



HOUSE OF COMMONS

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Sir Michael Scholar  
Chair, UK Statistics Authority  
Statistics House  
Tredegar Park  
Newport  
South Wales NP10 8XG

6<sup>th</sup> December 2011

Dear Sir Michael,

I am writing to you regarding the misleading use of government statistics by the Housing Minister. As background information I am enclosing

- a) The Hansard record of an exchange between myself and the minister on 21<sup>st</sup> November 2011 (column 48)
- b) The letter from the Minister to me arising from that exchange dated 30<sup>th</sup> November 2011
- c) The Hansard record of a further exchange between myself and the Minister on 5<sup>th</sup> December 2011 (column 2).

I would like to raise a number of concerns about the way that the Minister has used government statistics.

In the first bullet point of his letter he says that 'house building' was 29% higher in 2010-11 than in 2008-09 without making clear which measure he is using. The Department for Communities & Local Government does collect statistics on 'New Housing Starts', 'New Housing Completions' and 'Net Additions to Dwelling Stock'. Of those three categories, the statistics to which the Minister referred were those for new starts. As you will see he has taken annual totals, for 2008-9, 2009-10 and 2010-11, but not the latest 12 months figures, which were the subject of my question on 21<sup>st</sup> November. My reading of the Government's statistics is that new housing starts had been recovering from the nadir of 2008-9 up to and including the second quarter of 2010. Since then the trend has reversed with the latest two quarters showing year on year declines.

In his second bullet point, the Minister bases his argument on six quarter's comparison. To my mind, statistical comparisons are most usually quarter to quarter or on an annual basis. For the Minister to work on a six quarters basis, taking in three separate budget periods is, to my mind, misleading. Equally, he includes, in this set, Q2 2010 as part of the present administration. Q2 2010 includes six weeks of the last Labour government with the Coalition government's first budget coming in the last week of the quarter. For the Minister to seek to include the whole of that (very successful) quarter is distorting and disingenuous. In his response to my most recent question in the House, the Minister concedes that at least part of the second quarter 2010 should not be credited to the present Government, but he has not withdrawn his misleading claims based on the use of that quarter's statistics.

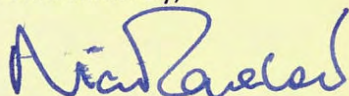
In his letter of 30<sup>th</sup> November, the Minister then goes on to construction statistics, claiming that they show a major increase in construction orders for housing. However, the figures from the ONS show

an 18% fall over the last 12 months in quarterly figures for all housing with public housing falling by 13% over the last four quarters compared to the previous four quarters. The ONS' own commentary on the statistics, included in the release said: *"The volume of private housing in Q3 2011.... Fell by 17.2% compared with the same period a year earlier."*

I fully appreciate that in the heat of the moment, in the chamber of the House of Commons, that statistics are occasionally misrepresented but it is another thing entirely for a Minister to ask his civil servants to construct a letter which clearly seeks to misrepresent the true state of house building in this country.

I would welcome your thoughts on this matter.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nick Raynsford', written in a cursive style.

**Nick Raynsford MP**

**Enc.**

**Hansard**

**21<sup>st</sup> November 2011**

**Column 48**

**Mr Nick Raynsford (Greenwich and Woolwich) (Lab):** May I draw attention to my interest as declared in the register? The Minister claimed that housing starts are up by a quarter under this Government. The opposite is true. In the past 12 months, the number of new homes started in England is below 100,000 and is 7% lower than the level over the previous 12 months. As the Minister has such a tenuous grip on what is actually happening in the market, why should we believe a word that he has said today?

**Grant Shapps:** I am sorry to have to challenge the right hon. Gentleman on this issue, but housing starts are up by 24% under the coalition compared with the comparative period under Labour. I have the figures here for each quarter. I will not stretch your patience, Mr Speaker, but I will happily drop the right hon. Gentleman a note on those figures. If one compares the period that we have been in office—roughly 18 months—with the same period before, housing starts are up by 24%



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Minister for Housing and Local Government

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30 NOV 2011

PR  
*Dear Nick,*

### LAYING THE FOUNDATIONS: A HOUSING STRATEGY FOR ENGLAND

At the debate in the House on 21 November on the above, I promised to write to you on the issue of housing figures.

Housing starts from 2010-11 reflect policy decisions taken by this Government, including the New Homes Bonus and our commitment to keeping down interest rates by tackling the last Government's deficit.

