk as there is little explanation of genuine drivers for this volatility other than the low volumes of sales transactions recorded. Statisticians in the devolved administrations told us they had to explore the robustness of these estimates themselves in order to provide briefing to policy officials. There is therefore clear scope for the statistics to present further insight to aid users' interpretation. To maximise the public value of the UK HPI, HM Land Registry and partners should engage with key stakeholders in central government departments and the devolved administrations about how the UK HPI can present improved insight about trends in house prices within countries and local market performance, as part of the further development of the statistics. HM Land Registry and partners told us that it would not be possible to provide a reliable economic context or professional valuer judgement at very small geographies, but could work to develop greater insight for countries and possibly some of the larger local market areas.

Improving the UK HPI data accessibility to increase its value to users

1.8 The UK HPI statistical reports are accompanied by summary guidance in *About the UK House Price Index*⁹ (*About the UK HPI*), supporting historic csv data tables and an interactive data tool which allows users to create their own bespoke data tables. In response to users' feedback HM Land Registry is in the process of implementing some improvements to improve the data's accessibility. These include:

- presenting additional breakdowns of data presented in the csv tables and linked data, such as house sale volumes for cash/mortgage sales and new/old properties (implemented October 2017)
- increasing the data available in the interactive data tool, such as buyer status, property status and funding status breakdowns (scheduled for November/December 2017)
- introducing new functionality to compare multiple areas through the interactive data tool (scheduled for November/December 2017)

We commend HM Land Registry and partners for their ongoing development of published data tables and the interactive data tool, to improve their usefulness. During the course of the Assessment, some users told us that they were not aware of this tool. Since then, HM Land Registry and partners told us they have promoted it further which has resulted in an additional 6,000 users making use of the tool, which is very positive. It is important for HM Land Registry and partners to continue to promote the tool to all interested parties to ensure that its value is maximised for a wide range of interested users.

Overall accessibility of the UK HPI and NI HPI statistics reports

1.9 During the course of the assessment, some users expressed confusion about accessing the latest statistics and were unclear why the UK HPI is presented on both GOV.UK and ONS's website. Several commented that they perceived ONS's website as being the natural home for the index and HM Land Registry and partners' own September 2016 user engagement exercise revealed similar feedback. ONS told us that it publishes a summary of the UK HPI because as the UK's National Statistical Institute, some users, particularly international users, would go to the ONS website for these statistics; and because ONS is responsible for publishing other inflation measures.

1.10 Users' confusion about who is responsible for producing the UK HPI and about the main entry point to the latest statistics might be a reflection of the relative infancy of the statistics, and it may take some time for users to get accustomed to how they access it. To establish the credibility of the UK HPI, HM Land Registry and partners should reflect on feedback about the overall accessibility of the statistics, and consider what further action is needed to reduce any future confusion.

1.11 The NI HPI is published in *NI HPI*, a quarterly statistics report, on both the Northern Ireland's Department of Finance website and the Northern Ireland Statistics and Research Agency's (NISRA) website. Historical *NI HPI* publications are not available publicly since the latest report replaces the previous quarter's report. The latest *NI HPI* report presents the most up-to-date time series and economic commentary. In addition, the Department of Finance in Northern Ireland has a policy which restricts publications older than two years. Across the UK statistical system, the practice of not retaining historic reports' public availability is unusual and could run the risk of users' perceiving that historic data are not accessible, although no users raised this as an issue. The *Code of Practice for Official Statistics* states that once released, statistics, data and accompanying metadata should continue to be publicly available. While most elements of the historic statistics reports – such as the latest time series and economic commentary – are publicly available in the

⁹ <https://www.gov.uk/government/publications/about-the-uk-house-price-index/about-the-uk-house-price-index>

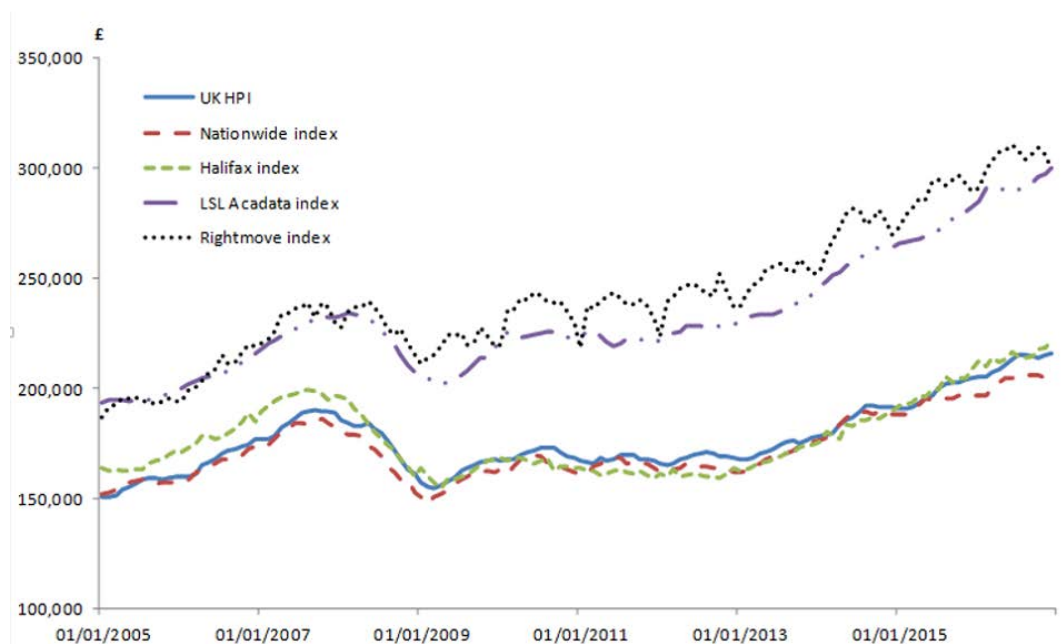
latest *NI HPI* report, information about the scale of historic revisions is not. LPS told us that it could publish a revisions table to accessibly present the historic revisions to the index, and it could create a more prominent facility for users to request copies of older reports. We welcome these plans and expect the statisticians to maintain a level of openness that meets users' needs.

Coherence of the UK HPI with other house price indices

1.12 Since 2016 HM Land Registry and partners have demonstrated the UK HPI's coherence with related sources in several ways:

- Section 6 of *About the UK HPI*, the primary source of user guidance on the UK HPI, presents summary information about the comparability of the UK HPI with a number of other published house price indices – these sources are described in paragraph A1.14.
- In August 2017, HM Land Registry and partners published an article *Comparing house price indices in the UK*¹⁰ and an accompanying blog¹¹. This article presents an in-depth comparison of the key features of the UK HPI compared with non-official measures, such as the coverage, timeliness, and method used to measure average prices; and charts comparing average house prices and annual changes to house prices over time. Figure 3 below is extracted from the article. In developing the article, ONS engaged closely with those responsible for producing each non-official index, to understand the methodology underpinning each, which we view as very good practice.

Figure 3: Average house prices, January 2005 to December 2016



Source: *Comparing house price indices in the UK*

1.13 Several users we spoke to really valued having a single official measure to 'cut through the noise' of multiple sources of average house prices. Some did however question the 'positioning' of the UK HPI in how it differentiated from non-official sources of house prices, viewing its timeliness¹² as a disadvantage without being clear of the advantages of using UK HPI over other sources. *Comparing house price indices in the UK* was published after

¹⁰ <https://www.gov.uk/government/publications/about-the-uk-house-price-index/comparing-house-price-indices-in-the-uk>

¹¹ <http://blog.landregistry.gov.uk/need-help-comparing-house-price-indices/>

¹² UK HPI lags behind the non-official sources of house prices by between 1 and 6 weeks

we spoke to users, and it provides an important role in clearly describing the key features of UK HPI and its strengths and limitations compared with other house price indices. ONS told us that it plans to refresh the article annually. This is a very welcome development. We think it important that HM Land Registry and partners monitor the article's web-hits and overall accessibility. We also think there is scope for the partners to prominently draw out the article's key messages about the strengths and limitations of the index in *About the UK HPI* in relation to its known and potential uses, to ensure that it reaches its intended audiences (see paragraph 2.13 in Chapter 2).

Coherence of the NI HPI with other house price indices

- 1.14 In Northern Ireland, there are three non-official sources of average house prices (described in paragraph A1.14). LPS presents summary information about each of these sources in *NI HPI's* accompanying *Explanatory notes*¹³ including reasons why these sources are not comparable with the NI HPI. While information about the NI HPI's coherence with other sources is fairly limited in the insight it presents, *Comparing house price indices in the UK* presents a more-comprehensive consideration of the UK HPI's coherence with the Halifax and Nationwide sources – these sources also publish quarterly indices for Northern Ireland. While users of the NI HPI generally felt confident in their understanding of the NI HPI's coherence with other measures, LPS statisticians could reflect on how they might best present relevant information obtained from the comparison article in the NI HPI guidance to maximise its public value for its users (see paragraph 2.14).

