Labour Market Transformation Deep Dive

Workshop with the National Statistician

21 February 2025

Office for National Statistics

Official

Purpose and Agenda

- Latest updates to support ExCo discussions and any stakeholder engagement in coming months
- Workshop current live challenges – opportunity to contribute / influence work

Item	Presenter
Transforming labour market statistics - the ambition	Alex Lambert and Darren Morgan
Successes and challenges to date	Leigh Skuse
TLFS timeline and upcoming key decision points	Matt Hughes
Workshop/discussion on live challenges	David Freeman and Matt Hughes

Transforming Labour Market Statistics

ONS Statistical Transformation
- Integrating surveys, census and administrative data
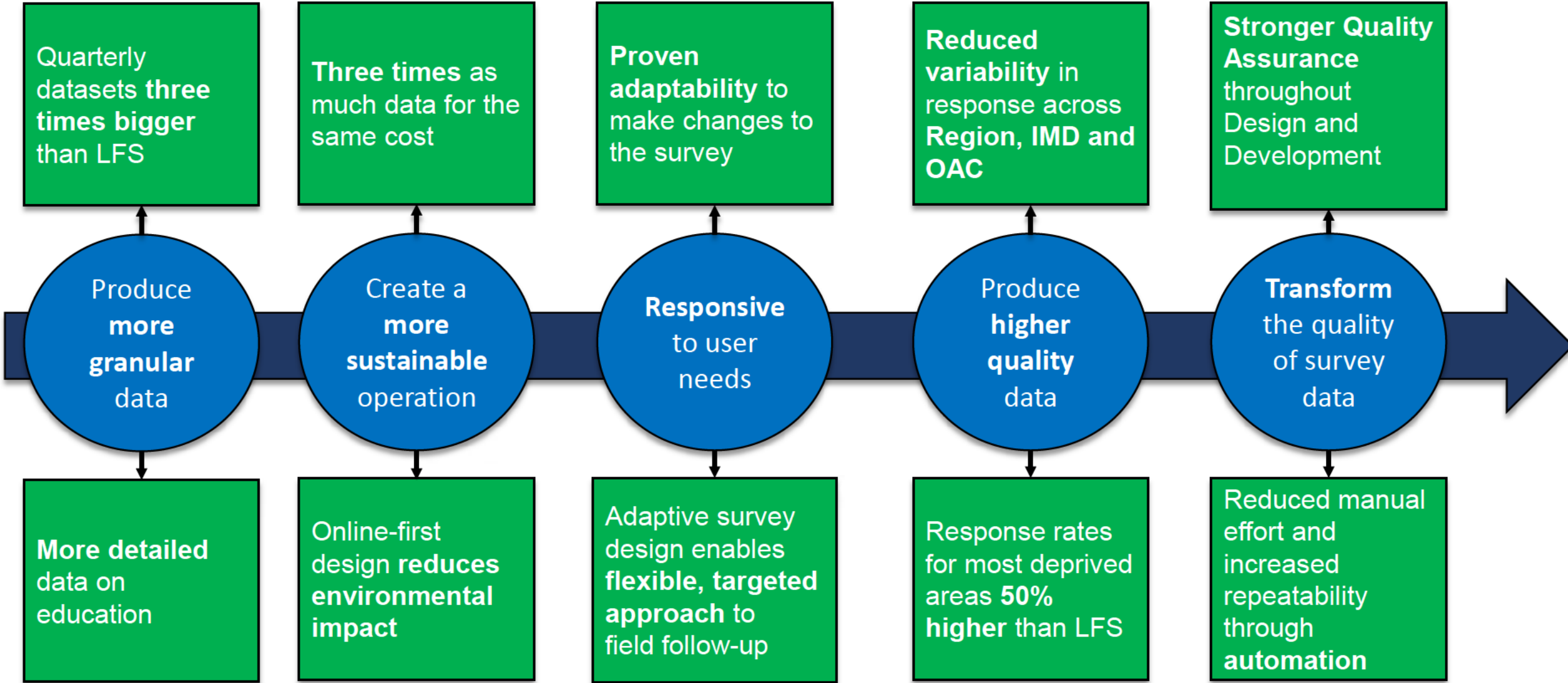- Deliver statistics for the public good

Produce labour market statistics that are:
- More coherent
- More granular
- More timely
- Responsive to user needs
- Reduce costs and burden on businesses and households

Transform survey data collection
- Higher quality, lower bias
- More inclusive multi-mode design
- More efficient, adaptive survey design

Successes of the TLFS

Produce more granular data
- Quarterly datasets **three times bigger** than LFS
- **More detailed** data on education

Create a more sustainable operation
- **Three times** as much data for the same cost
- Online-first design **reduces environmental impact**

Responsive to user needs
- **Proven adaptability** to make changes to the survey
- Adaptive survey design enables **flexible, targeted approach** to field follow-up

Produce higher quality data
- **Reduced variability** in response across **Region, IMD and OAC**
- Response rates for most deprived areas **50% higher** than LFS

Transform the quality of survey data
- **Stronger Quality Assurance** throughout Design and Development
- Reduced manual effort and increased repeatability through **automation**

Key challenges to overcome

Transforming the LFS has come with expected challenges along the way. The additional time taken to mature and analyse the TLFS through 2023 has allowed us to identify and put mitigations in place where challenges have been identified.
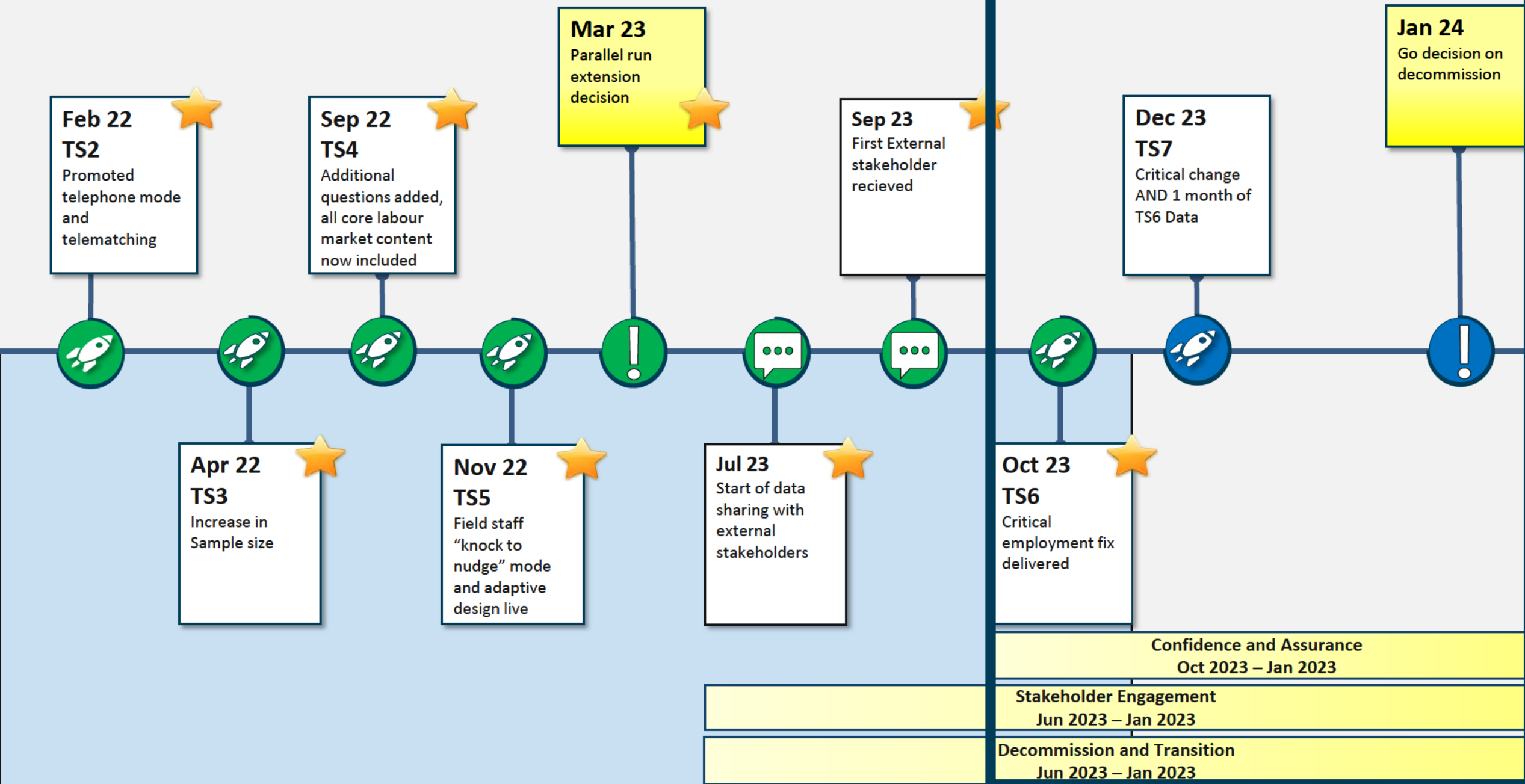
Data Quality

