
Chair of the UK Statistics Authority, Andrew Dilnot CBE

Jack Dromey MP
House of Commons
LONDON
SW1A 0AA

29 June 2012

Dear Mr Dromey

STATISTICS ON HOUSING AND HOMELESSNESS

Thank you for your letter dated 11 June setting out your concerns about various statements made by the Minister of State for Housing and Local Government regarding housing and homelessness.

Please find attached a note prepared by Statistics Authority officials under the direction of the Head of Assessment, which provides further information in respect of the Authority's consideration of each of the points raised in your letter and in light of the Minister's various remarks.

I am copying this letter as yours, to Rt. Hon Grant Shapps MP, Minister of State for Housing and Local Government, and to Jil Matheson, the National Statistician.

Yours sincerely



Andrew Dilnot CBE

Note prepared by UK Statistics Authority officials

1. Stock of Dwellings 1997 to 2010

- Mr. Dromey is correct to state that the published official statistics, produced by the Department for Communities and Local Government (DCLG) indicate that the dwelling stock (all tenures) increased by some 2 million between 1997 and 2010.
- However, in his answer to the Parliamentary Question, the Minister refers to 'affordable homes'. These are homes that are provided at below market prices, whether for renting or home ownership.
- There is a statistical series for the annual additions to this stock (which is quoted in Mr. Dromey's letter) but these figures do not take account of losses, which would be much more difficult to record.
- Official estimates of net change are available for social rented dwellings, but not for the wider stock of 'affordable' housing beyond this category. They show an overall reduction of 421,000 in the stock of homes rented from local authorities and housing associations over the period 1997 to 2010.

2. Gross additional affordable homes

- Official statistics indicate that some 557,000 gross additional affordable homes were provided (not necessarily newly built) through various affordable housing initiatives between April 1997 and March 2010. This suggests that if the figures quoted in the Minister's oral answer are correct, fewer affordable homes will be provided under current plans than in the longer, 13-year, period from 1997 to 2010. However, there is clearly some uncertainty associated with these estimates.

3. Rough Sleepers

- Mr. Dromey's criticism of the Minister's statement appears to be not that it was inaccurate but that it was not the main point in the DCLG Statistical Release *Rough Sleeping Statistics England - Autumn 2011* published in February 2012. The figures to which Mr. Dromey referred, from statistics collated by a charity, were included in the Statistical Release.
- In addition, the Minister's statement included prominently a sentence 'It comes as the latest statistics for England published today show the number of people sleeping rough increased by 23 per cent since last year.'
- The Code of Practice for Official Statistics requires that professionally produced statistical releases must be in the public domain. The Statistics Authority recognises that Ministers often want to present such published statistical information in ways that best serve their political objectives.

4. Housing starts in England

- At the time the Minister made the statement to which Mr. Dromey referred (March 2012), the latest estimates for housing starts for the calendar years were 78,000 in 2009; 103,000 in 2010 and 98,000 in 2011.
- *Hansard* reported the Minister as saying that "...in the past year alone house building starts in England went up by 25% compared with those in 2009". The reference period (2009 instead of 2010) has clearly been carefully chosen, but this is not unusual in the context of a political debate.
- Since then the estimates for all three years have been updated with additional information and the difference between 2011 and 2009 is currently 29 per cent. The latest estimates for 2010 and 2011 are now very close to each other in numerical terms (110,300 and 110,200).

5. Use of time frames about the date of the General Election

- In January 2012, Sir Michael Scholar wrote to Rt. Hon. Nick Raynsford MP and commented on this particular point. A copy of that letter is enclosed.

6. Cost to build own home

- As far as we can establish, there are no official statistics on the costs of self-building. The Statistics Authority does not have any information on the reliability of indicative figures published by the National Self Build Association but, clearly, the cost will depend on many factors, as recognised in the Minister's parliamentary answer on 17 May 2012.

7. Future Assessment of statistics produced by the Homes and Communities Agency

- In light of the Minister's letter of 27 March 2012, it is our working assumption that the Assessment will be taken forward in September 2012.