Effective ongoing engagement with users to inform developments

- 1.15 During 2014, HM Land Registry and partners consulted on their plans to develop a single official measure of house prices in the UK, engaging heavily with users across all four constituent countries. Users told us that they really valued this engagement which they felt set the right path for building trust in the new index. HM Land Registry and partners subsequently published their consultation response¹⁴ setting out their proposals for the new index, followed by a user event in March 2016 after which HM Land Registry and partners published UK HPI for the first time as an experimental statistic on 14 June 2016. In September 2016, HM Land Registry and partners sought users' views through a questionnaire about their satisfaction with UK HPI, resulting in feedback from 68 users – a summary of the feedback received, and actions taken by HM Land Registry and partners to address the feedback is presented in Annex 1, paragraph A1.12.
- 1.16 This engagement with users to inform improvements to the UK HPI is positive. However, when we spoke with users to inform this Assessment's findings, several key stakeholders (including HM Treasury, Bank of England, and statisticians in the Welsh and Scottish Governments) were unaware of that questionnaire. While some key stakeholders have provided their views to HM Land Registry and partners directly via email, others may not have had an opportunity to contribute their views via the questionnaire. Furthermore, our speaking with users highlighted their concerns about the recent increase in revisions to the UK HPI (see paragraphs 2.3 to 2.7) and about volatility of estimates for some local areas. Other than through contacting individual statisticians, they did not have other mechanisms to engage constructively with the partners about improvements to the index, such as through a user group or stakeholder group, the like of which exist for other key economic statistics. To maximise the public value of UK HPI, HM Land Registry and partners should establish more effective ways to engage with key stakeholders to ensure the UK HPI meets their needs and to increase their confidence in the statistics.

¹³ <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/NI%20HPI%20Explanatory%20Notes.pdf>

¹⁴ <http://webarchive.nationalarchives.gov.uk/20160106060453/http://www.ons.gov.uk/ons/about-ons/get-involved/consultations-and-user-surveys/consultations/consultation-on-the-development-of-a-definitive-house-price-index/index.html>

- 1.17 During the course of the Assessment, following us sharing this feedback with HM Land Registry and partners, the team is taking steps to strengthen its ongoing engagement with users. ONS has approached a number of government stakeholders to establish a stakeholder group for the UK HPI. These include staff in the Department for Communities and Local Government, Valuation Office Agency and statisticians in the Welsh and Scottish Governments. ONS intends to engage with this group and other key stakeholders such as HM Treasury, Bank of England and the Office for Budget Responsibility to seek feedback about planned improvements to the methods to address the recent increase in revisions and about future developments. The initial housing group meeting took place in November 2017 and the group subsequently expects to meet quarterly. In parallel, the partners launched a LinkedIn Forum for the UK HPI in August 2017, which is used to signal publication each month, promote any new developments to the index and seek ongoing feedback – members are able to post questions and comments. In addition, Registers of Scotland provides an alerts service to users who have signed up to the service. This notifies users when the latest data is available, provides relevant contact information and includes links to other published information relating to the UK HPI, when appropriate. These are welcome developments and we consider it very important that HM Land Registry and partners draw on these expert views to inform their planned improvements to the statistics, and to seek feedback about further developments to the statistics.
- 1.18 Users of the NI HPI were generally satisfied with their level of engagement with statisticians in LPS, though one user suggested that an annual ‘Economic Forum’ type event in Northern Ireland that brought together users of economic statistics would be useful to discuss wider developments to the NI HPI and other related statistics.

Table 1: Value – Findings and Requirements

Findings	Examples	Requirement
Better regional and national insight and contextual information published alongside the UK HPI statistics could improve users’ interpretation of the statistics	<ul style="list-style-type: none"> The UK HPI is presented in a summary report with accompanying reports for England, Wales and Scotland. While the summary report presents some economic context, the country reports do to not draw out insight or contextual information for the countries of the UK or local market performances. Some users told us that without this context, particularly users in the devolved administrations, it was difficult to interpret the statistics and understand the reasons for changes in house prices. 	1 HM Land Registry and partners should explore with key stakeholders what contextual information and insight they want to feature in the UK HPI statistics reports and improve the presentation of these statistics reports to provide such insight

Findings	Examples	Requirement
<p>The credibility of the UK HPI could be enhanced if there are clear entry points for the main <i>UK HPI</i> statistics reports, and if HM Land Registry's role as the lead body for publishing the statistics is clearer to users.</p>	<ul style="list-style-type: none"> • Many users are confused about why the UK HPI is presented on both GOV.UK and ONS's website • This may result in users not accessing all the published statistics, including the commentary, data tables and interactive data tool • Some users, including some of the media, are not aware that HM Land Registry is responsible for publishing the UK HPI 	<p>2 HM Land Registry and partners should:</p> <ol style="list-style-type: none"> a. continue to monitor how users access the latest statistics and users' feedback about the UK HPI's overall accessibility b. consider how they can best improve accessibility if confusion persists
<p>Historical <i>NI HPI</i> statistics reports are not publicly available.</p>	<ul style="list-style-type: none"> • Currently, the latest quarterly publication of <i>NI HPI</i> replaces the previous version, and these are not archived. Users are therefore unable to access historical publications • Historic NI HPI data are available in a published time series presented in the latest statistics report alongside economic commentary relating to the index's time series, and in supporting data tables • Each quarterly report presents the revisions for the previous two quarters, but does not present information about historic revisions prior to this period 	<p>3 Land and Property Services Northern Ireland should publish <i>NI HPI</i> in such a way that key information published in historic reports is easily accessible to users, by delivering a level of openness that meets users' needs and in line with established government standards</p>
<p>Effective ongoing engagement with users, including key stakeholders, is essential to inform further developments to the UK HPI to maximise its public value to users.</p> <p>Several users expressed a desire for more effective ongoing engagement with HM Land Registry and partners to discuss what more can be done to meet their needs.</p>	<ul style="list-style-type: none"> • HM Land Registry and partners have not sufficiently engaged with key stakeholders – including in HM Treasury, Bank of England, and statisticians in the devolved administrations – since UK HPI's launch in June 2016 • During the course of the Assessment, HM Land Registry and partners told us that it has recently established a LinkedIn Forum, and plans to establish a government stakeholder group, to seek users' feedback on an ongoing basis. 	<p>4 HM Land Registry and partners should:</p> <ol style="list-style-type: none"> a. Clearly demonstrate how they have considered these stakeholder views in their presentation of the UK HPI and in their future development plans for the statistics. b. Continue to promote their recently established LinkedIn Forum and demonstrate how they will use feedback from this Forum to inform their development plans.

Chapter 2: Quality, data and methods

Introduction

- 2.1 Quality means that the statistics and numerical information represent the best available estimate of what they aim to measure at a particular point in time and are not materially misleading.
- 2.2 Quality is analytical in nature and is a product of the professional judgements made in the specification, collection, aggregation, processing, analysis and dissemination of data.

Findings

Revisions to the UK HPI

- 2.3 Each month, the UK HPI presents a first estimate of average house prices in the UK, based on sales transaction data relating to the reference period two months prior to the publication date. The time between the sale of a property and its registration varies typically between two weeks and two months, though this interval can be longer, especially for new build properties. Since June 2016, HM Land Registry and partners published revised estimates for average house prices for the previous two months. *About the UK HPI* states that the first estimate typically includes around 40% of transactions with the second and third estimates based on around 80% and 90% of final registered transactions. Until the December 2016 UK HPI, revisions between the first and second estimates of annual UK house price changes typically ranged from 0% and 0.7% in magnitude, and were both upward and downward revisions.
- 2.4 The December 2016 UK HPI (first published in February 2017) showed an annual growth in UK house prices of 7.2%. Since then, the annual change in average house prices for that month has been revised downwards to 5.7% in the March 2017 publication and to 5.2% in the April 2017 publication. This caused concern amongst the majority of users we spoke to, who wanted to know more to understand the drivers for these revisions to feel confidence in the index. Several users suggested that these large revisions could erode the credibility of the UK HPI and pose a reputational risk. These users said that the reasons for these revisions should be explained more comprehensively, with analyses to support their interpretation and appropriate use of the UK HPI. Furthermore, the vast majority of the revisions to estimates published since the February 2017 reference month have been downwards. While the scale of revisions since the December 2016 UK HPI has not been of the same magnitude, this has highlighted the volatility of the UK estimates and how its accuracy depends on the coverage of transactions captured – for example the published monthly indices since the February 2017 index have been revised each subsequent month. Table 2 below presents the revisions to the UK index:

Table 2: Annual growth (%) in UK House Prices: revisions since December 2016

Publication month	Reference month									
	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17
Feb 17	7.2									
Mar 17	5.7	6.2								
Apr 17	5.2	5.3	5.8							
May 17	5.2	5	5.6	4.1						
Jun 17	5.2	4.9	5.3	4.5	5.6					
Jul 17	5.2	4.9	5.2	4.1	5.3	4.7				
Aug 17	5.2	4.8	5	3.9	5.1	5	4.9			
Sep 17	5.2	4.8	4.8	3.8	4.9	4.6	5.1	5.1		
Oct 17	5.2	4.8	4.8	3.7	4.8	4.4	4.9	4.5	5	
Nov 17	5.2	4.7	4.8	3.8	4.8	4.3	4.8	4.7	4.8	5.4