- Some challenges in reaching required data quality for several LM measures

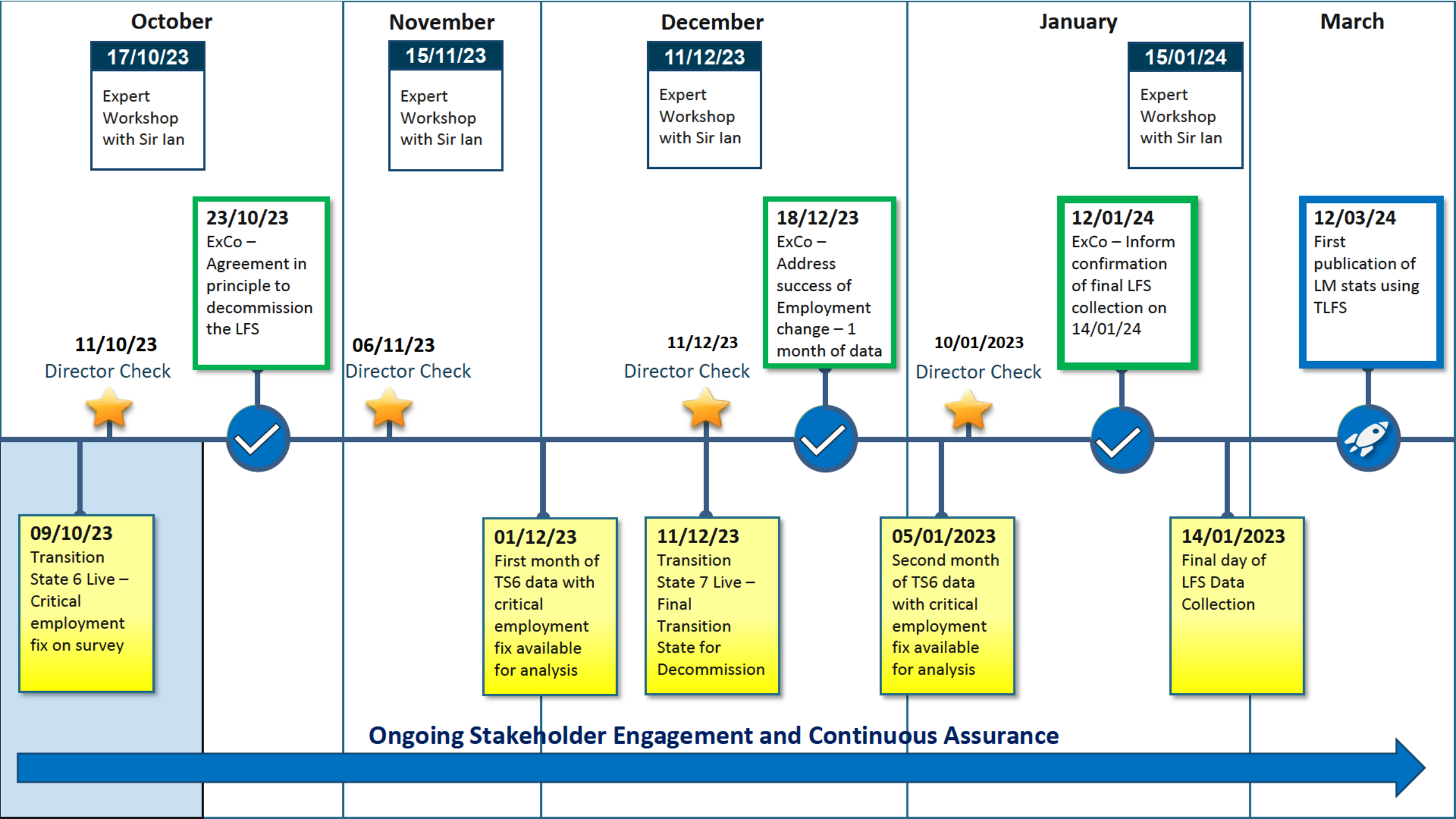- In many cases these are already being corrected through further adaptions to the survey or methodology improvements

Stakeholders

We have been sharing early access to TLFS with some key stakeholders since July 23

- Strengthened our QA and analysis
- Better tested meeting user needs
- Awareness and concerns with some data quality
- Nervousness of moving to TLFS too soon
- Needing close management to build confidence

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TLFS – Transformation Journey

Feb 22
TS2
Promoted telephone mode and telematching

Sep 22
TS4
Additional questions added, all core labour market content now included

Mar 23
Parallel run extension decision

Sep 23
First External stakeholder recieved

Dec 23
TS7
Critical change AND 1 month of TS6 Data

Jan 24
Go decision on decommission

Apr 22
TS3
Increase in Sample size

Nov 22
TS5
Field staff "knock to nudge" mode and adaptive design live

Jul 23
Start of data sharing with external stakeholders

Oct 23
TS6
Critical employment fix delivered

Confidence and Assurance
Oct 2023 – Jan 2023

Stakeholder Engagement
Jun 2023 – Jan 2023

Decommission and Transition
Jun 2023 – Jan 2023

Workshop on current challenges

David Freeman

Headline estimates

Challenge

- ███ compared with LFS and admin data

What we're doing

- Added questions to TLFS in October to pick up people in employment but not working in reference week
  - Of people answering "no" to initial work question, c. 10% on LFS end up in employment, █████ on TLFS do
- Contingency – developing a modelling approach (using admin data)

Questions

- What else could we be doing?

Disability estimates

Challenge

- Around ████ of missing responses in disability status

What we're doing

- Most of the missing values ████ are due to people responding 'don't know/prefer not to say'. Remainder ████ due to people not reaching the disability question.
- The placement of 'don't know/prefer not to say' option has been removed from an upfront option
- This is expected to reduce some of the missingness, first week results indicate this is having the desired effect ████ missingness compared with ████ previously). Full analysis on first month results to take place December when data is available.

Questions

- What else could we be doing?

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Stakeholders/OSR

Challenge

- Stakeholders are raising issues with data that has been shared and the timeline for LFS decommissioning
- OSR considering whether TLFS will have NS accreditation

What we're doing

- Working closely with stakeholders (inc. OSR) to address concerns

Questions

- What do you need from us to support you in dealing with stakeholders if they approach you directly?

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What next?

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What next?

- Deep dives are booked monthly between now and January. Potential topics for review include challenges the teams are currently wrangling with
  - SIC / SOC quality challenges and potential impact to future publication schedule
  - Disability, Education, Earnings
  - Discontinuity challenge
  - Northern Ireland data

Annex

Decommission decision criteria for assessment

To assess confidence in the TLFS to assure we are ready to transition and decommission the LFS, several areas are being monitored.

Component		Criteria being assessed
Quality	**Statistical Quality**	• Reducing bias • Reducing attrition • Improving response
	Data quality	• Discontinuities • Precision • International standards • Methodology
User confidence	**Internal stakeholder readiness**	• Ability to produce estimates from TLFS • Assessment of quality • Assessment of confidence
	External stakeholder readiness	
Readiness	**Operational Readiness**	End-to-end testing of full process- collection to publication
	Planned work between now and first publication	• Planned remaining development • Risks/Issues • Contingencies

Headline estimates

- TLFS data are still going through development and will be subject to change for the next 2-3 months
- However, we have used some of the TLFS data as a triangulation point for the latest LFS results
  - Used quarterly change in employment rate
  - Acknowledge that absolute levels and rates for LFS and TLFS not currently comparable

Differences in derivation (i.e. categorisation) of economic status variables

- Most people who say "yes" to either of these questions (TLFS ▮▮▮▮ LFS 100%) will be categorised as an employee or self-employed.

- However, the TLFS derivation is far less "forgiving" of a "no" to economic activity at this first step.

- General pattern is expected by aims of development of new questionnaire, but working has been evaluated.

Model of in employment

All in paid activity + conversion % from not in paid activity (through JBAWAY or casual jobs for payment)

Survey	Question wording	Yes	No
LFS	*Did you do any paid work in the 7 days ending Sunday the [date], either as an employee or as self-employed?* Responses = "yes" or "no"	52.3% Weighted 56.7% Level 29.7 million	47.7% ~10% Weighted 43.4% Level 22.6 million
TLFS	Did you have a paid job, either as an employee or self-employed, in the week <Monday xxx to Sunday xxx> 20[XX]? Responses = "yes" or "no"	██████████████████	██████████████████

~ 20% of this 10% self-employed (MM23)

"Add back in" through JBAWAY question including reference to "business"

Through casual jobs only

March – May 2023 (standard weighting). "Valid" percentage (exclude -9 LFS, not asked / routed TLFS).

What are we doing about it?

