

Quality Improvements to New House Building Statistics.¹

Introduction

This statistical article looks at the accuracy of the data currently collected and published on new house building in Wales. It covers the issues with the data, proposals for improvements to the data and how this impacts on the statistics that are published.

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

A full Welsh Government consultation on changes to the collection of information on new house building starts and completions was carried out during July and August 2010. The consultation documents and response summary are available at:

<http://wales.gov.uk/consultations/statistics/newbuild/?lang=en&status=closed>

The changes proposed and accepted following this consultation came into effect from 1 April 2011. This article follows on from some issues raised in the consultation.

Issues

This article focuses on two main issues regarding the quality and the coverage of the data published on new builds.

1. Registered Social Landlord dwellings wrongfully assigned as private sector

It is thought that RSLs are increasingly making use of design/build procurement where the contractor is responsible for obtaining all building consents. The concern being that in such cases the building inspector sees the application is made by the contractor/developer and assigns the scheme to the private sector rather than RSL. This results in an undercount of RSL new house building and an over count for the private sector. In order to address the issue of the possible misclassification of new builds, a sub-group of the Housing Information Group was formed in the spring of 2007 to review the new house building information.

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

The New Builds Sub-Group proposed, which was agreed via public consultation, to pilot collecting RSL new build data directly from RSLs with effect from 1 July 2007. If the analysis of this data showed that it was fit for purpose, the plan was to move to collecting only total new builds and LA new builds from the LAs themselves. Then by collating the data received from the LAs and RSLs, the private sector new builds would be calculated through subtraction.

Data from RSLs has been collected quarterly with data first available for the July-September 2007 quarter. A comparison of this data with that provided by LAs and the NHBC and the subsequent impact on the private sector new build figures is outlined in this article.

Affordable Housing data

In May 2009 the Welsh Government introduced a new annual data collection covering the provision of additional affordable housing units by local authorities, RSLs and National Park Authorities. The information is published in an annual [Statistical Release](#) and [Statistical Bulletin](#). The collection covers all additional affordable housing units of all tenures (including general needs, supported housing, sheltered accommodation and extra care units), whether through new build, purchase, acquisition, leasing or conversion of existing dwellings.

The latest published information from this collection shows that between 1 April 2007 and 31 March 2010 RSLs delivered almost 5,600 additional affordable housing units across Wales, an average of around 1,860 per year. In comparison the LAs and NHBC reported an average of around 640 RSL new build completions per year over the same period.

Though the additional affordable housing data does not distinguish those units which were newly built, it can be assumed that a large proportion of those delivered by RSLs will be new builds which have been delivered using capital grant funding. Over 4,000 additional affordable housing units were delivered by RSLs via capital grant funding between 1 April 2007 and 31 March 2010 which is 72 per cent of all RSL provision over the period. These figures further highlight the probable under representation of RSL new build activity shown in the published data provided by LAs and the NHBC.

2. Private Approved Inspectors

Currently new build figures are calculated by aggregating figures provided by the NHBC and LAs. Figures provided by LAs are based on the reports of local authority building inspectors. Therefore at present the new build figures do not take into account information from other private approved inspectors. The exclusion of this information means that there is currently a small under count in the overall number of new dwellings started and completed.

Previous investigations suggested that the number of private approved inspectors for residential property in Wales was small. More recent work by the Department for Communities and Local Government suggests that their contribution equates to about 5 per cent of the total in England. The contribution of private approved inspectors is likely to be smaller in Wales than in England. However, given the increase in England, it would be worthwhile investigating whether the activity of private approved inspectors has increased in Wales.

The remainder of this article focuses on the issue of RSL dwellings being wrongfully assigned as private sector and the subsequent undercount of RSL new house building. The conclusion, however, includes a suggested way forward on private approved inspectors.

RSL New House Building: Comparison of Data Sources

This section looks at how the data collected from individual RSLs between July 2007 and March 2011 compares with that provided by LAs and the NHBC about RSL new build completions over the same period.