Source: *UK House Price Index: September 2017* (published in November 2017)

- 2.5 HM Land Registry and partners told us that the growth in revisions is being driven by an operational backlog within HM Land Registry in registering new build properties in England and Wales. As a result, the volume of new build properties included in the provisional calculation of UK HPI had fallen which had increased the volatility of average price estimates. Revisions to the UK HPI estimates arise as the index is re-calculated to incorporate additional house sale transactions. From May 2017, ONS introduced a temporary adjustment factor, based on observed revisions in previous periods, to some of the record-level transaction data to help control for the volatility of average price estimates for new build transactions. HM Land Registry and partners only recently published limited information about the use of an adjustment factor (in Section 1.1 of *About the UK HPI*), five months after it was first introduced. We welcome ONS's efforts to introduce procedures to improve the quality of early estimates of UK HPI. We consider that not being open and transparent about these developments presents a missed opportunity to demonstrate publicly how the partners have sought to improve quality and enhance the value of these statistics.
- 2.6 From June 2017, HM Land Registry and partners extended the revisions policy for UK HPI to 13 months; has published supporting revisions tables for the previous 12 months for the UK, England, Wales and Scotland; and has presented some information¹⁵ linked from *About the UK HPI* about the reasons for revisions and their increase since December 2016, but this does not quantify the contribution of the new build backlog to the overall revisions. HM Land Registry told us that it is working to significantly reduce the backlog by March 2018. ONS has also been reviewing the methods used to produce UK HPI and tested changes to the modelling approach to address the growth in revisions, as a long-term solution to replace the temporary adjustment factor being applied since May 2017. ONS told us it has developed a number of options to improve the methods which it plans to discuss with key stakeholders to determine which is most suitable. ONS plans to introduce these changes from the October 2017 UK HPI (published in December 2017). At the same time, HM Land Registry and partners plan to stop publishing average house price estimates broken down by new and existing properties for the first 2 months, due to the volatility of estimates for new build properties, and has published these plans in *About the UK HPI*.
- 2.7 Some revisions to the UK HPI will be inevitable, given its reliance on the registration of sales transactions which can be subject to time lags. However, the combination of the operational backlog in HM Land Registry and the current modelling approach has resulted in an increase in the magnitude of revisions, which has caused concern about the reliability

¹⁵ <https://www.gov.uk/government/organisations/land-registry/about-our-services>

of the estimates. There has been a delay in the partners publishing information about the reasons for the growth in revisions, and little information has been published about the partners applying a temporary adjustment factor to control for the volatility of average house price estimates. Furthermore, one of the criteria set out in the 2010 *National Statistician's Review of House Price Statistics* was that a single official measure should be "timely with minimal revisions". We consider that HM Land Registry and partners need to be much more transparent in explaining the nature of revisions to the UK HPI, including more-clearly quantifying the reasons behind revisions, in a way that helps users to understand the quality of the index and the reliance they can place on it. For example, more information could have been published that shows the volatility in house prices for new builds, quantifies the backlog and describes how the new build properties (both in the backlog and registered each month) differ from other groups of properties in the index. Given the relative infancy of UK HPI, and the concerns expressed by users, it is critical that HM Land Registry and partners resolve this issue swiftly to demonstrate the credibility of UK HPI and maintain users' trust. It is therefore essential that HM Land Registry and partners:

- publish prominent, transparent information about:
 - the planned changes to the modelling approach to reduce the scale of revisions, and quantifying the impact of these changes in a clear and transparent way that reassures users about the robustness of the methods changes
 - the completeness of new build and existing build sales transactions
 - the extent of the backlog and when it will be resolved
- engage with key stakeholders to determine what type of analyses they need to support their understanding of revisions to give them confidence in the estimates.

In developing and publishing helpful information for users that quantifies the impact of revisions to the UK HPI, HM Land Registry and partners should consider the level of openness that is demonstrated in published information about revisions to other key economic indicators, such as the quarterly and annual *Gross Domestic Product*¹⁶, published by ONS, which includes an article¹⁷ that attempts to quantify the mean revisions growth over time, to demonstrate the general direction of revisions over time and any bias in the scale and direction of revisions.

Revisions to the NI HPI

2.8 The NI HPI is also subject to revisions, but these tend to be smaller in scale and are more stable over time. This is in part driven by the fact that they are produced and published quarterly and therefore less affected by monthly lags in sales transactions registrations. Furthermore, none of the users of the NI HPI expressed concern about revisions, and since NI HPI has been produced since 2012, it is likely to be more established and understood by users. LPS should publish prominent information about historic revisions to NI HPI, such as through a revisions table, in line with the UK HPI, to increase transparency about NI HPI's reliability.

¹⁶ <https://www.ons.gov.uk/economy/grossdomesticproductgdp>

¹⁷ <https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/articles/nationalaccountsarticles/bluebook2014andbluebook2015revisionsanalysisandimpact>

Methods used to produce the UK HPI

Published information about the UK HPI methods

2.9 The method used to measure average house prices is a hedonic regression approach¹⁸. This approach was generally accepted by the users we spoke to, though some expressed caution about it, perceiving it as a 'black box' which was not always easy to understand. Since 2016, HM Land Registry and partners have published a number of articles and supporting guidance about the methods:

- In February 2016, ONS published *Development of a single Official House Price Index*¹⁹, which provides details of the methods, the rationale for the choices of methods and how they comply with international standards. This article also describes the data sources used (these are described in Tables 7 and 8 in Annex 1 of this report), HM Land Registry and partners' consideration of questions raised by users during the consultation and a peer review conducted by the Government Statistical Service Methodology Advisory Committee.
- *Introducing the single official house price index*²⁰ was published in March 2016, ahead of the UK HPI's official launch in June 2016. The article presents a summary of the methods and the impact of the new UK HPI compared to the two house price indices previously published by ONS and HM Land Registry which it replaced. Figure 4 presents a comparison of the UK HPI annual growth with the two previously published measures.
- Supporting guidance in *About the UK HPI* following its launch, which presents very accessible information about the methods, data sources and coverage, the existing revisions policy (see paragraph 2.6), and clear explanations about technical concepts such as the use of a 'geometric mean'²¹ to calculate average house prices.

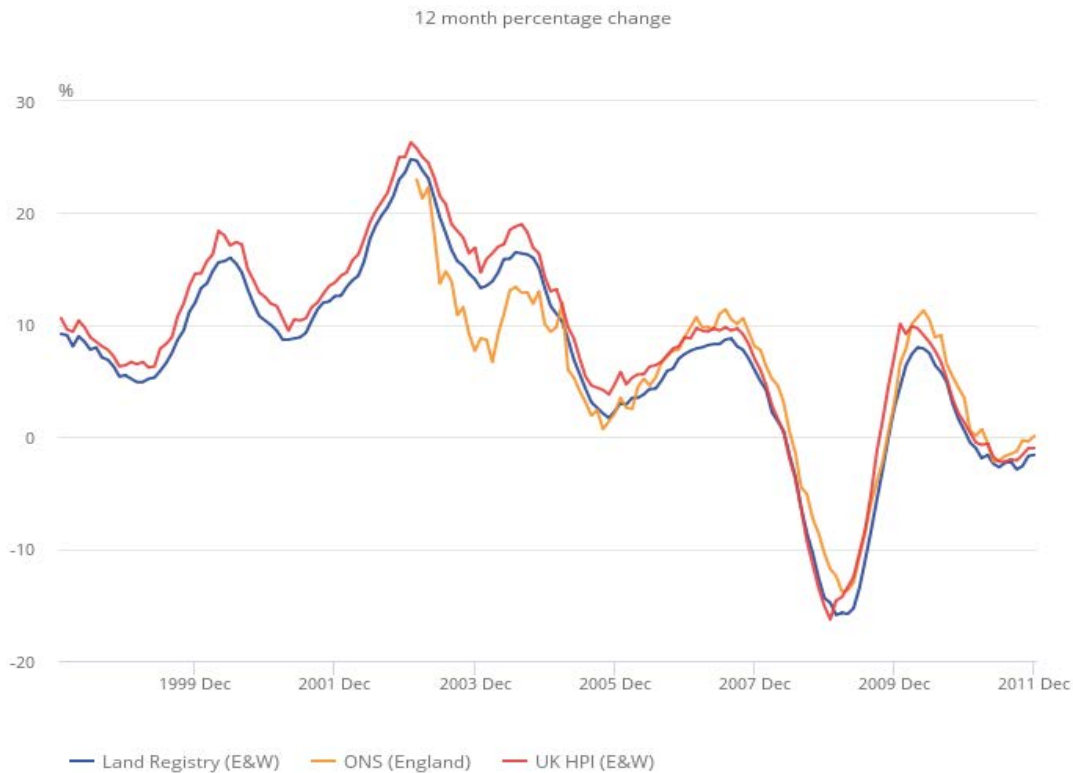
¹⁸ Hedonic regression is a technique to adjust for the mix of attributes that a property has. It is assumed that a house can be decomposed into characteristics such as number of bedrooms or type of property. A hedonic regression equation treats these attributes (or bundles of attributes) separately, and estimates prices for each of them.