- A new 'business' check question has been added to the survey to 'catch' the misclassified self-employed
- The new question went live on 9 October and we will see the first month of collected data in early December
- A proof of concept for model-based estimates is underway as an alternative mitigation option
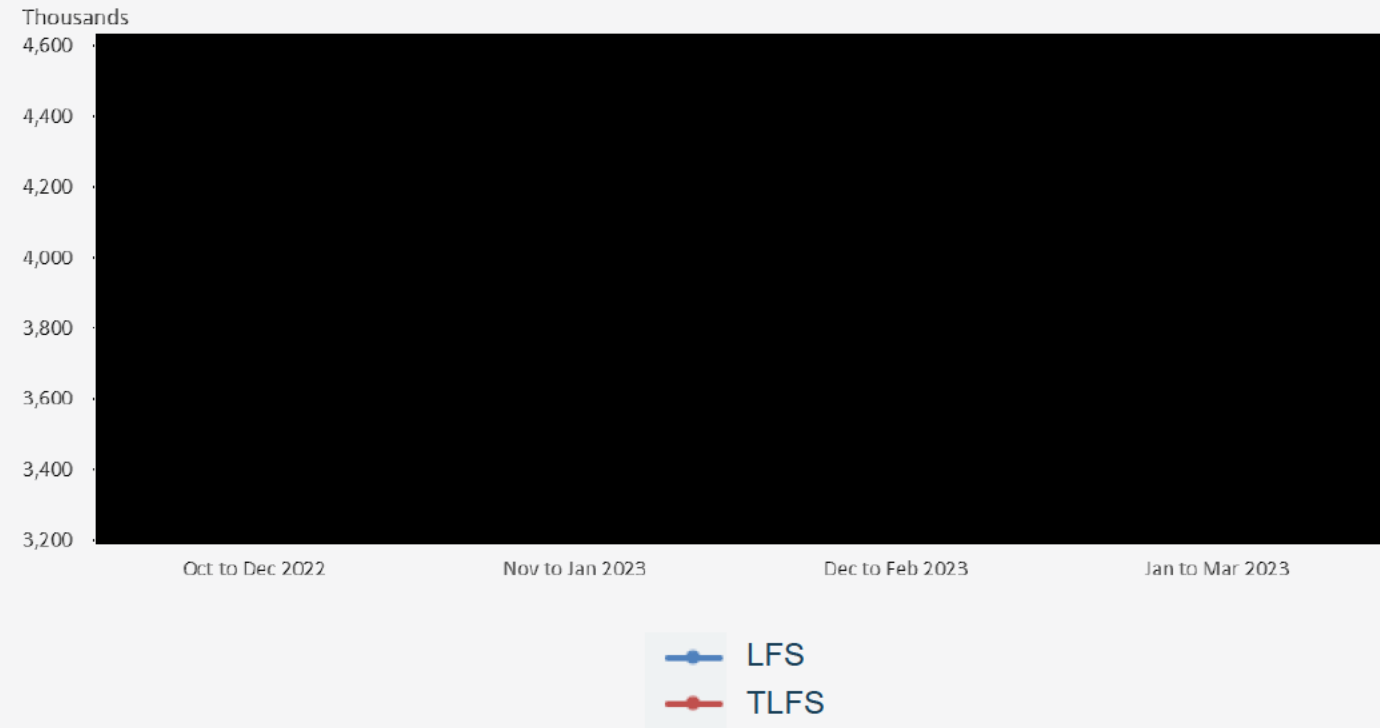- What else could/should we be considering?

What we've investigated

- Where the employment "gap" mainly is / among which people.

- The stability of the self-employed gap.

- Triangulation with admin data.

- Key differences in core labour market question wording and questionnaire design (flow and routing of questions).

- Differences in derivation (i.e. categorisation) of economic status variables that underpin headline estimates, including "strictness" of derivation and underlying routing.

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What we know about the employment "gap"

- Is accounted for by self-employed (employee estimate differences are small and within CIs).

- Some evidence this is more pronounced in middle-aged men, but appears across lots of demographic groups (see also next slide on temporal stability of "gap").

- Applies to full and part-time self-employed.

UK self-employed workers, aged 16 years and over, not seasonally adjusted, time-series to January to March 2023

Thousands

4,600	
4,400	
4,200	
4,000	
3,800	
3,600	
3,400	
3,200	

Oct to Dec 2022　　Nov to Jan 2023　　Dec to Feb 2023　　Jan to Mar 2023

- LFS
- TLFS

Not reweighted data. TLFS estimates in upcoming data sharing will vary.

Evaluation of key differences in core labour market question wording

Initial paid activity questions

TLFS:

1. Did you have a *paid job*, either as an employee or self-employed, in the week <Monday xxx to Sunday xxx> 20[XX]? Responses = "yes" or "no"

Paid job vs paid work: do some self-employed say "no" because they do not have a "job" (piece of work) that week? Some evidence from feedback logs of misunderstanding along these lines.

LFS:

1. Did you do any paid work in the 7 days ending Sunday the [date], either as an employee or as self-employed? Responses = "yes" or "no"
2. "Even though you were not doing paid work, did you have a job or business that you were away from?"

Explicit mention of business in core labour market question for LFS, not for TLFS

Key differences in questionnaire routing / design

TLFS:

To determine economic activity by ILO definition, questionnaire design is intended to "sift out" (if needed) people with a "paid job" who didn't work in the reference week (by which days worked; hours worked). No JBAWAY question to pick up people away from job or business.

LFS:

To determine economic activity by ILO definition, questionnaire is designed to "add back in" to employment people who didn't do "paid work" in reference week but were "away from their job or business".

Differences in derivation (i.e. categorisation) of economic status variables

- Most people who say "yes" to either of these questions (TLFS ███████; LFS 100%) will be categorised as an employee or self-employed.

- However, the TLFS derivation is far less "forgiving" of a "no" to economic activity at this first step.

- General pattern is expected by aims of development of new questionnaire, but working has been evaluated.

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Through casual jobs only

March – May 2023 (standard weighting). "Valid" percentage (exclude -9 LFS, not asked / routed TLFS).

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Survey change

- Observations on the "strictness" of the derivation -- *alongside* concerns around interpretation of "paid job", question wording differences including explicit reference to "business" in LFS JBAWAY question, triangulation with admin data and LFS estimates -- have led to the argument that a "business check" question is likely to help "catch" self-employed.

- "Even though you did not have a paid job, did you have a **business** that you were operating or away from in the <ref week>?"

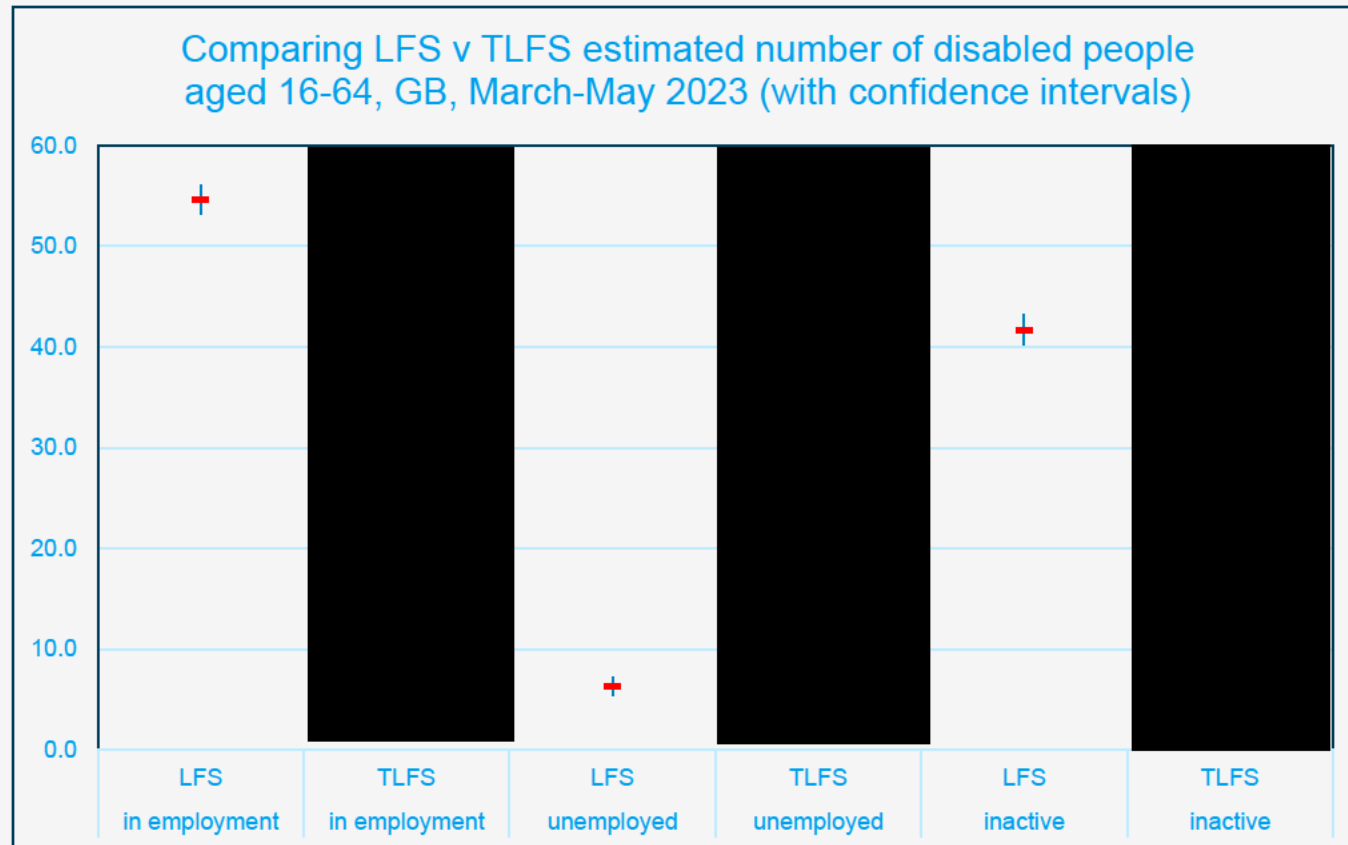- The addition of a "business check" question is expected to counteract the current "strictness" of TLFS derivation + counteract hypothesised issues of interpretation of "paid job" by some self-employed people.

