



Ministry of
JUSTICE

Mortgage and Landlord Possession Actions

Note to users on proposed
technical changes to published
National Statistics

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Introduction

1. The purpose of this document is to describe two proposed changes to the Ministry of Justice National Statistics on mortgage and landlord possession actions in England and Wales. In summary, the proposed changes are as follows:
 - A change to the definitional basis of the published National Statistics on the number of possession orders made in the county courts of England and Wales. We propose publishing the number of possession claims that lead to an order, rather than number of possession orders as at present.
 - The inclusion of a new, additional local authority level breakdown of the published National Statistics for both the 'claims' and 'orders' series.
2. These proposed changes will affect both the mortgage and landlord possession statistics, and we will continue to publish separate statistical series on the two types of possession action. Subject to users' views, we plan to implement these changes with effect from the next published set of quarterly National Statistics relating to the second quarter of 2009, due for release on 14th August 2009.
3. Each of the proposed changes is described in detail below.

Proposed changes

Change in definitional basis of key 'orders' statistics

4. At present, the published 'orders' statistics are a count of all individual possession orders made in the county courts. Therefore, in the small minority of instances where a single claim leads to more than one order, multiple orders will be counted in the statistics.
5. However, some data quality concerns exist around this measure. The raw data used to compile the statistics is sourced from the administrative systems used in the county courts, and are known to contain some duplicate records of the same possession order. Removing the duplicate records completely and accurately, in order to produce the most accurate statistics possible, is a complex task. There is considerable doubt about whether it is possible for statisticians to identify and remove all duplicate records, particularly following the roll-out of the Possession Claim On-Line system (PCOL) in late 2006.

6. For this and other reasons, the Ministry of Justice proposes to replace this existing measure with a count of possession claims that lead to an order being made.
7. For a given time period, the published statistics on possession claims that lead to an order would count all claims whose first order is made during that period. Any subsequent orders would no longer be counted in the published statistics, although multiple orders occur for only a very small proportion of claims.
8. The published statistics on possession claims issued would not be affected in any way by this change. For a given time period, these would continue to count all possession claims issued during the period.
9. This change will affect the National Statistics series for both mortgage and landlord possession orders. We plan to make the change with effect from August 2009 with back-data on the new measure to be published as standard back to 2004 on a quarterly basis and 1999 on an annual basis. Back-data will also be made available back to 1999 on a quarterly basis upon request.
10. We believe the arguments for making this change are:
 - Improved internal consistency of published Ministry of Justice measures. If this change is implemented, our two key statistical series (number of possession claims issued, number of possession claims that lead to an order) will both have the same basic counting unit: a claim.
 - It provides a more meaningful measure of the number of homeowners who are the subject of court repossession actions. Counting multiple orders where they relate to a single claim will tend to over-state this.
 - It offers improved comparability with data on the actual numbers of repossessions of property provided by the Council of Mortgage Lenders, by no longer counting multiple orders which relate to a single property.
 - It is a more simple measure to produce with significantly fewer data quality risks. In particular, the complex process of removing duplicate records of the same possession order would no longer be necessary under the new measure. (For completeness, please note that the issue of duplicate records does not affect the 'claims issued' figures)
 - The new measure is likely to be more resilient to any future updates of court administrative systems.

11. We believe the argument against making this change is:

- The time series discontinuity between the existing 'number of orders made' statistics (which will remain the only basis for figures prior to 1999) and the proposed new measure, for which we will be able to produce data from 1999 onwards. However, the current measure already has a time series discontinuity at the year 1999, owing to the switchover from manual counts made by court staff to counts from court administrative systems. This proposal therefore merely increases the significance of an existing time series break, without adding a new one.

12. The approximate numeric effect of changing the definition of the published 'orders' statistics is as follows.

- Prior to 2007, the proposed new 'orders' measure was around **3% below** the existing measure for a number of years, for both mortgage and landlord possession orders
- From 2007 onwards (following the roll-out of PCOL and associated changes in court administrative procedures), the proposed new 'orders' measure has been **between 4% and 5% below** the existing measure for mortgage possession orders, and **between 7% and 13% below** the existing measure for landlord possession orders.

13. Clearly, the differences between the two measures have grown, for both the mortgage and landlord series, following the introduction of PCOL. The precise extent to which this is a result of (a) more undetected duplicate records following the rollout of PCOL, or (b) improved recording of multiple orders relating to a single claim following the rollout of PCOL. This uncertainty, and its implications for data quality, is one of the main reasons why this change in the definition is being proposed.

14. Table 1 of this note shows a historical comparison of the two measures, including data on an annual basis from 1999 onwards and on a quarterly basis from 2004 onwards.

Disaggregation of possession actions series

15. We now have the ability to disaggregate our key National Statistics on mortgage and landlord possession actions (both the 'claims' and 'orders' measures) on a local authority basis. This disaggregation is based on the physical location of the property which is the subject of the possession action.