¹⁹ <https://www.ons.gov.uk/file?uri=/economy/inflationandpriceindices/methodologies/developmentofasingleofficialhousepriceindex/developmentofasingleofficialhousepriceindexfinal1tcm774317011.pdf>

²⁰ <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/introducingthesingleofficialhousepriceindex/2016-03-30>

²¹ The geometric mean or average indicates the central tendency or typical value of a set of numbers by using the product of their values (as opposed to the arithmetic mean which uses their sum). The geometric mean is defined as the n th root of the product of n numbers

Figure 4: Comparison of new UK HPI annual growth with previous measures, January 1995 to December 2011



Source: *Introducing the single official house price index*, Office for National Statistics, HM Land Registry

Ongoing developments to the UK HPI methods

- 2.10 To support the ongoing development of the UK HPI, in December 2016 ONS sought a second phase of expert peer review of the methods by a senior economist at the International Monetary Fund. This review confirmed that the UK HPI meets international standards and proposed some additional enhancements. HM Land Registry and partners told us that it will consider these enhancements as part of its future improvements to the index over the coming years. These planned developments have not yet been included in a transparent development work plan.
- 2.11 We welcome HM Land Registry and partners publishing a range of supporting information about the methods used to produce the UK HPI during its ongoing development. Given the concerns raised by a number of users about the revisions and HM Land Registry and partners' plans to improve the methods to address this issue, it is essential that users can access transparent and up-to-date information about the methods used to produce the UK HPI. HM Land Registry and partners should therefore ensure that all published methods information reflect these planned changes. Furthermore, while it is understandable that a number of articles and documents have been published over time as the index has been developed, HM Land Registry and partners should also rationalise its existing range of published information to increase its accessibility and helpfulness to users, drawing on users' views on the suitability of this updated information for their uses.

Methods used to produce the NI HPI

- 2.12 In line with the UK HPI, the NI HPI is based on a hedonic regression approach to measure average house prices. LPS publishes detailed *Explanatory Notes*²² of the methods used to produce the NI HPI, including the data sources used as well as a more-detailed report *Northern Ireland House Price Index Methodology 2016*²³ which describes the background to the development of the NI HPI since 2012, as part of the wider work by the partners to develop a single official measure of house prices for the UK. The latest quarterly statistics report also sets out clearly the latest enhancements to the presentation of the statistics. Through our speaking with users of the NI HPI, the methods are generally well understood and they reported general satisfaction about the way that the NI HPI is presented. Given that this index has been produced since 2012, it appears well established and it does not feature the same complexities as the production of a house price index for the whole of the UK.

Quality and Quality Assurance of the UK HPI and NI HPI

Quality of the UK HPI

- 2.13 In December 2016 ONS published a *Quality and Methodology Information (QMI) report*²⁴ for the UK HPI which describes the quality of the UK HPI based on the European Statistical System quality dimensions including the potential sources of error and bias in the statistics. While this represents a good overall description of the quality of UK HPI, it is difficult for a reader to get a clear sense of the strengths and limitations of the index. The recently published article *Comparing House Price Indices in the UK* presents clearer information about the strengths and limitations of UK HPI compared with alternative measures. Furthermore, some users expressed concern about the volatility of local estimates and their potential to attract misleading press coverage; and the planned improvements to methods are also likely to impact on the quality of the estimates. To improve the accessibility of key quality information, HM Land Registry and partners should refresh the QMI report, and other supporting information such as that presented in *About the UK HPI*. This should reflect the latest information about the quality of the UK HPI, including its strengths and limitations and appropriate caveats about local estimates, as part of addressing Requirement 6 of this report.

Quality of the NI HPI

- 2.14 LPS publishes information about the quality of the NI HPI in *Northern Ireland House Price Index – Data quality report*²⁵, which, like the equivalent report for the UK HPI, describes the quality in relation to the quality dimensions of the ESS. It does not include clear, prominent information about the strengths and limitations of the NI HPI to support its use. To increase the accessibility of key quality information about the NI HPI and maximise its value to users, LPS could consider whether its published guidance could be enhanced by including clearer information about the strengths, limitations and coherence of the NI HPI compared to other non-official Northern Ireland house price indices.

Quality assurance of administrative data used to produce the UK HPI and NI HPI

- 2.15 During the course of the Assessment, HM Land Registry and partners have worked to understand and strengthen their quality assurance of all administrative data sources used to produce the UK HPI and NI HPI. These data sources represent property sales transaction data, and property attribute data – these sources and their assurance levels are

²² <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/NI%20HPI%20Explanatory%20Notes.pdf>

²³ <https://www.finance-ni.gov.uk/publications/lpsnisra-ni-house-price-index-methodology-report>

²⁴ <https://www.ons.gov.uk/economy/inflationandpriceindices/qmis/housepriceindexhpiqmi>

²⁵ <https://www.finance-ni.gov.uk/publications/ni-house-price-index-data-quality-report>

summarised in Table 3 (and described in more detail in Annex 1 of this report). As part of this work, the teams have applied our *Quality Assurance of Administrative Regulatory Standard*²⁶; have documented these assurances and shared this evidence with the Assessment team; and worked to address the Assessment team’s feedback about how they can further strengthen their assurances. HM Land Registry and partners have not published any of this material, but plan to do so at the end of November 2017. ONS, which is responsible for processing the data used to produce the UK HPI (including using aggregate data from the NI HPI, which is produced by LPS), has also established Service Level Agreements (SLAs) between itself and all the data suppliers, with the majority of the SLAs setting out the arrangements for data suppliers assuring their data. In their evidence, the partners have provided a detailed description of the administrative systems and operational context, and any implications for the accuracy and quality of these data sources. Effective examples of the assurances that the partners have achieved include:

- HM Land Registry’s Price Paid Data – Data are recorded by an Operations team and the quality assurance of the data is overseen by a Data Group. The data are subject to a range of daily operational quality assurance checks (for example, post code confirmation checks), and the Data Group reviews the robustness of these checks quarterly. Data are also subject to daily and monthly local office audit checks. An Assurance Audit Team, which is independent of the Operations team, is responsible for monitoring a monthly Quality Key Performance Indicator (QKPI) against a 98% target.
- Scottish Land Register Data – RoS’s Registration Services team is responsible for registration practice, post-registration enquiries and amendments and data quality. The quality unit spot-checks applications on a weekly basis and conducts internal quality audits of the data. RoS’s Land & Property Data Team oversees the data and provides feedback to the quality unit on data amendments found during the weekly QA process. RoS also has a Quality Working Group made up of representatives from across RoS departments which aims to improve data quality across the organisation.

Table 3: Summary of administrative data sources used to produce UK HPI and NI HPI, and levels of assurances applied to each source

Administrative Data source		Data Supplier	Assurance level
Administrative data used to produce UK HPI			
Property sales transaction data	Property attribute data		
Price Paid Data		HM Land Registry	Enhanced
	Register Data (Cash/Mortgage Indicator & Repossession volumes)	HM Land Registry	Enhanced
Scottish Land Register Data		Registers of Scotland	Enhanced
	Regulated Mortgage Survey	Council of Mortgage Lenders	Enhanced
	Ordnance Survey Map Data	Ordnance Survey	Basic / Enhanced
	Council Tax Valuation List	Valuation Office Agency	Comprehensive
	ACORN data	CACI Ltd	Enhanced
Administrative data used to produce both UK HPI and NI HPI			
Stamp Duty Land Tax data		Her Majesty’s Revenue and Customs	No assurance
	Northern Ireland Valuation List	Land and Property Services	Enhanced

²⁶ <https://www.statisticsauthority.gov.uk/osr/monitoring/administrative-data-and-official-statistics/>

Source: *Produced by the Assessment team using evidence submitted by HM Land Registry and partners*

- 2.16 HM Land Registry and partners have not yet published information about their quality assurances of the administrative data or about what this means for the reliance users can place on both the UK HPI and the NI HPI. HM Land Registry and partners told us that they plan to present a simple, accessible overview to users about the strengths and limitations of each data source, which will be accompanied by links to more-detailed information about the quality assurances for each data source – this is planned for November 2017. We welcome this forthcoming publication. It will be important for HM Land Registry and partners to present clear information about the importance of each data source in the context of how the attributes used from each are weighted in the production of the UK HPI and the NI HPI and their overall impact on the index.
- 2.17 There remains one data source where HM Land Registry and partners do not yet have a full understanding of the quality assurance applied to the data – this relates to HMRC’s Stamp Duty Land Tax (SDLT) data²⁷. This data source contains the values of residential property sales transactions in Northern Ireland, which LPS then combines with data from its own Northern Ireland Valuation List (which contains property attribute data). An extract of these data is sent weekly to LPS in its production of the NI HPI, which is then used to produce the UK HPI. The SDLT data is therefore a very important source for the production of the NI HPI, and in the production of UK HPI to a lesser extent. Statisticians in LPS have made significant effort to engage with staff at HMRC, and are continuing this effort, to increase their understanding of HMRC’s own assurances of this data, and any implications for the quality of the NI HPI, and for the quality of UK HPI.