Chair of the UK Statistics Authority, Sir Michael Scholar KCB

Rt. Hon. Nick Raynsford MP
House of Commons
LONDON
SW1A 0AA

17 January 2012

Dear Mr Raynsford

STATISTICS ON HOUSE BUILDING

Thank you for your letter of 6 December and the enclosed correspondence, and related *Hansard* records of exchanges between yourself and the Minister for Housing and Local Government.

I am very sorry that it has taken so long to reply to your letter.

I enclose a note which has been prepared for me by Statistics Authority officials on these issues. My conclusion, after studying your letter and the other correspondence, is that this is a complex picture, and, as so often in the political debate, the statistics are subject to selective use which has given rise to suggestions that they have been referred to in a misleading way.

I think the best thing in these circumstances is for us to set out our view of the messages conveyed by the statistics, and this is what the enclosed note is intended to do.

Looking at statistics on housing, house building and house prices more generally, the Statistics Authority has been concerned for some time that there is a lack of coherence and clarity in their public presentation. As well as ONS and DCLG, the Land Registry, the Homes and Communities Agency and the Tenant Services Authority, and numerous local and private bodies, are producing different elements of a complex picture. The National Statistician, Jil Matheson, has been leading work to bring greater coherence to this. I recently wrote to the Minister for Housing proposing that the Statistics Authority should be invited to carry out a formal assessment of the statistics produced by the HCA and TSA. We will continue to press for a clearer and more systematic public presentation of all the relevant statistical material along with appropriate professional explanation and guidance. Your letter reinforces the need to make progress here.

I am copying this letter to Rt. Hon. Grant Shapps MP, Minister for Housing and Local Government, and to Jil Matheson, the National Statistician.

Yours sincerely



Sir Michael Scholar KCB

STATISTICS ON HOUSE BUILDING: NOTE PREPARED BY UK STATISTICS AUTHORITY OFFICIALS

The statistics at issue are primarily those for Housing Starts and for the value of Orders for New Construction at constant prices. It may be helpful here to take a longer view. A graph of Housing Starts and Completions, prepared by Authority staff but based on the regular official statistics published by the Department for Communities and Local Government, is attached.