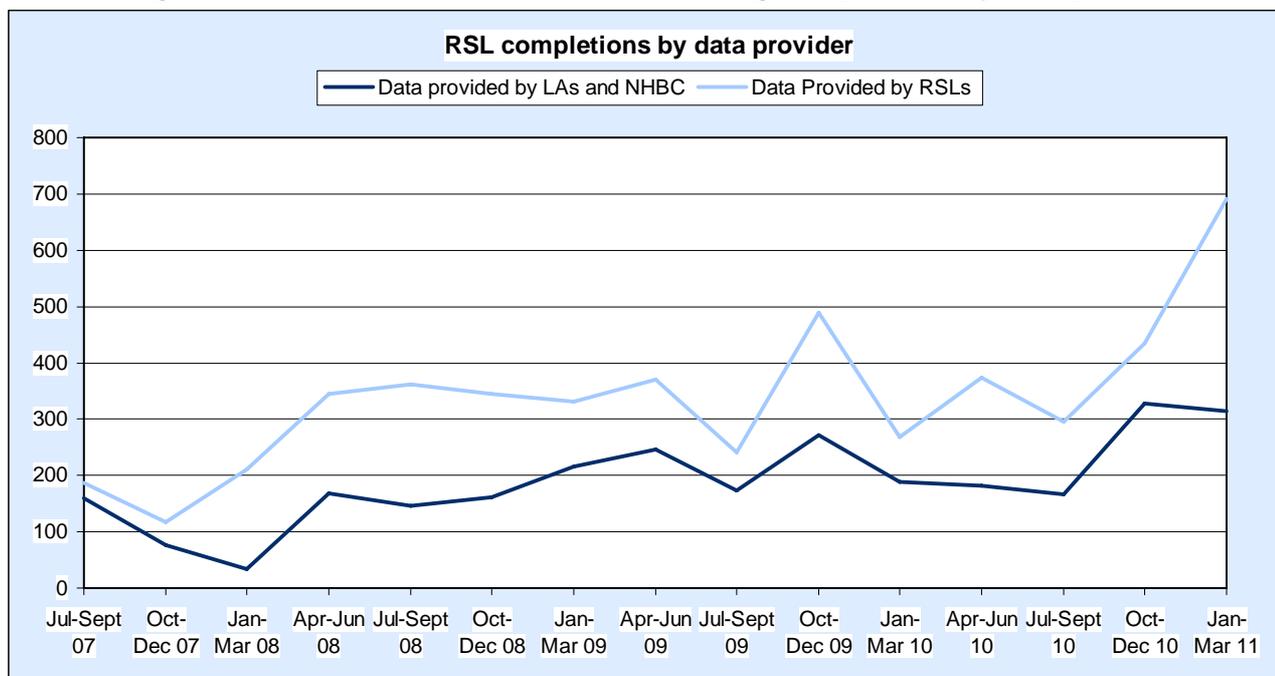
Following consultation (2010), it has been agreed that we will no longer collect and publish tenure level information on new build starts. This section looks at the differences in the data provided on the number of RSL new builds completed during each quarter. Table 1 of the annex shows the published information on completions as provided by LAs and NHBC from 1 July 2007 to 31 March 2011 and Table 2 shows the data on RSL completions as provided directly by RSLs over the same time period.

Chart 1 below shows that the numbers of completions recorded by the RSLs are significantly higher than those provided by LAs and the NHBC. The completions data from both sets of data providers, however, tends to follow a similar trend. The exceptions to this are the April to June 2010 quarter where the published figures remain static compared to a sharp increase in the RSL data and also January to March 2011 where the published figures show a slight drop whilst the RSL data shows an increase of almost 60 per cent on the previous quarter.

One possible explanation for these exceptions may be the differences in the recording of completions data by RSLs compared with the LAs as outlined in the 2010 [consultation documents](#). The extension and clarification of the guidance relating to completions from 1 April 2011 should ensure that both LAs and RSLs are recording dwellings completed on the same basis.

At the all Wales level, the difference in the number of completions recorded by the two sets of data providers varies between as little as 26 and as much as 377 in a quarter. On average, LAs and the NHBC recorded nearly 189 new RSL completions a quarter between July 2007 and March 2011, whilst RSLs recorded an average of 337 new completions.