²⁷ <https://www.gov.uk/guidance/stamp-duty-land-tax-dataset>

Table 4: Quality, data and methods – Findings and Requirements

Findings	Examples	Requirement
<p>Recent large revisions to the UK HPI have affected users' confidence in the quality of estimates of average house prices. For the UK HPI to become established as a reliable and robust measure of house prices in the UK, HM Land Registry and partners must resolve this issue swiftly.</p>	<p>Since early 2017, revisions to the UK HPI have been frequent and often large. The annual change in house prices in December 2016 was initially reported as 7.2%, which was subsequently revised down to 5.7% a month later, then revised to 5.2%.</p> <p>Since May 2017, HM Land Registry and partners have applied a temporary adjustment factor to some of the record-level transaction data to help control for the volatility of new build transactions, but little information has been published about this.</p>	<p>5 Taking into account users' views, HM Land Registry and partners should:</p> <ol style="list-style-type: none"> a. Develop methods that enable production of the UK HPI with a level of revisions that commands user confidence b. Publish transparent information about the methods changes, including the temporary adjustment factor, and comprehensively quantify their impact, and supporting analyses to aid users' interpretation c. Publish more-transparent information about the operational backlog in HM Land Registry including quantifying the impact of this on the UK HPI and information about when this backlog is likely to be resolved d. Embed within their production process practices for monitoring revisions and appropriate escalation procedures to identify and resolve any future issues
<p>The methods used to produce the UK HPI are complex and a number of data sources are used to produce it. Accessible, up-to-date and transparent information about the methods used, the quality, strengths and limitations of the UK HPI is important to support users' understanding of and their use of the UK HPI.</p>	<ul style="list-style-type: none"> • During the development of the UK HPI, HM Land Registry and partners have published a range of information about the methods used to produce the UK HPI and about the statistics' quality. • Over time, some of this information has become outdated, and does not include any information about recommendations from a recent peer review of the methods • The local estimates are volatile and there is scope for their misuse. Caveats about their use could be strengthened. 	<p>6 Taking into account users' views, HM Land Registry and partners should continue to update and rationalise their published information about methods used to produce the UK HPI and its quality, to reflect the recommendations from the 2016 peer review of methods; and planned changes to the methods.</p>

Findings	Examples	Requirement
<p>The quality assurance of the data sources used to produce the UK HPI and NI HPI will help to provide assurance to users about the robustness of the data and the reliance they can place on the statistics to support their use</p>	<ul style="list-style-type: none"> • HM Land Registry and partners have undertaken significant work to understand and strengthen their assurances of the data sources used to produce the UK HPI and NI HPI, and have presented evidence to us about these assurances • There remains one data source – HMRC’s Stamp Duty Land Tax data – where further assurance is needed by LPS. • HM Land Registry and partners have not yet published information about its assurances of the data sources, but plan to in November 2017. 	<p>7 HM Land Registry and partners should:</p> <ol style="list-style-type: none"> a. Publish prominent, accessible information about their quality assurance of data used to produce the UK HPI and NI HPI b. In publishing this information, include clear guidance about the strengths and limitation of each source and the reliance users can place of the statistics c. Continue to engage with HMRC to seek appropriate assurances about its Stamp Duty Land Tax data used to produce house price estimates for Northern Ireland, presented in both the NI HPI and the UK HPI.

Chapter 3: Trusted people, systems and processes

Introduction

- 3.1 Trustworthiness means that the statistics and other numerical information are produced free from vested interest, based on the best professional judgement of statisticians and other analysts.
- 3.2 Trustworthiness is a product of the people, systems and processes within organisations that enable and support the production of statistics and other numerical information.

Findings

User confidence in the indices

- 3.3 During the course of the assessment, users told us that they welcome having a single official measure of UK house price inflation, with some stating that this had helped to improve their confidence in house price inflation measures produced by government. Users told us that they also appreciate the statistics team being open about changes to the statistics (for example pre-announcing in advance the planned increase to the revisions period) and the impartial nature of the statistical commentary. Users of the NI HPI generally expressed a great deal of confidence in the statistics, and were positive about their interaction with the LPS statisticians.

Pre-release access to the statistics

- 3.4 During the course of the assessment, the National Statistician announced²⁸ an end to pre-release access for ONS statistics, effective from 1 July 2017. Ahead of the publication of the UK HPI in July 2017, HM Land Registry and partners informed us that they would be adopting the National Statistician's recommendation and end pre-release access to both the UK HPI and NI HPI estimates ahead of their publication. We welcome HM Land Registry and partners' decision to cease pre-release access for the UK HPI and NI HPI.

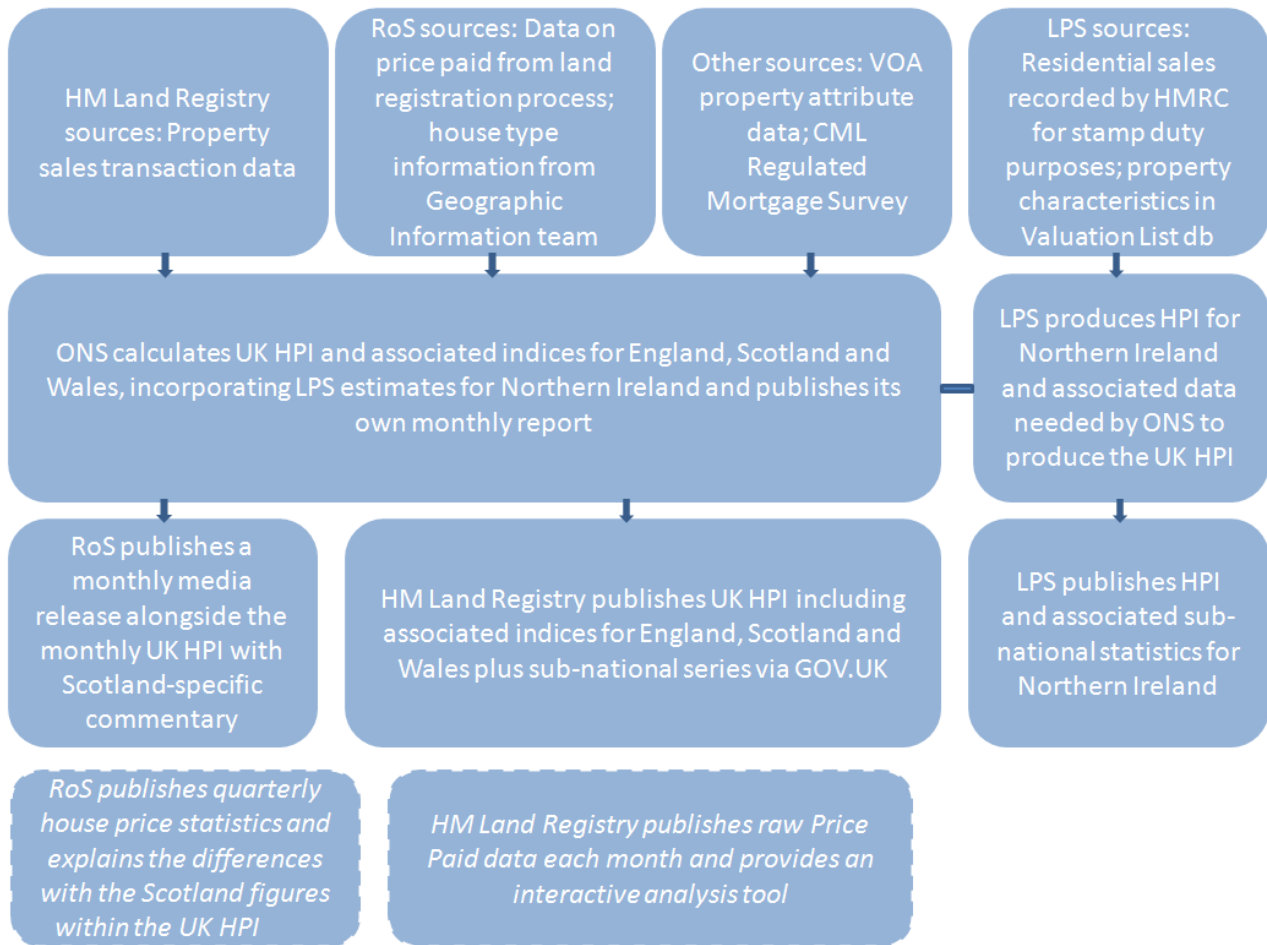
Statistical development and planning

- 3.5 The UK HPI working group is a positive example of what can be achieved through effective cross-departmental collaboration. The group oversees the monthly production of the UK HPI and meets monthly to review the previous publication and discuss any issues or risks. The working group members have a very open and honest relationship with each other, which helps to provide a strong basis for reviewing the monthly publication, developing commentary and highlighting issues relating to statistical production. ONS previously led the working group during the initial UK HPI development phase, but throughout the development process HM Land Registry assumed the lead role, although the working group takes a collaborative approach to producing the UK HPI each month. The current breakdown of responsibilities within the group is as follows: HM Land Registry is responsible for the England and Wales property sales transaction data and the publication of UK HPI on GOV.UK; RoS is responsible for land register data for Scotland; LPS is responsible for the valuation list data for Northern Ireland and publishing *NI HPI*; and ONS leads on the methods for UK HPI and the production of the UK HPI, using data supplied by HM Land Registry, RoS, aggregate data from LPS and other data sources listed in Table 7.