- Reduce anticipated *measurement error* for self-employed people.

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Survey change overview

TLFS: "one chance", no "business"

Did you have a paid job, either as an employee or self-employed, in the week <Monday xxx to Sunday xxx> 20[XX]?

— Yes →
Only real chance to report employment type

— No →
Inactive route. Casual work questions <u>can</u> lead to classification as self-employed, but <u>rare</u> (0.2%)

⚠️ Theorised failure to "catch" some self-employed due to interpretation of "paid job", no mention of "business".

Little chance of "coming back" from this. Unlikely casual work option only route.

business prompted →
PROPOSED BUSINESS CHECK. "Even though you did not have a paid job, did you have a **business** that you were operating or away from in the <ref week>"

→ Proposed chance to report employment type = self-employed

✓ Business check helps to counteract loss of self-employed due to possible issues with "paid job" interpretation AND provides "second chance" to identify as self-employed where "business" explicitly mentioned - as in LFS.

LFS: "two chances" "business" prompted

Did you do any paid work in the 7 days ending Sunday the [date], either as an employee or as self-employed?

— Yes →
Chance to report employment type

— No →
JBAWAY: "Even though you were not doing paid work, did you have a <u>job or</u> **business** that you were away from in the week ending Sunday the [date] (and that you expect to return to)?"

"adds back in" self-employed people away from work + potentially some people responding to "business"

— Yes →
Chance to report employment type

— No →
Inactive route.

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Disability- TLFS prior to TS6 change

Comparing LFS v TLFS estimated number of disabled people aged 16-64, GB, March-May 2023 (with confidence intervals)

Category	Survey	Upper CI	Lower CI	Estimate
in employment	LFS	56.1	53.2	54.6
in employment	TLFS			
unemployed	LFS	7.3	5.4	6.3
unemployed	TLFS			
inactive	LFS	43.2	40.2	41.7
inactive	TLFS			

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Decommission decision inputs

Who/What	External Stakeholders	Internal Stakeholders	Data Quality	Statistical Quality	Planned work outstanding	Operational Readiness
How	• Data sharing • TLFS Steering Group • Director Bi-lats	• TLFS Analytical steering group • CDCTP and SEPB programme boards • James Harris team's engagement	• A&E team analysis and QA • LMHD and productivity QA • Stakeholder feedback	• Measured through operational MI • Assurance is regular through weekly OMM	• Milestone reporting and risk/issue management	• Transition and Decommission project • SSC assurance at SRO calls
Testing	• Confidence in the TLFS data and ability to manage any workarounds / changes • Significant concerns and the prognosis / timeline for remediation • Ability of stakeholders to process TLFS data and carry out their own bespoke analysis	• Confidence in the TLFS data and its contribution to critical outputs for ONS • Significant concerns and the prognosis / timeline for remediation	• Can we explain the differences between TLFS and LFS/admin data sources? • Are there sufficient mitigations for any outstanding, P1 issues? • For lower priority issues, do we have a plan for resolution post decommission?	Set of agreed measures for: • Reducing Bias • Reducing Attrition • Improving Response See annex for current position on Survey Statistical Quality	• Are we on schedule to deliver all planned activity in advance of first publication? • Where we are behind schedule, do we have sufficient mitigation for the delay? • What is the impact of any delayed activity?	• Are we ready to productionise outputs using TLFS and have we tested the timescale? • Are the number and severity of workarounds, known limitations or defects in the operational system acceptable? • Are all operational processes required to run TLFS in place?

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LFS decommission decision governance - proposed

Internal stakeholders
Key External stakeholders
All external users
Governance

September+

Late Oct – early Nov

Jan

Engage & communicate → Provisional Decision → Communicate → Action

CDCTP board kept informed – Stewart McBride

SEPB kept informed – Stewart McBride

Internal stakeholder feedback – James Harris

TLFS Steering Group (External Stakeholders)

Jason/Darren bi-lats with Jen/Liz/Ruth

Bi-lats with key external stakeholders – Darren Morgan

SRO/Director checkpoint – dedicated go/no-go decision session.
Formal Recommendation

ExCo **Formal Decision**

Endorse decision ARIES programme board

ONS wide comms

TLFS Steering Group (External Stakeholders)

Transformation article updates (Oct TBC)

SRO/Director checkpoint – Ensure any final conditions have been met and authorise the decommission actions to commence

ExCo **Formal Decision**

Endorse decision ARIES programme board

Transformation article updates (Jan TBC)

Continuous engagement – gather feedback and confidence levels

3 weekly briefings with Sir Ian

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Path to LFS decommissioning – key dates
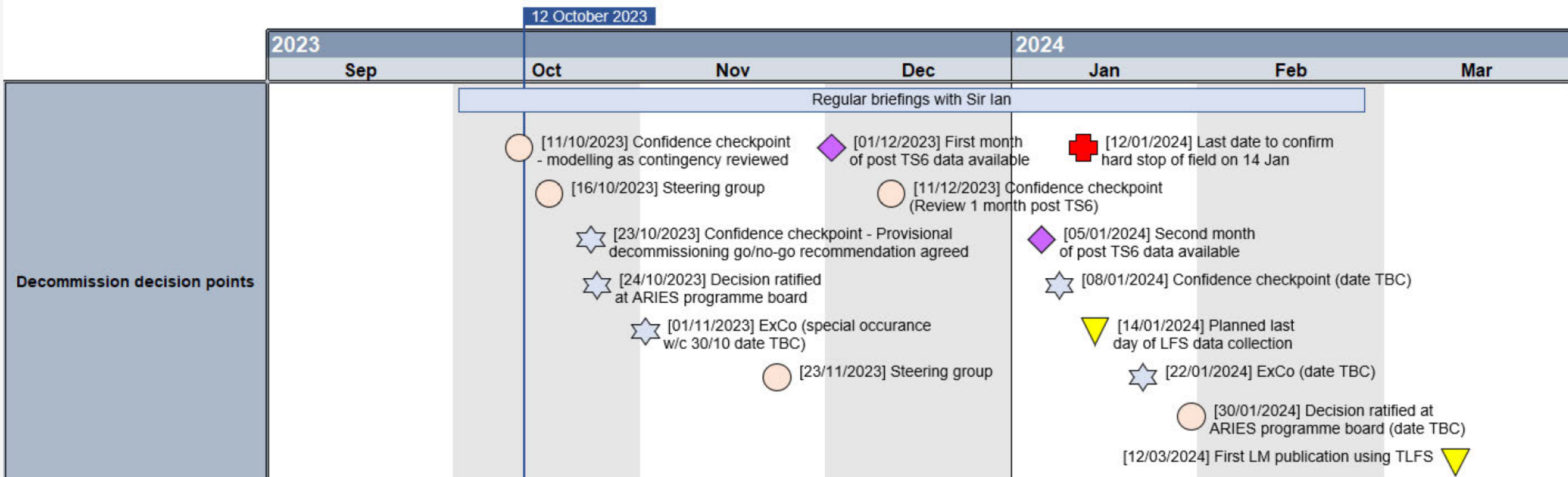
- The final point where a decision can be made to stop the field on 14th January is Friday 12th January
- There is potential that a second month of data with TS6 changes applied will be available for a review ahead of that date, but there is a risk that only one month of data will be available at that decision point

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Decommissioning the LFS

Preparing to transition to TLFS →

Go-live

October 23

SRO/Director checkpoint
Formal Recommendation 23/10

ARIES programme board
Endorse 24/10

ExCo
Formal Decision 9/11

January 24

SRO/Director checkpoint – Ensure any final conditions have been met and authorise the decommission actions to commence
Formal Decision 08/01

Endorse decision ARIES programme board

ExCo **Formal Decision**

Stop LFS **14/01**

March 24

First publication of Labour Market statistics using TLFS

Monthly briefings beginning Oct- Jan 24

Decommissioning the LFS

Maturing and analysing the TLFS → **Preparing to transition to TLFS** → **Go-live**

All modes of collection live since Nov 22

On-line | Telephone | Knock to Nudge

Ongoing analysis and evaluation of TLFS

- Analysing TLFS data
- Informing methodology improvements
- Informing and implementing further survey improvements
- Sharing TLFS data with external stakeholders for further QA and analysis

October 23

SRO/Director checkpoint
Formal Recommendation
23/10

↓

ARIES programme board
Endorse
24/10

↓

ExCo
Formal Decision
9/11

January 24

SRO/Director checkpoint –
Ensure any final conditions have been met and authorise the decommission actions to commence
Formal Decision
08/01

Endorse decision
ARIES programme board

ExCo
Formal Decision

Stop LFS
14/01

March 24

First publication of Labour Market statistics using TLFS

Monthly briefings beginning Oct- Jan 24

Processing timeline

Processing timeline

Challenge

- Latest processing timetable does not enable us to meet current publication schedule

What we're doing

- Analysing impact of clerical (manual) coding on results

Questions

- How important is it to maintain current publication times?