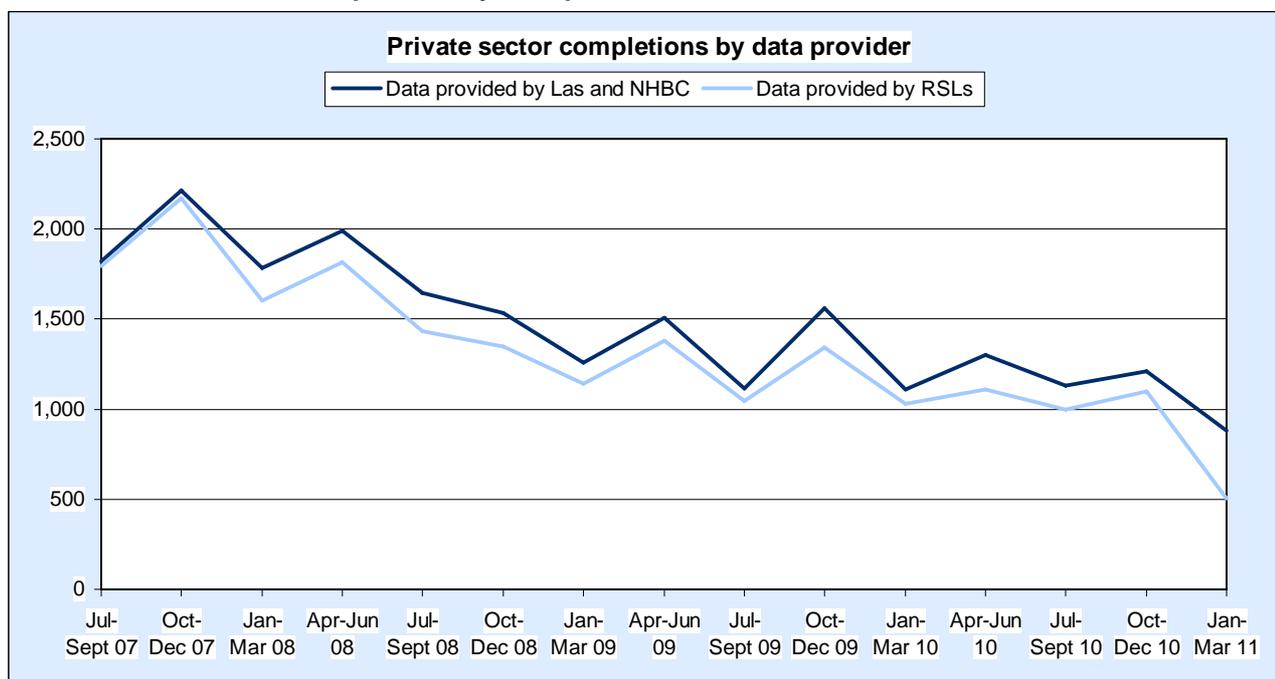
Chart 1. Registered Social landlord new house building completions by data provider



Source: Quarterly forms from LA, NHBC and RSLs

We also need to consider the impact that changing the data provider would have on private sector completions. Chart 2 shows that the impact at the Wales level is small with the calculated figures following the same trend as the published figures (i.e. those provided by local authorities and NHBC) but at a slightly lower level, apart from the January to March 2011 quarter where the gap widens.

Chart 2. Private sector completions by data provider



Source: Quarterly forms from LA, NHBC and RSLs

Local Authority Level Comparisons

Table 3 in the annex shows the comparison of the data at a local authority level for the period 1 April 2007 to 31 March 2011. At the all Wales level, information provided directly by the RSLs on RSL new builds was higher than that published which would appear to substantiate the claim that the data provided by local authorities and NHBC may be misclassifying some RSL new builds as private sector. Though some local authorities have in some quarters provided higher figures for RSL new builds than the RSLs themselves, we believe that this has been due to differences in the interpretation of the guidance on recording completions. This should be resolved by the extension and clarification of the guidance with effect from 1 April 2011 which will ensure that both local authorities and RSLs are recording dwellings completed on the same basis. The guidance has also been extended to clarify the position with regard to acquisitions and ensure that properties acquired from private developers are not included on the forms as new build completions.