- I would note that house building in 2010-11 was 29 per cent higher compared to 2008-09, and compared to 2009-10, it was 17 per cent higher (DCLG, *Housebuilding: September Quarter 2011 England*, 17 November 2011, Table 1a).
- Alternatively, taking the six quarters which cover the period since this Government was formed to date, housing starts are up 24 per cent under the Coalition Government compared to the previous six quarters under the last Government (DCLG, *Housebuilding: September Quarter 2011 England*, 17 November 2011; comparing average of Q4 2008 to Q1 2010 with average of Q2 2010 to Q3 2011, seasonally adjusted figures; average of 20,200 starts per quarter, compared with 25,057 starts per quarter).
- These trends are reflected in constructions statistics. More new housing is being built and ordered. To date, the value of new housing construction has risen by 27 per cent under the Coalition Government compared to a comparative period under the last Government (ONS, *Output in the Construction Industry*, November 2011, p.3, comparing average of Q4 2008 to Q1 2010 with average of Q2 2010 to Q3 2011; seasonally adjusted figures; constant price terms).
- To date, the value of private housing orders under the Coalition Government is 50 per cent higher compared to a comparative period under the last Government; the value of new housing orders as a whole is 30 per cent higher (ONS, *New orders in the construction industry*, Q2 2011, September 2011; constant prices; seasonally adjusted; comparing Q1 2009 to Q1 2010 with Q2 2010 to Q2 2011).

However the figures are interpreted, we are in no doubt about the scale of the challenges ahead. That is why this Government has introduced a radical and wide-ranging set of policies through the Housing Strategy to get our country building and is committed to thinking in the long term about a stable housing market that works to the benefit of everyone. Taken together, these various different measures will provide a much needed boost for the housing industry and lay firm foundations for housing growth in this country and create the right legacy for future generations.

I am placing a copy of this letter in the Library, given this issue was raised on the floor of the House.



GRANT SHAPPS MP

Goodness only knows  
what a mess house-  
building & mortgages  
would be in had we  
not have put a credible  
plan in place to cut  
the deficit resulting  
in  $\frac{1}{2}\%$  interest rates  
for such a long period.

# THE PARLIAMENTARY DEBATES

## OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT OF THE  
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND  
[WHICH OPENED 18 MAY 2010]

SIXTIETH YEAR OF THE REIGN OF  
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES

VOLUME 537

TWENTY-EIGHTH VOLUME OF SESSION 2010-2012

### House of Commons

*Monday 5 December 2011*

*The House met at half-past Two o'clock*

#### PRAYERS

[MR SPEAKER *in the Chair*]

### Oral Answers to Questions

#### COMMUNITIES AND LOCAL GOVERNMENT

*The Secretary of State was asked—*

#### Housing

1. **Rushanara Ali** (Bethnal Green and Bow) (Lab): What recent assessment he has made of progress by his Department in increasing net housing supply. [84493]

**The Minister for Housing and Local Government (Grant Shapps):** Housing starts over the six quarters since the Government were formed are up 24% when compared with the previous six quarters under the previous Government. However, we recognise the scale of the challenges ahead and have introduced a radical and wide-ranging set of policies in the housing strategy.

**Rushanara Ali:** I thank the Minister for his answer, but, despite his Government's promise to build more homes than Labour, the actual figures are a 7% decrease in housing starts, a 6% fall in net supply in the past year and a 99% fall in affordable housing in the past six months. How does the Minister intend to rectify that?

**Grant Shapps:** We can all play with figures, but I would have thought that the only accurate indication—*[Interruption.]* Well, I would have thought that the actual indication on which everyone in the House could agree would mean taking the period since we have been in power and comparing it with the same period beforehand. If we do so, we discover that housing starts are up by almost one quarter, which of course is in stark contrast with the record under the previous Administration, when the number of affordable homes reduced by 200,000.

**Henry Smith** (Crawley) (Con): Will my right hon. Friend join me in congratulating Crawley borough council, which for the first time in decades has started building new social and affordable housing and, indeed, has plans to build a further 1,000 units over the next few years?

**Grant Shapps:** I congratulate my hon. Friend's local council on that, and he will know, because I have written to him and to all Members, that the new homes bonus provisional allocations have just been announced—with £430 million and, for the first time, a recognition of the number of homes that have been built at an affordable level. We are undoing the mess that was left by all those years of a lack of affordable house building in this country.

**Mr Nick Raynsford** (Greenwich and Woolwich) (Lab): I draw attention to the interest declared in the Register of Members' Financial Interests. The Minister says that he wants to compare the period in which the current Government have been in power with an equivalent period under the previous Government, but he seems to be under an illusion that the current Government came to power on 1 April 2010. They did not. Will he now stop trying to take credit for housing that was built during the period of the previous, Labour Government and show respect for statistical honesty and truth, which we in this House regard as important?

**Grant Shapps:** If the right hon. Gentleman, as a distinguished former Housing Minister, is asking me to stop including four weeks, he has his wish.