From: Freeman, David
Sent: 05 October 2023 16:50
To: Skuse, Leigh; Hughes, Matt; Heys, Richard
Cc: Green, Lucy
Subject: RE: TLFS Deep Dive Session

I think the list of topics looks about right. The first should be a "where we are" overview with a focus on the bits that are working well and where the challenges are. For the future sessions, we could take a lead from Sir Ian and do deep dives into the areas he's particularly concerned about.

David

David Freeman | Head of Labour Market and Households
Office for National Statistics | Swyddfa Ystadegau Gwladol
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www.ons.gov.uk | @ONS

From: Skuse, Leigh
Sent: 05 October 2023 15:01
To: Hughes, Matt ; Freeman, David ; Heys, Richard
Cc: Green, Lucy
Subject: RE: TLFS Deep Dive Session

Hi all

We have the first in a series of sessions with Ian on 17th Oct, this has been scheduled in but looks like not many of us are available.

This is the first opp we will have for Sir Ian ahead of the 23rd Oct interim decision making. Lucy had a suggestion for some content for the sessions (they run monthly). I think the quality overview and stakeholder update may be the main one to go with.

Welcome thoughts on how we go with this and if you aren't available whether you would prefer a reschedule or who you could nominate as a delegate to attend/present on your behalf.

Thanks

Leigh

Topic	Objective
Quality overview and stakeholder update	Brief summary of top issues and mitigation. Update on feedback from stakeholders – the good also highest areas of concern to gauge Sir Ian's le concern and ensure he is happy with the planned mitigations
Headline employment, discontinuity, modelling as a contingency	Deep dive – demonstrate what we have tried/rulec and what is in progress. Timing of discontinuity an appetite for the impact of that (work to do here to f understand it ourselves)
Decommissioning readiness – people focus	
Survey statistical quality	
Overall quality update and SIC/SOC deep dive	Perhaps a touch base ahead of January decision t update on any outstanding 'big' issues. And progre with the SIC/SOC deep dive from a strategic next perspective

-----Original Appointment-----
From: ███████████████████████ @ons.gov.uk> **On Behalf Of** Hughes, Matt
Sent: 04 October 2023 13:33
To: Skuse, Leigh
Subject: FW: TLFS Deep Dive Session
When: 17 October 2023 15:05-16:00 (UTC+00:00) Dublin, Edinburgh, Lisbon, London.
Where: Microsoft Teams Meeting

Hi Leigh,

Just a quick update on this meeting-Matt and Alex can't make it. Are you happy to keep this meeting as Sir Ian accepted attending?.

The next one is on November 15. Please let me know what you want to do. Many thanks, ███

-----Original Appointment-----
From: Owusu, Jacqueline **On Behalf Of** Hughes, Matt
Sent: 20 September 2023 16:29
To: Hughes, Matt; Freeman, David; Heys, Richard; Skuse, Leigh; National Statistician
Subject: TLFS Deep Dive Session
When: 17 October 2023 15:05-16:00 (UTC+00:00) Dublin, Edinburgh, Lisbon, London.
Where: Microsoft Teams Meeting

Please hold this date for a TLFS Deep Dive session. Further details on topic being covered will be shared shortly.
Many thanks ███ _____

Microsoft Teams meeting

From:	Skuse, Leigh
Sent:	11 October 2023 14:55
To:	Lambert, Alex; Zawadzki, Jason; Morgan, Darren
Cc:	Hughes, Matt; Heys, Richard; Freeman, David; Green, Lucy; McBride, Stewart; Thomas, Tina
Subject:	Feedback needed: Follow up from TLFS Director call today

Hi

Quick back brief from the Director call today as we had limited representation.

1. Highlighted that the **end to end publication process time is back at risk** following the work through the summer. A number of mitigations underway but may need to seriously consider moving out the LM publication schedule next year, no action for Directors but awareness of emerging issue. Will report back final conclusion and recommendation in November. Agreed December feels like the absolute final point where we need to take a decision either way.

2. **Model-based proof of concept**- MQD presented the outputs of the model based poc as previously agreed. This was intended as a contingency option should the TS6 employment changes not satisfy quality. Recognised that the poc has provided some really good results and even if appetite was there to instigate as a contingency should we need it, its not yet possible to fully confirm how feasible it would be to operationalise this quite quickly. Also recognised this should be considered as a future strategic move to further improve estimates to bolster limitations in survey and admin when used separately (wider conversation for a different day). <u>CONCLUSION</u>- no decision made and will need to come back for full sign off of next steps in respect of contingency.

3. **Sir Ian briefing Tue 17th**- need to agree content for the session, **looking for feedback from Directors** on how well briefed on TLFS SID has been recently as this will influence what we present next week. Suggestions assuming he would benefit a refresher/overview of state of play:
   a. Brief summary of successes, top issues and mitigation.
   b. Quick summary of decommission approach
   c. Update on feedback from stakeholders – what's the overarching narrative? the good, but also highest areas of concern to gauge Sir Ian's level of concern and ensure he is happy with the planned mitigations
   d. More technical item to get some more detailed input/focus was suggested as an approach to take:
      i. Model-based estimates- positioned as contingency but potential consideration for strategic direction in the future to gauge interest @Morgan, Darren what do you think?
      ii. Something else? Thoughts..

We will need to start putting the briefing together in the next couple of days so appreciate steer on this one please.

Here is the pack for info- 📄 Directors_Confidence_Checkpoint__11_10_23.pptx

Thanks

Leigh

From: Heys, Richard
Sent: 12 October 2023 22:39
To: McBride, Stewart; Green, Lucy; Hughes, Matt; Skuse, Leigh; Freeman, David; Abbott, Owen
Subject: RE: URGENT: SID session on Tuesday

All,

My only thought is we need to be careful to sound positive but not Panglossian. Data quality and stakeholder feedback are non-trivial issues to hit SID with and its important we don't sound like we under-playing these.

However, we need to be careful to not mix up the two issues:
- The TLFS is presenting some challenging data, but
- It is clear the LFS is becoming increasingly less valuable as a datasource, either for publication or as a comparator point for the TLFS.

As such, the issues are meaningful and we should demonstrate we are doing all we can to address them, but that can be independent of de-commissioning – there is little and falling merit in retaining the LFS and the key point isn't when the TLFS is perfect, it is when it is clearly superior to LFS. As someone who had just seen one of their statistics move by 30% because the sample size for the industry in the LFS survey has collapsed to only five individuals, once I am in the position of probably having to suppress the industry, I think we are probably already there from my perspective.

Yours

R

Richard Heys| Deputy Chief Economist – Productivity, Investment, and Research Division,
Macroeconomics and Environmental Statistics and Analysis Directorate
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████████████████████████████@ons.gov.uk | www.ons.gov.uk| [@ONS](http://)
We work flexibly at ONS. I sent this email at a time that suited me, I don't expect you to read it or reply outside of your working hours.

From: McBride, Stewart <████████████@ons.gov.uk>
Sent: 12 October 2023 18:50
To: Green, Lucy <████████@ons.gov.uk>; Hughes, Matt <████████████@ons.gov.uk>; Skuse, Leigh ████████@ons.gov.uk>; Freeman, David ████████@ons.gov.uk>; Heys, Richard ████████@ons.gov.uk>; Abbott, Owen ████████@ons.gov.uk>
Subject: RE: URGENT: SID session on Tuesday

Sounds good mate.