Over the period between July 2007 and March 2011, all the local authorities apart from Denbighshire showed a higher number of RSL completions recorded by the RSLs than by LAs and the NHBC. The local authorities showing the greatest difference in numbers over this period were Cardiff, with 336 more completions reported by RSLs, and Newport with 212. This compares with differences of just 21 in Powys and 31 in Ceredigion, though for Ceredigion the LA and NHBC reported no RSL completions over this period. Similarly there were no RSL completions reported by the LA and the NHBC for Conwy over this period compared with 117 completions reported by the RSLs (Table 3).

Conclusion

It is clear from the comparisons of the data that collecting and publishing the information on RSL new build completions obtained directly from the RSLs will improve the quality and accuracy of the information we publish on new house building by tenure and will prevent the current under representation of RSL new house building activity. Whilst it would appear that there may still be issues regarding interpretation of the guidance these should be resolved by the changes which came into effect in April this year.

The lack of information from other private approved inspectors (PAIs) operating in Wales, other than the NHBC, also needs to be investigated to ensure that we are providing an accurate picture of new house building activity in Wales across all sectors. We are therefore proposing to make the following changes to the way data is collected and published with effect from 1 April 2012:

- (i) We will explore the possibility of collecting and publishing data from PAIs other than the NHBC by contacting all those PAIs operating in Wales to investigate the extent of new house building that is captured by them. We will assess whether the burden of collecting this information is warranted.
- (ii) For 2011-12, we will present both sets of RSL completions data within statistical releases so that users of the data can compare the figures provided and assess the impact of collecting and publishing only the data provided directly by individual RSLs.
- (iii) With effect from 1 April 2012 we will ask :
 - LAs to provide a figure for total new build starts for all tenures, total new build completions for all tenures and, of which, the number completed by LAs.
 - NHBC (and potentially other PAIs) to provide a figure for the total new build starts for all tenures and total new build completions for all tenures.
 - RSLs to provide the total number of RSL new build completions.
 - Present only the data provided by RSLs on RSL completions in statistical releases.
- (iv) We will only publish data on new build starts for all tenures combined by aggregating the data provided by the LAs and NHBC (and potentially other PAIs).
- (v) By collating the data received from the LAs, NHBC, (and other PAIs) and RSLs, the private sector new build completions would be calculated through subtraction (i.e. total new builds, minus LA and RSL new build = private sector new build). We would publish the new build completions by different tenures using this method. Table 4 of the annex shows the data produced by this method and the differences between that and the data as received from LAs and NHBC as is currently published.

Feedback

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

- Do you think that the method outlined above is sound and will provide more accurate new house building information across all tenures?
- What, in your view, are the advantages and disadvantages of this method?
- Do you foresee any difficulties in providing the data as outlined above?
- Would you prefer to see both sets of data published alongside each other for a trial period first?
- What would be the impact of the changes proposed on your work?

Please submit your comments by **02 September 2011** to:

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

Annex

**Table 1. New dwellings completed by tenure
Currently published data provided by LAs and NHBC.**

Number

	Private sector	Registered Social landlords	Local Authority	All tenures
2008-09	6,429	692	0	7,121
2009-10	5,291	880	3	6,174
2010-11	4,513	992	0	5,505
2007-08:				
Jul-Sept	1,820	160	0	1,980
Oct-Dec	2,212	77	0	2,289
Jan-Mar	1,781	34	5	1,820
2008-09:				
Apr-Jun	1,990	169	0	2,159
Jul-Sept	1,648	146	0	1,794
Oct-Dec	1,532	162	0	1,694
Jan-Mar	1,259	215	0	1,474
2009-10:				
Apr-Jun	1,505	246	0	1,751
Jul-Sept	1,115	174	0	1,289
Oct-Dec	1,563	271	0	1,834
Jan-Mar	1,108	189	3	1,300
2010-11:				
Apr-Jun	1,298	182	0	1,480
Jul-Sept	1,128	167	0	1,295
Oct-Dec	1,208	328	0	1,536
Jan-Mar	879	315	0	1,194

Excludes acquisitions and hostel bedspaces

Table 2. Registered Social landlord new house building completions by data provider.

