

**QUESTION TO BE ASKED OF THE PRESIDENT OF THE POLICY AND RESOURCES
COMMITTEE ON TUESDAY 8th JULY 2003, BY DEPUTY R.G. LE HERISSIER OF
ST. SAVIOUR**

Question

Would the President advise members whether the Committee will be reviewing the functions of the Statistics User Group established under P.142/1999, adopted by the States on 17th November 1999, in the light of the inaccuracies announced in the calculation of the last House Price Index, with a view to strengthening procedures, if necessary?

Answer

The Statistics User Group is an independent body set up by the States, in line with international best practice, to review and comment upon any official statistics prepared, or proposed to be prepared, by or on behalf of, the States of Jersey and to make such recommendations to the Policy and Resources Committee as are appropriate. As part of its terms of reference, the Group is charged with reviewing, commenting upon and making recommendations on the methodology by which those statistics are compiled and their resultant accuracy and reliability.

In relation to the Jersey House Price Index, the Group reviewed the Index early this year and concluded that the Index was based upon too small and narrow a range of properties. It recommended a substantially revised methodology for use, which Policy and Resources supported. The new methodology was immediately implemented and data collected to enable the updated index to be published as soon as possible

The new Index has now been published as has a full comparison with the old Index. The new Index shows that between the first quarter of 2002 and the first quarter of 2003 the average price of dwellings sold in Jersey decreased by 1.6%. (the comparable figure for the old Index was a decrease of 0.6%) and the comparison shows that the old and new indices also tracked each other closely over that period.

On 26th June 2003, the Committee met with Professor Holt, Chairman of the Statistics User Group, to review the Index in detail. We were satisfied that there is no evidence to suggest that the old Index provided a misleading reflection of changes in dwelling prices. However, the old Index did understate the average price of dwellings overall. This latter point is not surprising in that the old Index only measured a limited number of 3 bedroomed properties.

The Committee considers that the Statistics User Group is fulfilling a very vital rôle and has fully met its terms of reference. In relation to the House Price Index, it recommended the need for a new methodology which was quickly implemented by the Statistics Unit. I therefore believe there is no need to review the function of the Statistics User Group at this time. However, the Committee will of course keep it under review and if it were ever to prove necessary, the Committee would not hesitate to take the required action.