███████████████████████

From: Green, Lucy <████████@ons.gov.uk>
Sent: 12 October 2023 18:22
To: Hughes, Matt <████████████@ons.gov.uk>; Skuse, Leigh ████████@ons.gov.uk>; Freeman, David ████████@ons.gov.uk>; Heys, Richard <████████@ons.gov.uk>; McBride, Stewart ████████@ons.gov.uk>; Abbott, Owen ████████@ons.gov.uk>
Subject: RE: URGENT: SID session on Tuesday

Hi all,

Ok – so I now have confirmation that Darren and Alex will both be there. Have had a quick chat with Darren, and based on some challenging events with LFS over the course of this week, we need to slight tweak the agenda so as not to cause confusion or be giving mixed messages.

Updated agenda to be:

- Good news update – stats quality stuff – why is TLFS an improvement on the LFS – as before – sample size, response rate etc.
- Decommissioning criteria – what are we monitoring in preparation for the go/no-go recommendation
- Which of those criteria are we most concerned about and what are we doing about it?
    o Stakeholder feedback
    o Data quality
- Which are we more confident about?
    o Statistical quality
    o Planned work outstanding
    o Operational readiness (I realise the latter two aren't green, but by comparison I think we're less concerned about those than the others!)
- Path to decomm – timeline, key dates/forums – call out the 1 month of data for decision making
- Deep dive into headline employment issue
    o What did we see?
    o Analysis we did to identify the route of the problem
    o Solution that's in train
    o Need to caveat this early on with the fact that the graphs show the TLFS on old population weights which have since been updated, and also that what we've used to support the LFS this month is the rate change, rather than the level itself
- Then back to summing up other key challenges and what he'd like to dive into in future sessions

So not a massive difference, but more on the preparation for the ExCo decision, warming up to some of the risks without putting a big swathe of red/amber on a slide.

Thanks,
Lucy

From: Hughes, Matt ⬛⬛⬛⬛⬛ @ons.gov.uk>
Sent: 12 October 2023 15:21
To: Green, Lucy <⬛⬛⬛⬛ @ons.gov.uk>; Skuse, Leigh ⬛⬛⬛⬛ @ons.gov.uk>; Freeman, David <⬛⬛⬛⬛ @ons.gov.uk>; Heys, Richard ⬛⬛⬛⬛ @ons.gov.uk>; McBride, Stewart <⬛⬛⬛⬛ @ons.gov.uk>; Abbott, Owen ⬛⬛⬛⬛ @ons.gov.uk>
Subject: RE: URGENT: SID session on Tuesday

Thank you, Lucy, for coordinating the pack and the suggested content. I'll work with teams to being pooling some content for stats quality.

On the attendee front, Alex will re-instate back into calendar. He is attending.

Owen, will forward the invite onto yourself and Sarah.

Best wishes,
Matt

Hi all,

I've put a skeleton pack together for the SID session on Tuesday following a catch up with Matt and Stew earlier. Feedback is that we would do well to put some data in front of him and the agenda proposes what is the most likely candidate for this point in time.

Agenda is proposed as;
- Overview of the stats quality – comparison of LFS/TLFS survey metrics (response, attrition etc.)
- Path to the decommissioning of LFS – steps between now and Jan 14th
- Headline estimates – data showing the issue, analysis, survey solution. Then deep dive into the model based estimates POC and test his appetite
- Summary of other things we are wrangling with (SIC/SOC, Disability etc.) and get his views on what he'd like to see in the subsequent 3 sessions

Happy for other thoughts on this, but that's what I've built the skeleton on.

I checked the invite list for the session and Jason and Darren are showing as not available at that time (travelling), Grant isn't on the invite list and neither is anyone from MQD currently, and I believe Alex has also said he's not available…

I will steal time on Monday for us to get together on this, but the session is on Tuesday and if we don't have the right people available to deliver the pack then it's presumably better to say now than the day before.

Sir_Ian_briefing_17Oct.pptx (sharepoint.com)

Let me know your thoughts!
Thanks,
Lucy

Lucy Green | Senior Project Manager | Economic Statistics Transformation Support (ESTS)
Office for National Statistics | Swyddfa Ystadegau Gwladol
██████████████████████████ @ons.gov.uk | www.ons.gov.uk | @ONS

Labour Market October 2023

Office for National Statistics

Reasons and aims of the meeting

- LFS National Statistics designation – verbal update

- Why we're intervening

- Options for intervention

- Impacts

- Comms

Why we're intervening

Unusually large movement in headline series in latest month
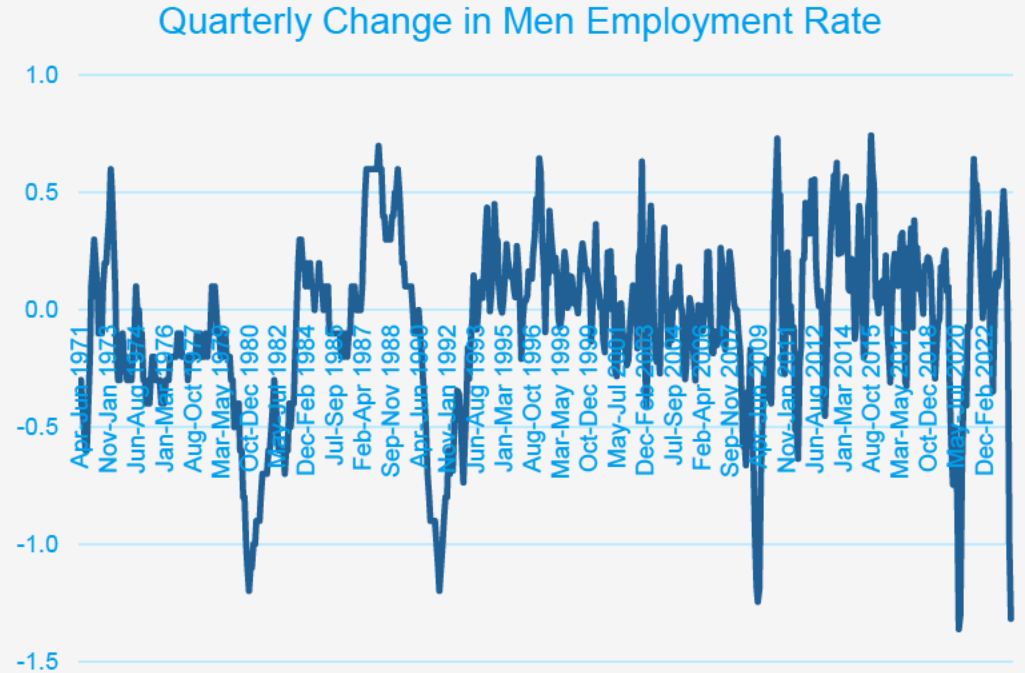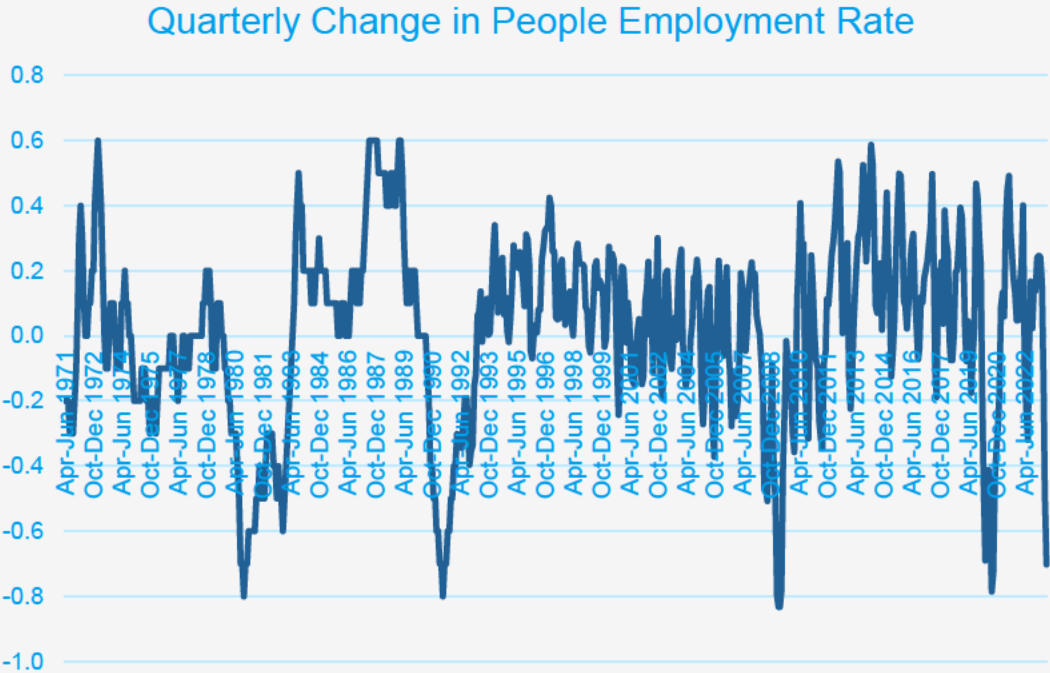
Quarterly Change in People Employment Rate

Quarterly Change in Men Employment Rate

Changes in employment rate are as large as past recessions, and the change in the men's employment is largest except for the early pandemic falls.