²⁸ <https://www.statisticsauthority.gov.uk/correspondence/pre-release-access-to-ons-statistics/>

Figure 5 below illustrates the current arrangements for producing the UK HPI and related indices:

Figure 5: Arrangements for producing the UK HPI and related indices



Source: Produced by the Assessment team using information from the partners' consultation on the development of a definitive house price index and subsequent announcements

3.6 Demonstrating trustworthiness in the arrangements for producing the UK HPI is an essential pre-requisite to establishing its credibility as a key economic indicator. The collaborative approach taken to produce the UK HPI is positive, and is a good example of staff across multiple organisations working together to achieve a common goal. This assessment has identified several areas where these arrangements should be enhanced:

- First, given the relative infancy of the UK HPI, and its importance as an economic indicator, having a clear future strategy for its development, beyond it achieving National Statistics status, would help to establish the credibility of the index
- Second, developing and publishing a statistical work programme that captures future developments to improve the statistics' value and quality, taking into account users' feedback, would also help to reinforce this credibility
- Third, the large revisions to the index discussed earlier appear to have negatively affected users' trust in the statistics. As leads for methods, ONS dealing with this issue more transparently and swiftly may have alleviated those concerns (see paragraphs 2.3 to 2.7)

3.7 These points suggest that while the collaborative approach taken by the working group is effective in producing the monthly index, and there is sufficient statistical capability within the group, there is scope for the group to reflect on what more it might do as it continues to work to establish the credibility of the new statistics. We consider that the working group in

its current form is well placed to address the first two of the three bullet points in paragraph 3.6. The group should reflect on how its arrangements can be strengthened to better manage the development of statistical methods. The partners should therefore review, clarify and strengthen the existing responsibilities, to ensure that the UK HPI can be published and developed in ways that continue to build its credibility.

Table 5: Trusted people, systems and processes – Findings and Requirements

Findings	Examples	Requirement
More confidence in the UK HPI is needed to firmly establish the credibility of the index	<ul style="list-style-type: none"> • There is no clear strategy for the future development of the UK HPI • The partners do not have a comprehensive or transparent statistical work plan • In early 2017 revisions to the index increased in magnitude and the partners could have been more responsive to publicly acknowledge the issue and their plans to address it, to quantify its impact, and to work swiftly to implement necessary improvements to resolve it. 	<p>8 HM Land Registry and partners should:</p> <ol style="list-style-type: none"> a. reflect on how their arrangements can be strengthened to better anticipate and effectively address methods and data issues, such as the ongoing issue relating to revisions b. clearly set the future strategic direction for the statistics c. clarify and communicate publicly the ongoing statistical work programme <p>This will ensure that the UK HPI continues to evolve to meet users' needs</p>

Annex 1: About the Statistics

The Statistics

- A1.1 House price statistics are key economic indicators and provide important insights into the wider economy and society by helping users to understand trends in the UK and the Northern Ireland housing markets. The UK HPI and NI HPI are valued by a range of users, including housing market analysts, estate and letting agents, banks and building societies, house builders and housing associations as well as citizen users. Economic policy makers use the indices to assess impacts on both the demand and supply sides of the economy, to inform decisions about household consumption and inflationary effects arising from changing prices, the health of the construction industry, the affordability of housing for new housing market entrants, and the capacity of the finance sector to extend credit to households and businesses to support home ownership and investment. Central and devolved governments use the indices as indicators of overall economic performance and to inform economic, housing and taxation policy decisions. The statistics are also used to inform housing policy decisions at the local government level.
- A1.2 The UK HPI captures changes in the value of residential properties using sales data collected on cash and mortgage housing transactions and has been published as an experimental statistic since 14 June 2016. While the UK HPI is produced jointly by HM Land Registry and partners, HM Land Registry is responsible for publishing the UK HPI monthly in *UK House Price Index (UK HPI)* on GOV.UK²⁹ in a summary report, accompanied by separate reports for England, Wales and Scotland. Aggregated data for the UK HPI can be downloaded, and an interactive data tool is available for users to create their own bespoke reports:
- *UK House Price Index summary*
 - *UK House Price Index England*
 - *UK House Price Index Scotland*
 - *UK House Price Index Wales*
 - *UK House Price Index: data downloads*
- A1.3 ONS also publishes a high level summary of the UK HPI on its website³⁰ on the same day as the main UK HPI statistics reports are published on GOV.UK:
- *House Price Index UK*
- A1.4 Registers of Scotland also publishes a media release³¹ relating to the HPI Scotland on its website on the same day that the main UK HPI statistics reports are published on GOV.UK, with links to the GOV.UK reports.
- A1.5 The UK HPI presents information about the change in house prices on a monthly and annual basis, using administrative data collected for England and Wales, Scotland and Northern Ireland. It includes the overall UK index as well as an analysis of average prices, monthly and annual price changes by country, region, local authority district, property type (detached, terraced, semi-detached etc), type of buyer (first-time buyer or former owner-occupier), type of dwelling (new or pre-owned) and source of funding (cash or mortgage).
- A1.6 *House Price Index UK* presents trends in average house prices by UK country and English regions and the latest year's annual growth by local authority.
- A1.7 The NI HPI presents a measure of changes in the price of residential property sold in Northern Ireland using residential sales data recorded by HM Revenue & Customs (HMRC)

²⁹ <https://www.gov.uk/government/collections/uk-house-price-index-reports>

³⁰ <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/previousReleases>

³¹ <https://www.ros.gov.uk/about-us/news/2017/monthly-house-price-index-statistics-for-september-2017-published>

for the collection of stamp duty. Land and Property Services Northern Ireland (LPS) has published the NI statistics quarterly since May 2012, in partnership with the Northern Ireland Statistics and Research Agency (NISRA), in the following reports:

- *NI HPI statistics report*
- *NI HPI detailed statistics*

A1.8 The *NI HPI statistics report* presents an analysis of the index by property type (detached, semi-detached, terrace, apartment), dwelling type (new or existing resold) and Local Government District as well as sales volumes by property type. The *NI HPI detailed statistics* includes a series of tables showing the underlying data supporting this analysis plus NUTS³² and urban/rural breakdowns along with charts showing trends over recent years. The NI HPI is an official statistic.

History of the statistics

A1.9 Prior to June 2016, ONS published its own monthly house price index for the UK based on data collected via the Regulated Mortgage Survey by the Council of Mortgage Lenders. HM Land Registry published a separate monthly index covering England and Wales using sales data collected on residential housing transactions. Both were produced under the title *House price index and average prices*. RoS and LPS each produced their own quarterly indices, *Summary of housing statistics* and *Residential property price index and average prices* respectively.

A1.10 The subsequent development of a single official measure of house prices in the UK originated from the recognition of the importance of the housing market to the UK economy and society as a whole, and the need for clarity, completeness and coherence in the official statistics published on this topic. The *National Statistician's Review of House Price Statistics*³³ in 2010 recommended that a single definitive official UK house price index and accompanying statistics should be produced, and set out a range of criteria for this index, including that it should be timely with minimal revisions.

A1.11 ONS committed to leading the methodological work for the single index in partnership with HM Land Registry and LPS. From late 2012, a working group comprising representatives from these organisations investigated a number of options before putting its proposal for a new single official index out for consultation in 2014³⁴ and engaged with users across all four constituent countries. HM Land Registry and partners subsequently published their consultation response³⁵ which set out their proposals for the new index, followed by a user event in March 2016 after which HM Land Registry and partners published the UK HPI for the first time as an experimental statistic on 14 June 2016.

A1.12 In September 2016, HM Land Registry and partners sought users' views through a questionnaire linked from the UK HPI, to seek feedback about users' satisfaction with the UK HPI, resulting in responses from 68 users. In general, users expressed moderate satisfaction with the UK HPI and several gave feedback about ways that the UK HPI's accessibility, report format and commentary could be enhanced. Several users also expressed dissatisfaction about the timeliness of the UK HPI, in that it lags behind other non-official measures of house prices by up to two months. In response, HM Land Registry

³² The NUTS classification (Nomenclature of territorial units for statistics) is a hierarchical system for dividing up the economic territory of the EU. The NUTS 3 classification relates to small regions.