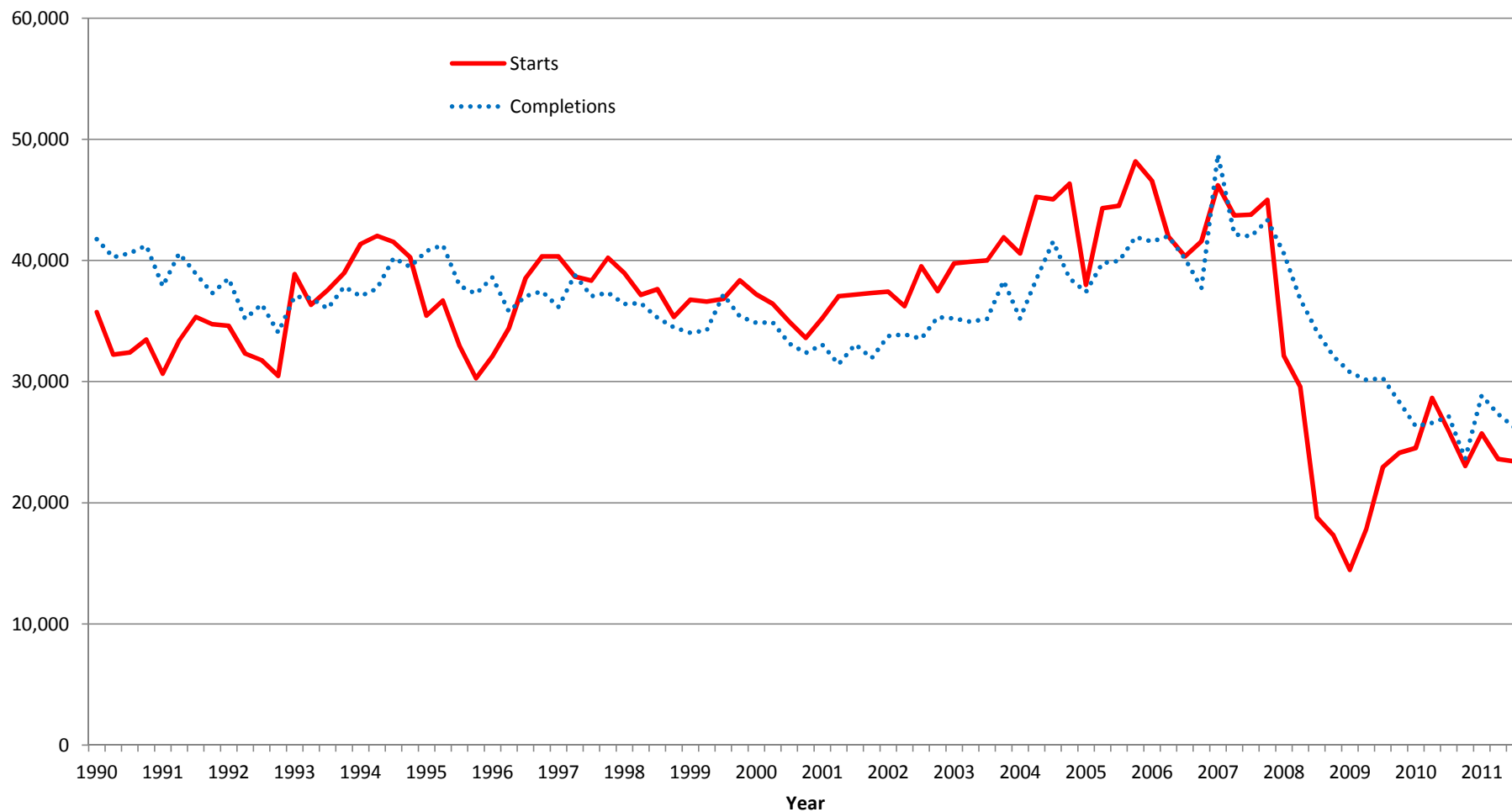
Clearly the period chosen as the basis for comparisons before and after the General Election makes a considerable difference. But the picture presented by the graph is fairly clear. After a substantial fall in the numbers of Starts between 2007 and 2009, there was some recovery in 2010 and 2011, but with quarterly totals still only about half those seen in the years 2004 to 2007. We think it is too soon to say whether the trend since the second quarter of 2010 has again changed.

We do not see much mileage in trying to pin down the number of Starts and Completions too precisely to either side of the change of administration. There is bound to be some lag in the system, with Housing Starts immediately following the Election most likely reflecting decisions and policies that were in train prior to that. The quarter in which the Election took place showed a higher total than the quarters either side of it, but it would be contentious to attribute that exclusively to the policies of either administration.

The Minister's comments about construction orders relate to statistics published by the Office for National Statistics. He wrote to the Authority on 30 November and so was not in a position to quote statistics from the ONS Bulletin, *New orders in the construction industry: 3rd quarter 2011*, which was published on 2 December. Looking at the figures in that more recent Bulletin, it is evident that they have been quite volatile. However, when the value of *private* housing orders for the most recent 12 months is compared with the previous 12 months, there has been an increase of some 12%. In contrast, the figures for orders for *public* housing over the same period showed a 13% fall. But as the correspondence illustrates, with numbers as variable as these, a different choice of period will give different results. In such circumstances, it is good practice to avoid focussing too much on a single quarter compared with the corresponding quarter a year earlier.

Given this variability in the figures, we would not want to interpret the most recent quarterly figures on orders for private housing as showing a downward trend. Q3 2011 was lower than the corresponding quarter a year earlier, but Q2 was higher. To the extent that these figures are part of a rising or falling trend, that will only become clear when data for future quarters give a fuller picture.

Permanent dwellings, started and completed, England (quarterly, seasonally adjusted)



Source: Department for Communities and Local Government, Live Tables on House Building number 222

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/housebuilding/livatables/>