Headlines by age group increasingly challenging to justify: 16-24 age group behaving distinctly odd & driving movements in overall headlines

Employment

Inactivity
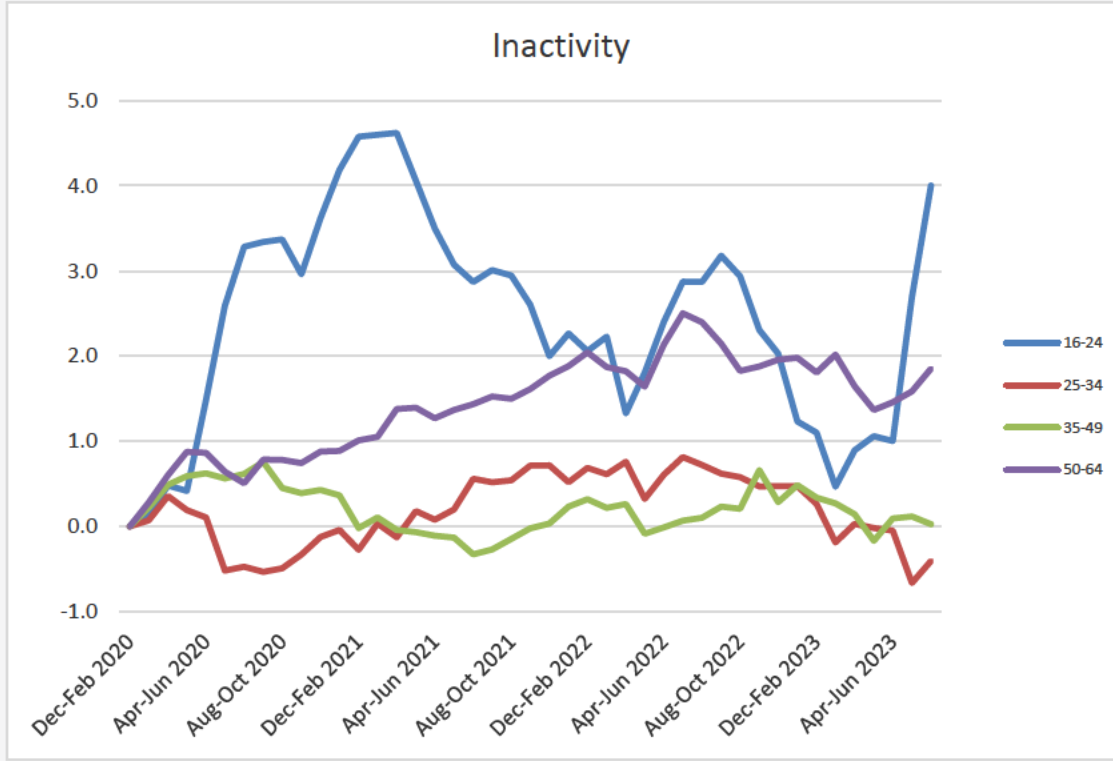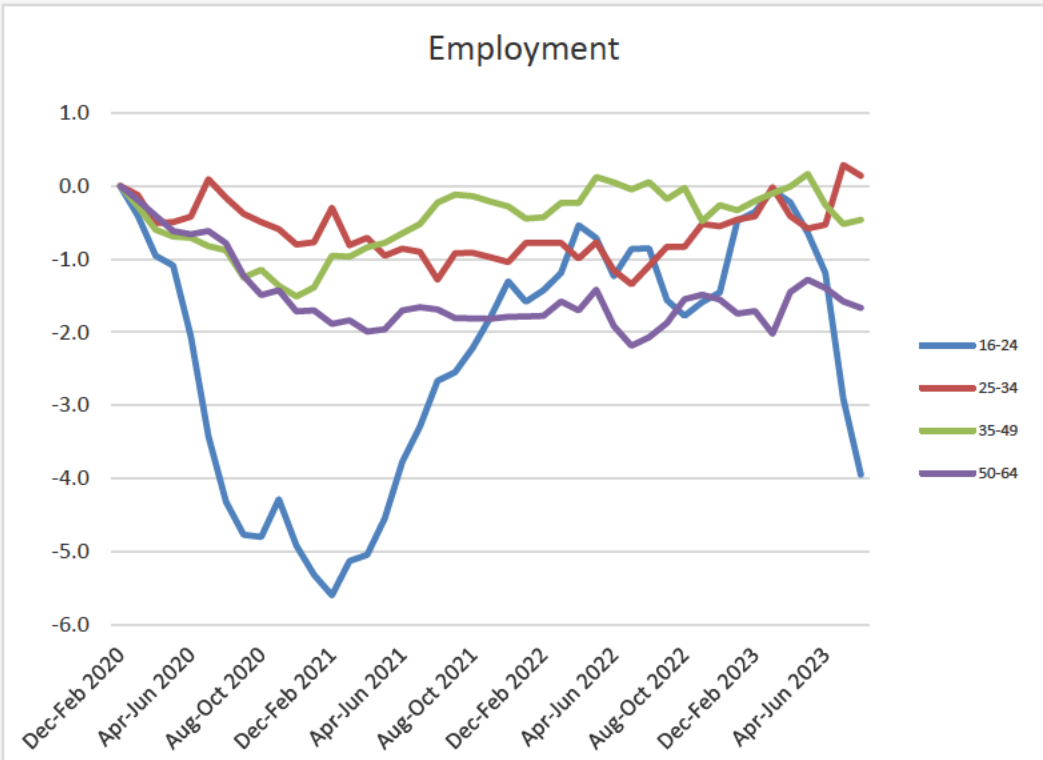
RTI flat in recent months
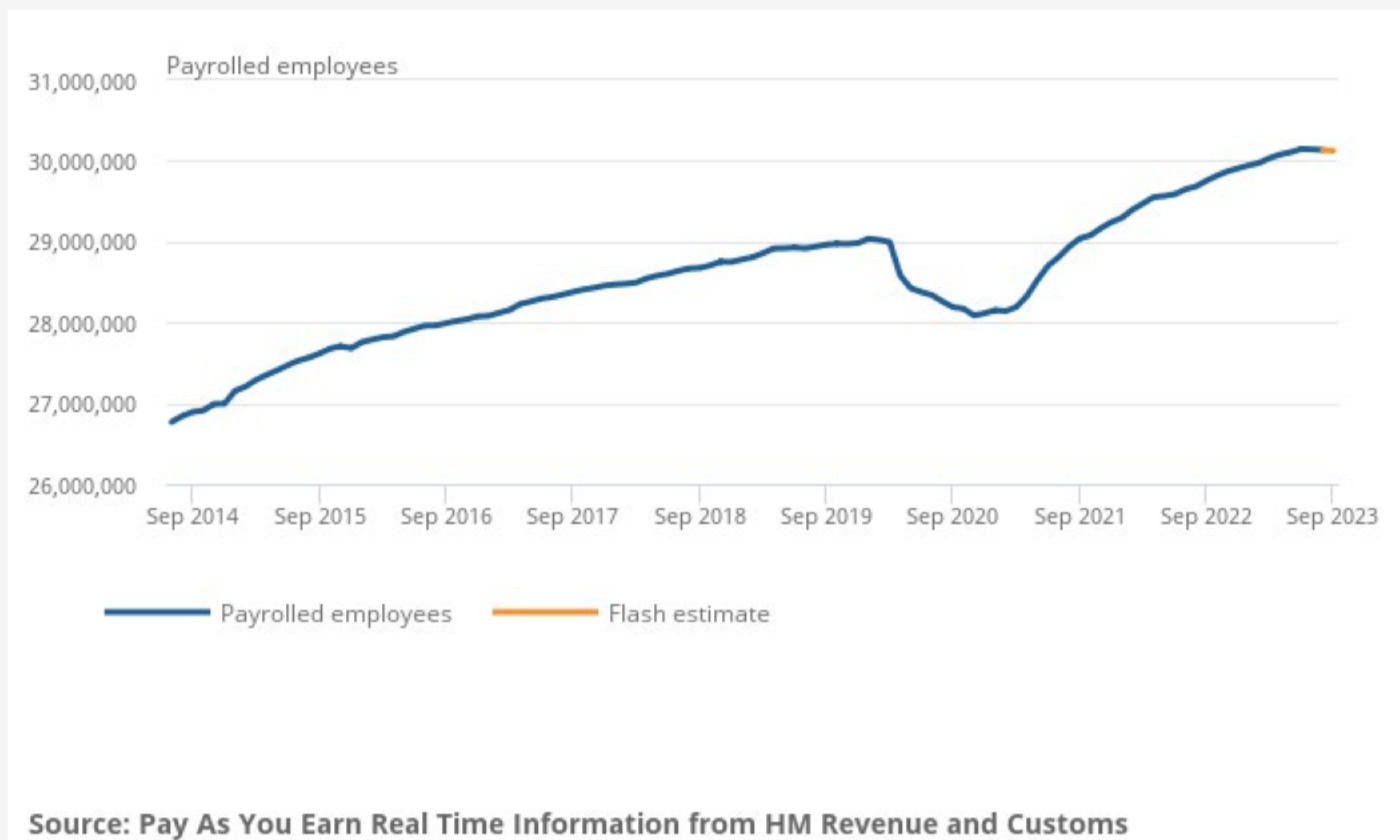
Source: Pay As You Earn Real Time Information from HM Revenue and Customs