³³ <https://www.statisticsauthority.gov.uk/archive/national-statistician/ns-reports--reviews-and-guidance/national-statistician-s-reports/national-statistician-s-review-of-house-price-statistics.pdf>

³⁴ <http://webarchive.nationalarchives.gov.uk/20160106060453/http://www.ons.gov.uk/ons/about-ons/get-involved/consultations-and-user-surveys/consultations/consultation-on-the-development-of-a-definitive-house-price-index/index.html>

³⁵ <http://webarchive.nationalarchives.gov.uk/20160106060453/http://www.ons.gov.uk/ons/about-ons/get-involved/consultations-and-user-surveys/consultations/consultation-on-the-development-of-a-definitive-house-price-index/index.html>

and partners published their proposals³⁶ to enhance the UK HPI and an accompanying statement that the timeliness could not be improved, since this was a trade-off between timeliness and completeness of the index, which they had considered carefully as part of their consultation.

OSR's Phase 1 Assessment of House Price Index

A1.13 In July 2015, the Office for Statistics Regulation published *Special assessment of a new UK House Price Index: Phase 1*³⁷ (*Phase 1 Assessment*). The purpose of that Assessment was to assess compliance with the *Code* in respect of those aspects essential to the planning and development of methods for the new UK House Price Index following the 2014 consultation. It identified four requirements to be addressed by ONS and partners to inform their development of UK HPI ahead of publishing it as an experimental statistic, presented in Table 6 below:

Table 6: Requirements from Phase 1 Assessment

Finding	Requirement	
<p>ONS and partners have consulted users about proposed methods, and commissioned some early peer appraisal, but continuing analysis means that some questions remain unanswered. ONS and partners should:</p>	1	<p>Publish a methods document that:</p> <ul style="list-style-type: none"> a. Details the methods that will be used to produce the new UK HPI and related indices for the four countries of the UK b. Explains the rationale for the choices of methods within the context of how the statistics will be used and the decisions that they will inform c. Explains how the methods comply with international standards d. Addresses the key methods questions raised by users and expert peer appraisal <p>As part of meeting this requirement, ONS and partners should commission a second phase of expert peer appraisal.</p>
<p>ONS and partners are employing a range of new methods and administrative data sources. It is important that they make informed judgements about the strengths and limitations of the statistics, including the assurance of the quality of the data sources, and communicate these judgements to users. ONS and partners should:</p>	2	<ul style="list-style-type: none"> a. Publish information about the quality of the new UK HPI that explains the strengths and limitations of the statistics in relation to uses and describes potential sources of error and bias and how it will mitigate for them, including explaining the different sources of volatility in the estimates b. Ensure that all service level and data sharing agreements between ONS and data suppliers clearly set out arrangements for the assurance of the data sources used to produce the new UK HPI c. Publish information about the quality assurance arrangements for the administrative data sources that will be used to produce the new UK HPI and related indices, taking into consideration the Authority's Administrative Data Quality Assurance

³⁶ <https://www.gov.uk/government/news/improving-the-uk-hpi-summary-of-responses>

³⁷ <https://www.statisticsauthority.gov.uk/publication/house-price-index-phase/>

		Toolkit
Registers of Scotland will continue to publish Quarterly House Price Statistics in addition to the new HPI. It is important that ONS and partners explain the coherence of these accompanying statistics. ONS and partners should:	3	Publish prominently alongside the statistics information about the coherence of the new UK HPI, and associated indices, with other published official house price statistics.
The development of a coherent set of official house price statistics is positive. However, it will remain important to describe for users the relationship with non-official indices. ONS and partners should:	4	Publish information about how they have sense-checked the new official house price statistics against other non-official sources, and about how they will continue to inform users about the relationships between these different measures, and clarify the distinctive purpose that these statistics serve.

Other sources of house price statistics in the UK

A1.14 There are a number of other official and non-official sources of house price statistics published including:

- Registers of Scotland produce average house prices³⁸ based on the arithmetic mean of transactions where the selling price is between £20,000 and £1,000,000
- Halifax³⁹ and Nationwide⁴⁰ produce UK house price indices based on their own mortgage approvals data and indices for Northern Ireland every quarter
- the LSL Acadata House Price Index⁴¹ uses actual price at which every property in England and Wales was transacted and provides the arithmetic (rather than geometric) average of prices paid for houses
- the Rightmove House Price Index⁴² is based on the asking prices of property included on Rightmove.co.uk and covers England and Wales
- Ulster University produces a House Price Index⁴³ in partnership with the Northern Ireland Housing Executive covering Northern Ireland, which is based on a sample survey and the index is calculated using an arithmetic mean
- ONS publishes House Price Statistics for Small Areas⁴⁴, providing statistics on the price paid and composition of residential properties sold in England and Wales based on HM Land Registry Price Paid data
- Scottish Government publishes⁴⁵ house price statistics to data zone level, providing lower quartile, mean, median and upper quartile measures

³⁸ <https://www.ros.gov.uk/property-data/property-statistics/quarterly-house-price-statistics>

³⁹ <https://www.halifax.co.uk/media-centre/house-price-index/>

⁴⁰ <http://www.nationwide.co.uk/about/house-price-index/headlines>

⁴¹ <http://www.acadata.co.uk/acadataHousePrices.php>

⁴² <http://www.rightmove.co.uk/news/house-price-index/>

⁴³ <https://www.ulster.ac.uk/research/institutes/built-environment/centres/research-property-planning/housing-market-reports/house-price-index>

⁴⁴ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housepricestatisticsforsmallareas/previousReleases>

⁴⁵ <http://statistics.gov.scot/data/house-sales-prices>

Data Sources and Methods

- A1.15 The data sources used to produce the UK HPI and NI HPI fall into two categories: ‘price data’ and ‘attribute data’. The ‘price data’ represent the final transaction price for a property while the ‘attribute data’ capture details about the property, such as number of rooms, floor space and location. The availability of these ‘attribute data’ means that a standardised property price can be calculated using a mix-adjusted approach in a hedonic regression model⁴⁶.
- A1.16 The source data for the UK HPI and the Northern Ireland HPI are set out in Tables 7 and 8. Every quarter, LPS supplies aggregated house price data for Northern Ireland to ONS as part of its production of the UK HPI. This makes the assumption that house prices in Northern Ireland are consistent for each month of the quarter. In the two months following the end of the quarter, indices and house prices for Northern Ireland are carried forward from the previous quarter then subsequently revised when the quarter is complete.
- A1.17 The time lag between sale and registration of a property varies, but typically ranges between two weeks and two months. However, the interval can be much longer than this, particularly for new builds. There is also a delay in the update of some attribute data. Revisions to the UK HPI for a particular month occur as the index is re-calculated to take into account these additional registrations and attribute data. As of June 2017, the UK HPI has been subject to revision for an extended period to take into account the time lag in registering sales, and this now covers the 12 months prior to the most recent monthly figures, changed from a 2 months revisions period.
- A1.18 The quarterly NI HPI is also subject to revisions caused by inclusion of late sales data from HMRC or updates of property characteristics of new properties. The index is subject to revisions for a period of up to three quarters after initial publication.

Table 7: Data Sources used to produce the UK House Price Index

Data source	Nature of data	Use in UK HPI
Property price data		
Price Paid Data (PPD) (HM Land Registry)	Administrative data on residential property registrations for England and Wales for properties sold at full market value, and attribute data such as house types (derived from application and OS mapping data) and new build data. A cash/mortgage indicator on sales is also added to the registration data but not published as part of the PPD. PPD also includes an indicator that the transaction was under a Transfer under Power of Sale (repossession).	The final transaction price included in this data is combined with property attribute data in the calculation of the UK HPI. The cash/mortgage indicator allows a separate average price for cash/mortgage sales to be published, though this is not included as a price-determining characteristic.
Land Register Data (Registers of Scotland)	Administrative data on residential property registrations for Scotland, and attribute data such as house types (derived using OS mapping data), new build data and a cash/mortgage indicator. Includes transactions related to residential properties where buyer or seller is a corporate body, company or	The final transaction price included is combined with property attribute data in the calculation of the UK HPI.

⁴⁶ Because the composition and type of property sold can differ considerably month by month, the use of price data alone is not sufficient for the calculation of an inflationary house price index. Both the UK and NI HPI use property attribute data in addition to price data in producing their indices using a hedonic regression model that takes this mix of properties from month to month into account. This is in line with international best practice.