	Data provider		Difference	
	RSLs	LAs and NHBC (currently published data)	Number	Percentage
2008-09	1,380	692	-688	-50
2009-10	1,369	880	-489	-36
2010-11	1,796	992	-804	-45
2007-08:				
Jul-Sept	186	160	-26	-14
Oct-Dec	118	77	-41	-35
Jan-Mar	210	34	-176	-84
2008-09:				
Apr-Jun	344	169	-175	-51
Jul-Sept	361	146	-215	-60
Oct-Dec	344	162	-182	-53
Jan-Mar	331	215	-116	-35
2009-10:				
Apr-Jun	371	246	-125	-34
Jul-Sept	241	174	-67	-28
Oct-Dec	489	271	-218	-45
Jan-Mar	268	189	-79	-29
2010-11:				
Apr-Jun	373	182	-191	-51
Jul-Sept	296	167	-129	-44
Oct-Dec	435	328	-107	-25
Jan-Mar	692	315	-377	-54

Excludes acquisitions and hostel bedspaces

Table 3 - Registered social landlord completions by data provider and unitary authority , authority

	<i>Number</i>							
	1 July 2007 to 31 March 2008		2008-09		2009-10		2010-11	
	LA & NHBC	RSL	LA & NHBC	RSL	LA & NHBC	RSL	LA & NHBC	RSL
Isle of Anglesey	0	9	14	21	41	24	18	69
Gwynedd	10	20	10	68	0	47	4	40
Conwy	0	0	0	20	0	62	0	35
Denbighshire	18	0	60	59	13	9	163	162
Flintshire	0	52	0	52	0	19	13	66
Wrexham	0	14	0	0	17	20	20	40
Powys	0	11	28	27	35	42	20	24
Ceredigion	0	0	0	6	0	0	0	25
Pembrokeshire	20	18	20	58	55	115	7	86
Carmarthenshire	0	50	0	18	22	37	0	52
Swansea	27	56	210	258	55	97	71	78
Neath Port Talbot	21	29	70	71	85	107	59	99
Bridgend	24	74	23	46	82	43	86	128
The Vale of Glamorgan	0	0	0	0	22	32	75	104
Cardiff	97	38	126	237	90	159	60	275
Rhondda Cynon Taf	0	6	5	20	63	57	26	51
Merthyr Tydfil	0	0	0	0	24	49	44	62
Caerphilly	19	24	24	120	64	118	100	65
Blaenau Gwent	0	0	1	45	7	20	9	112
Torfaen	16	27	6	35	62	102	62	49
Monmouthshire	19	24	49	86	6	14	72	87
Newport	0	62	46	133	137	196	83	87
Wales	271	514	692	1,380	880	1,369	992	1,796

Excludes acquisitions and hostel bedspaces

Table 4 New dwellings completed using new methodology (a).*Number*

	Private Sector	Registered social landlords	Local authorities	All tenures
2008-09	5,741	1,380	0	7,121
2009-10	4,802	1,369	3	6,174
2010-11	3,709	1,796	0	5,505
2007-08:				
Jul-Sept	1,794	186	0	1,980
Oct-Dec	2,171	118	0	2,289
Jan-Mar	1,605	210	5	1,820
2008-09:				
Apr-Jun	1,815	344	0	2,159
Jul-Sept	1,433	361	0	1,794
Oct-Dec	1,350	344	0	1,694
Jan-Mar	1,143	331	0	1,474
2009-10:				
Apr-Jun	1,380	371	0	1,751
Jul-Sept	1,048	241	0	1,289
Oct-Dec	1,345	489	0	1,834
Jan-Mar	1,029	268	3	1,300
2010-11:				
Apr-Jun	1,107	373	0	1,480
Jul-Sept	999	296	0	1,295
Oct-Dec	1,101	435	0	1,536
Jan-Mar	502	692	0	1,194

(a) Data calculated by taking the LA completions (provided by LA) and RSL completions (provided by RSLs) away from the figure for all tenures (provided by LAs and NHBC) to provide a figure for total private sector completions.

Excludes acquisitions and hostel bedspaces

Notes on the use of statistical articles

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

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

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

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

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

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

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