16. This disaggregation is derived from the property postcodes that claimants are obliged to provide as part of making a claim, and which are entered into the county court administrative systems and PCOL. Following recent technical upgrades, a complete set of postcode information, covering all possession claims, has for the first time been made available for statistical analysis.
17. We therefore propose to publish quarterly National Statistics on mortgage and landlord repossession, broken down to local authority level, as part of our regular statistical bulletins on the issue. We propose the following specific published outputs.
- Absolute counts of the following variables at local authority level, on a quarterly and rolling four-quarters basis.
 - Mortgage possession claims issued
 - Mortgage possession claims leading to an order
 - Landlord possession claims issued
 - Landlord possession claims leading to an order.
 - All of the above variables at local authority level expressed as 'number per 1,000 households', on a quarterly and rolling four-quarters basis. The household population denominators for these calculations would be the most recent published household population estimates for local authorities in England and Wales, published respectively by Communities and Local Government and the Welsh Assembly Government.
 - Thematic maps illustrating key local authority measures of mortgage and landlord possession actions per 1,000 households as described above.
18. The spreadsheet accompanying this note shows the proposed design of a table to present key local authority data on this issue. The table would contain a breakdown for mortgage and landlord possession claims, for both single quarter (Q1 2009) and four-quarter (Q2 2008 – Q1 2009) periods, expressed as both absolute counts and as 'number per 1,000 households'. We would propose a very similar layout for the corresponding 'orders' statistics at local authority level.
19. We would welcome user views on the value of this presentation, and on the continuing viability of publishing court-level statistics now that it is possible to produce figures for local authorities. Several options exist in relation to this issue.

- Should we continue to publish data on the basis of the county court where the possession action was dealt with, and not publish local authority data?
- Should we publish both sets of data (court level and local authority level) as a matter of routine?
- Should we publish data at local authority level as our sole basis of local disaggregation (with county court level data remaining available, but only on request)?

For queries, comments or further information on the issues set out in this note, please contact:

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Responses are requested by 12 June 2009

Table 1: Comparison of existing definition with proposed new definition for key National Statistics on mortgage and landlord possession orders

England and Wales, 1999-2009

Existing definition = "Number of orders"

Proposed new definition = "Number of claims leading to an order"

Year	Quarter	Mortgage			Landlord		
		No. of orders	No. of claims leading to an order	% difference	No. of orders**	No. of claims leading to an order	% difference
1990		103,508			112,780		
1991		142,905			95,013		
1992		126,881			96,958		
1993		105,283			82,724		
1994		77,681			63,561		
1995		75,258			82,599		
1996		71,203			87,849		
1997		57,156			99,869		
1998		66,055			112,236		
1999		55,964	53,441	-4.5%	122,462	119,231	-2.6%
2000		50,918	48,412	-4.9%	127,575	124,616	-2.3%
2001		47,997	45,813	-4.6%	131,242	128,217	-2.3%
2002		41,759	40,430	-3.2%	132,155	128,543	-2.7%
2003		41,038	39,780	-3.1%	120,694	117,585	-2.6%
2004		46,683	45,367	-2.8%	117,786	114,788	-2.5%
2005		70,964	68,924	-2.9%	112,869	109,909	-2.6%
2006		90,826	88,023	-3.1%	107,101	103,430	-3.4%
2007		94,913	90,608	-4.5%	107,848	98,597	-8.6%
2008		116,872	111,768	-4.4%	114,476	100,803	-11.9%
2004	Q1	11,342	11,029	-2.8%	30,315	29,512	-2.6%
	Q2	11,469	11,145	-2.8%	29,331	28,603	-2.5%
	Q3	11,944	11,615	-2.8%	30,091	29,327	-2.5%
	Q4	11,928	11,578	-2.9%	28,049	27,346	-2.5%
2005	Q1	14,075	13,713	-2.6%	27,737	26,982	-2.7%
	Q2	18,365	17,846	-2.8%	28,893	28,151	-2.6%
	Q3	19,707	19,105	-3.1%	28,449	27,710	-2.6%
	Q4	18,817	18,260	-3.0%	27,790	27,066	-2.6%
2006	Q1	21,963	21,301	-3.0%	28,557	27,790	-2.7%
	Q2	22,159	21,473	-3.1%	26,009	25,293	-2.8%
	Q3	24,060	23,298	-3.2%	27,087	26,210	-3.2%
	Q4	22,644	21,951	-3.1%	25,448	24,137	-5.2%
2007	Q1	23,778	22,578	-5.0%	26,765	24,886	-7.0%
	Q2	22,741	21,694	-4.6%	25,188	23,088	-8.3%
	Q3	24,384	23,391	-4.1%	27,776	25,456	-8.4%
	Q4	24,010	22,945	-4.4%	28,119	25,167	-10.5%
2008	Q1	27,375	26,219	-4.2%	28,974	25,668	-11.4%
	Q2	30,913	29,587	-4.3%	28,570	25,277	-11.5%
	Q3	30,603	29,289	-4.3%	28,884	25,413	-12.0%
	Q4***	27,981	26,673	-4.7%	28,048	24,445	-12.8%
2009	Q1	17,587	16,513	-6.1%	28,447	24,629	-13.4%

Notes:

* Data relating to 1999 onwards are sourced from county court administrative systems and exclude duplicate observations. Data prior to 1999 are sourced from manual counts made by court staff.

** Landlord order data relating upto 1998 exclude orders relating to the accelerated possession procedure.

*** The Mortgage Pre Action Protocol for possession claims relating to mortgage or home purchase arrears was introduced on 19th November 2008. It's introduction has coincided with a substantial fall in the number of new mortgage possession claims in Q4 2008 and in the number of mortgage possession orders in Q1 2009.

