

# Information paper

## Production of Construction Output estimates using the Central ONS Repository for Data (CORD) platform

### 1 Introduction

Estimates of construction output are based on the monthly Output in the Construction Industry Survey which samples 8,000 businesses in Great Britain. Conversion from the collected current prices (value) to constant prices is performed by the application of sourced deflators from the Department for Business, Innovation and Skills (BIS) which are then chained to create chained volume measures (CVM). The Output in the Construction Industry Survey is processed using several Excel spreadsheets and a number of different systems to produce the published data. Over the past few months additional spreadsheets have been added to produce CVM data.

The Office for National Statistics (ONS), as part of its continual risk analysis, identified this production process as an area that could be improved upon to reduce the risks to the quality of the associated outputs.

To reduce the manual intervention risk in the compilation of the estimates, the production of the output series will be moving onto to the Central ONS Repository for Data (CORD) platform. The construction output estimates are an integral part of the National Accounts (NA) dataset. Re-platforming the production of the estimates onto the CORD platform will ensure consistency between the associated NA datasets and improve data flows between systems.

### 2 Improvements

Over the past six months construction branch within the ONS has been developing a new production system which will move the production process onto the CORD platform. The initial remit was to produce a fully working 'as is' system, with improved processing times and minimal manual intervention. This has been accomplished and the system has been signed off as delivering quality assured outputs using a robust production process.

The introduction of the construction system onto CORD has a number of benefits to both compilers and users:

- Faster processing time to produce the results enabling more time to be used to quality assure data
- Consistency with National Accounts processes and data identities
- Reduced risk of human error through automation
- Improved data flows between National Accounts systems

Quality assurance and system testing has taken place throughout the development of the construction system onto CORD. The ONS has developed a new processing system based as closely as possible on the existing system. Some of the differences between the systems are highlighted below:

- Deflators are currently forecasted prior to their delivery to the ONS by BIS using a simplified methodology. CORD has improved forecasting functionality so the new system will use the CORD forecasting model which is consistent with other National Accounts systems. Users should note there are small differences with using this functionality.
- There has been a slight change to the method of seasonal adjustment for the seasonally adjusted non-housing chained volume measure series. This is due to CORD requiring at least five years in order to

produce seasonally adjusted data. One of the components of the non-housing series only has three years worth of data.

- The constraining methods used to ensure consistency with the NA revisions periods for the two systems are different and therefore produce slightly different results.

### **3 Timescale**

It is estimated the new CORD system will be introduced in early 2014. The actual publication date for the newly produced estimates will be confirmed in the Construction Output Statistical Bulletin.