Data source	Nature of data	Use in UK HPI
	business.	
Regulated Mortgage Survey (Council of Mortgage Lenders)	Administrative data on mortgage completions. Data supplied to ONS is estimated to cover around 70% of the mortgage market.	Used in constructing the weights in the UK HPI to allow it to be produced according to whether the owner is a first-time buyer or existing owner.
Property attribute data		
Council Tax Valuation List (Valuation Office Agency (VOA))	Administrative data for England and Wales, including total floor area, number of rooms, number of bedrooms, property type and full address details.	Composition and type of property sold included in this data are combined with property price and ACORN data (see below) in the calculation of the UK HPI.
ACORN data (CACI Ltd)	Administrative data that classify postcodes into ACORN classification categories according to location to provide an understanding of location attributes.	Characteristics related to the location of a property included in this data are combined with VOA and property price data in the calculation of the UK HPI.
Energy Performance Certificates Scotland	Administrative data on floor area and number of habitable rooms in a property.	This data is matched with price paid data provided by Registers of Scotland in the calculation of the UK HPI.

Table 8: Data Sources used to produce the Northern Ireland House Price Index

The following data for Northern Ireland are used in the calculation of both the NI HPI and the UK HPI.

Data source	Nature of data	Use in NI HPI and UK HPI
Property price data		
Land and Property Sales details (Her Majesty's Revenue and Customs)	Administrative data from returns to HMRC that includes details of land and property sales in Northern Ireland.	The final transaction price included is combined with property attribute data in the calculation of both the NI and UK HPI. Northern Ireland data is provided to ONS quarterly.
Property attribute data		
Valuation List (LPS)	Administrative data for Northern Ireland, including address, property type, age, number of rooms, location and private/public sector build indicator.	Composition and type of property sold included in this data are combined with property price in the calculation of both the NI and UK HPI.

Uses and Users

A1.19 Users of housing market statistics are wide ranging across the UK and include central and local government, the devolved administrations, banks and building societies, house builders, estate agents and letting agencies, housing market analysts, housing associations and individuals.

A1.20 More specifically, housing market statistics are used in the following ways:

- by central government, for monitoring of economic performance and policies, in economic forecasting and in informing policy

- by arm's length bodies responsible for the provision of buildings for homes and businesses in monitoring house prices in local areas
- by local government, in monitoring and developing housing policies at a local level
- by devolved administrations, in supporting policy making and monitoring changes
- by banks and building societies, using house price data alongside other economic indicators in briefings and reporting, in informing decisions on mortgage lending and setting interest rates
- by house builders, in identifying the demand for new housing and the returns received on homes built or converted
- by estate agents, in identifying properties being sold, in providing housing market insight to clients and in advising potential sellers on the achievable selling price of properties
- by individuals, in informing house buying and selling decisions
- by housing market analysts in examining national and sub-national trends
- by housing associations, in informing decisions about the purchase or build of property to meet social housing need

Annex 2: The Assessment Process

- A2.1 This Assessment was conducted from March to November 2017 and is the second of a two-phase assessment process. This report was prepared by the Office for Statistics Regulation and approved by the Regulation Committee on behalf of the Board of the UK Statistics Authority, based on the advice of the Director General for Regulation.
- A2.2 The regulatory team – Sara James, Oliver Fox-Tatum and Robert Lee – agreed the scope of and timetable for this assessment with representatives of HM Land Registry, ONS, RoS, LPS and the Department for Business, Energy and Industrial Strategy in March 2017. The documentary evidence was provided in March and April 2017. The regulatory team subsequently met the same representatives during the course of the assessment to review compliance with the *Code of Practice*, taking account of all the evidence provided and researched.
- A2.3 This is one of a series of reports⁴⁷ prepared under the provisions of the *Statistics and Registration Service Act 2007*⁴⁸.
- A2.4 Part of the assessment process involves our consideration of the views of users. We approach some known and potential users of the set of statistics, and we invite comments via an open note on our website. This process is not a statistical survey, but it enables us to gain some insights about the extent to which the statistics meet users' needs and the extent to which users feel that the producers of those statistics engage with them. We are aware that responses from users may not be representative of wider views, and we take account of this in the way that we prepare Assessment reports.
- A2.5 The regulatory team talked to 31 people and received six written responses from the user and data supplier consultation. The respondents were grouped as follows:

Summary of respondents to the assessment consultation

Users

Government departments/arm's length bodies	9
Private organisations	14
Devolved administrations	5
Local/regional government	1
Academics/researchers	3

Data Suppliers

Government departments/arm's length bodies	3
Devolved administrations	1
Trade associations	1

Key documents from HM Land Registry and partners

- Written evidence of steps taken to meet requirements and suggestions from Phase 1 Assessment of UK House Price Index
- Quality Assurance of Administrative Data (QAAD) details for:
 - HMLR Price Paid, Registrations and map data
 - RoS land register and map data
 - Scottish Energy Performance Certificates

⁴⁷ www.statisticsauthority.gov.uk/publications-list/?keyword=&type=assessment-report

⁴⁸ www.opsi.gov.uk/Acts/acts2007/pdf/ukpga_20070018_en.pdf

- VOA council tax valuation list
- ACORN demographic data
- CML Regulated Mortgage Survey
- NI Valuation List
- HMRC Stamp Duty Land Tax database
- Draft report (subsequently published) *Comparing house price indices in the UK*⁴⁹
- Peer review examining causes of and suggestions for addressing the number of revisions to UK HPI
- Distribution and key user lists for the UK HPI and NI HPI
- Details of user engagement events and pre-launch consultation
- UK HPI Working Group meeting minutes
- Production process maps/flow charts for both NI and UK HPI
- Links to latest UK HPI and NI HPI publications and supporting documents, including responses to user consultations
- External expert peer review reports and comments on the NI HPI
- Legislation covering the production of the UK HPI and NI HPI
- Revision and correction policies for the UK HPI and NI HPI
- Service level/data sharing documentation

Contact us

For any queries about this assessment, or the work of the Office for Statistics Regulation in general, please email regulation@statistics.gov.uk

⁴⁹ <https://www.gov.uk/government/publications/about-the-uk-house-price-index/comparing-house-price-indices-in-the-uk>

Annex 3: Next Steps

Responding to the assessment report: what the Office for Statistics Regulation and HM Land Registry and partners and Land and Property Services Northern Ireland should expect from each other

A3.1 The publication of the Assessment report represents a key milestone in the assessment process, but should not be viewed as the end point. The next phase, to meet the Requirements set out in this report, is critical to delivering the value, quality and trustworthiness to achieve and maintain National Statistics status. The next steps are as follows:

- immediately following the publication of the report, the Office for Statistics Regulation will arrange a meeting with the statistics team to talk through the detail of the Requirements and to ensure a common understanding
- the lead official in HM Land Registry and senior statistician in Land and Property Services Northern Ireland can follow up with the Assessment Programme Manager about the Director General for Regulation's letter that accompanies this Assessment Report. The letter: draws out the key findings; provides advice about where the statistics team is likely to need senior management support and direction and conveys any findings that have wider implications for the producer body and statistical system
- the lead official and senior statistician is encouraged to:
 - i) develop an action plan to meet the Requirements to the timetable set out in paragraph ES.14 of this report
 - ii) agree the action plan with their senior management, and confirm that it is appropriately resourced
 - iii) share the action plan with the Office for Statistics Regulation, publish it alongside the statistics, and explain to users and suppliers how it will engage with them in delivering the plan
 - iv) seek out peers and support services that can help in delivering the plan – for example,
 - v) agree with the regulatory team, how often, and in what form, the statistics team would like to engage about progress against the action plan – for example, some teams choose to meet with the regulatory team once a month
- the statistics team should provide full formal written evidence to the Office for Statistics Regulation by the deadline of 31 March 2018 as set out in paragraph ES.14 of this report. There is no set format for reporting, except that HM Land Registry and partners should demonstrate that it has addressed the findings given in Tables 1, 4 and 5 and provide links to any published or internal documents as support
- the regulatory team will review the evidence within 10 working days and arrange to provide feedback to the statistics team. As part of this process, the regulatory team will talk again to users to establish how their experience of the statistics has changed. When the regulatory team is satisfied that the Requirements have been fully met, their conclusions will be quality assured by Office for Statistics Regulation's senior management and then presented to the Authority's Regulation Committee to confirm designation. The Director General will then write publicly to the lead official to confirm the decision
- in the event that Requirements are not fully met within the agreed timetable, the Authority will implement [escalation procedures](#).

A3.2 Based on experience, the Office for Statistics Regulation strongly encourages statistics teams to:

- engage with the detailed thinking of the Assessment report, and revisit it regularly. The regulation team will be seeking evidence that the statisticians are demonstrating curiosity and are challenging their own thinking around delivering value, quality and trustworthiness. The Requirements in this report should not be viewed as a simple checklist
- view the responsibility for meeting the Requirements as falling to the organisation as a whole, not just the team that produces the statistics.
- engage users early, not just to keep them updated, users can often offer valuable insight and expertise
- contact the regulatory team at any time if there are any questions or concerns

A3.3 Responsibility for complying with the Code of Practice does not end with the award of the National Statistics designation. It is the statistics producers' responsibility to maintain compliance and also to improve the statistics on a continuous basis. The Office for Statistics Regulation encourages statistics producers to discuss promptly with the regulatory team any concerns about whether its statistics are meeting the appropriate standards. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated only when standards are restored.