TLFS

Change in rates, Mar-May 2023 to Jun-Aug 2023, NSA

Employment (16-64)   Unemployment (16+)   Inactivity (16-64)

■ LFS ■ TLFS

Change in rates, Mar-May 2023 to Jun-Aug 2023, NSA

Employment (16-17)   Unemployment (16-17)   Inactivity (16-17)   Employment (18-24)   Unemployment (18-24)   Inactivity (18-24)

■ LFS ■ TLFS

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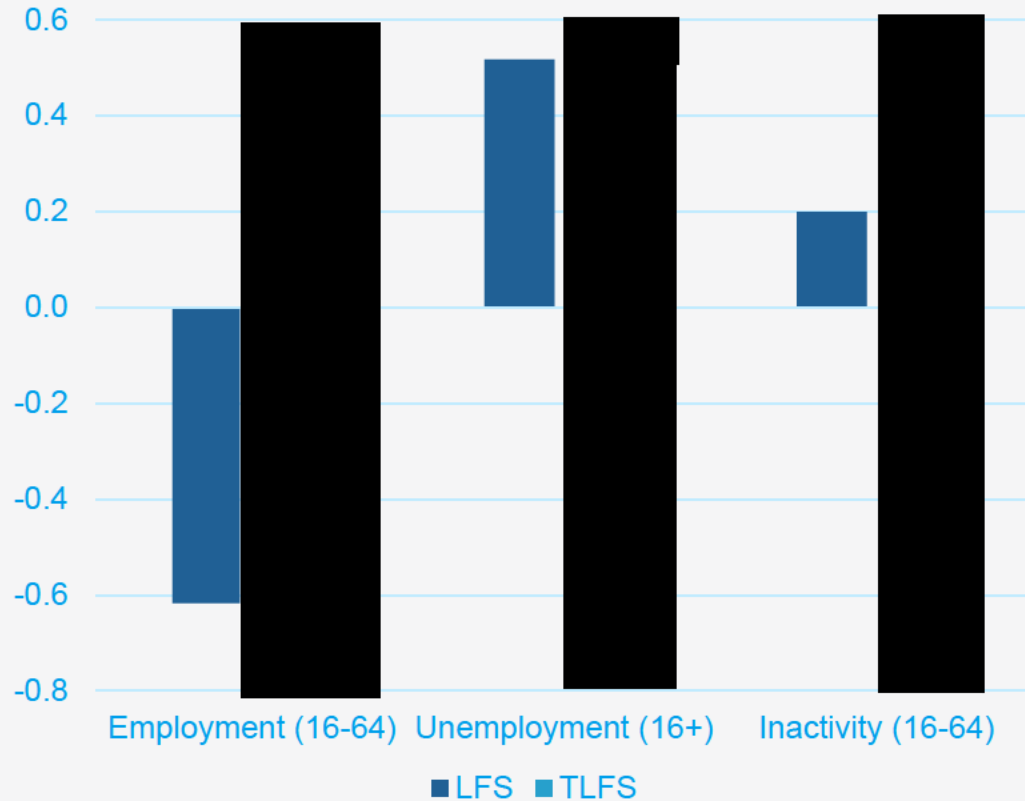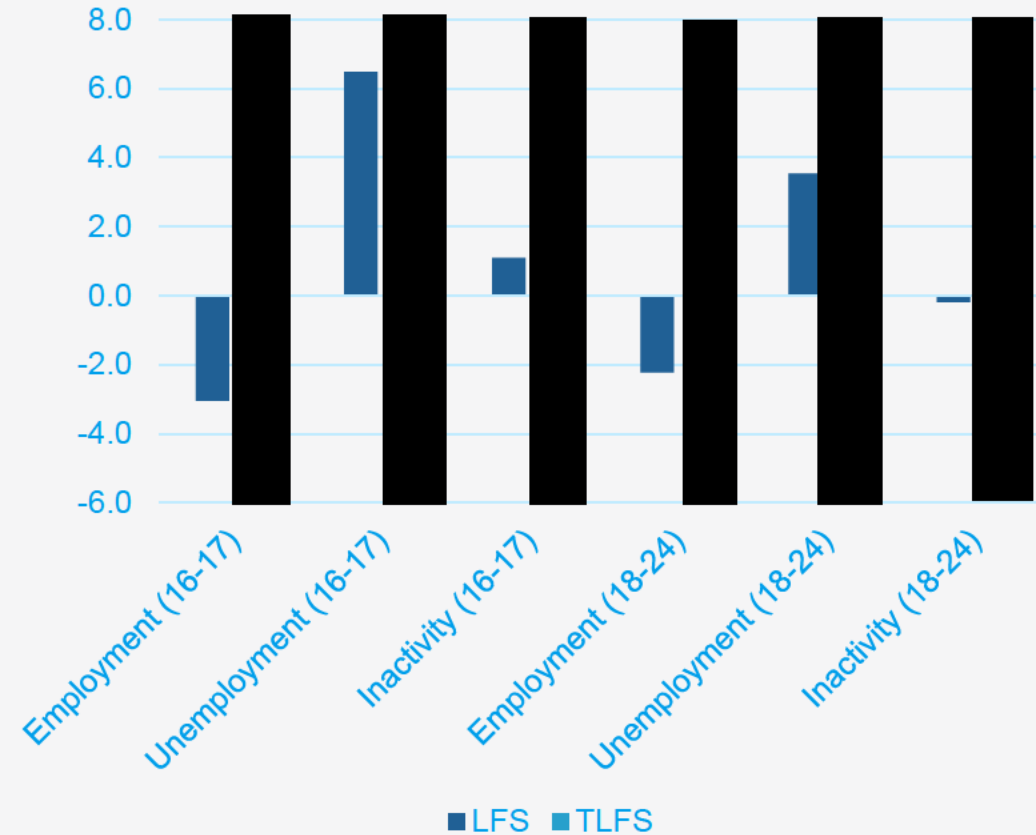
Options

Current position and options

- Current position
  - In September, increased warnings and caveats on LFS data
  - Planned to introduce shading for small cells in October
- Options for October
  1. Maintain September position with strengthened warnings
  2. Produce indicative estimates combining LFS and admin data

Indicative estimates method

- From a fixed point:
  - Apply RTI change to LFS employment
  - Apply Claimant Count change to unemployment
  - Inactivity level adjusted to sum to population totals
- For this presentation:
  - Applied adjustments to all age bands individually
  - Used April-June 2023 as starting point
    - Indicative measures for two data points

Quarterly changes

Change in rates, Mar-May 2023 to Jun-Aug 2023, SA
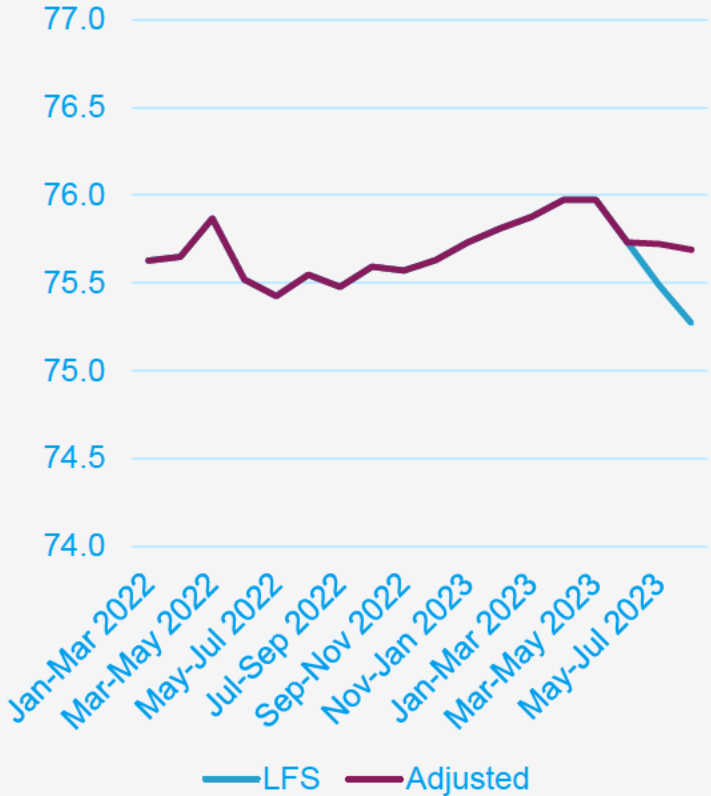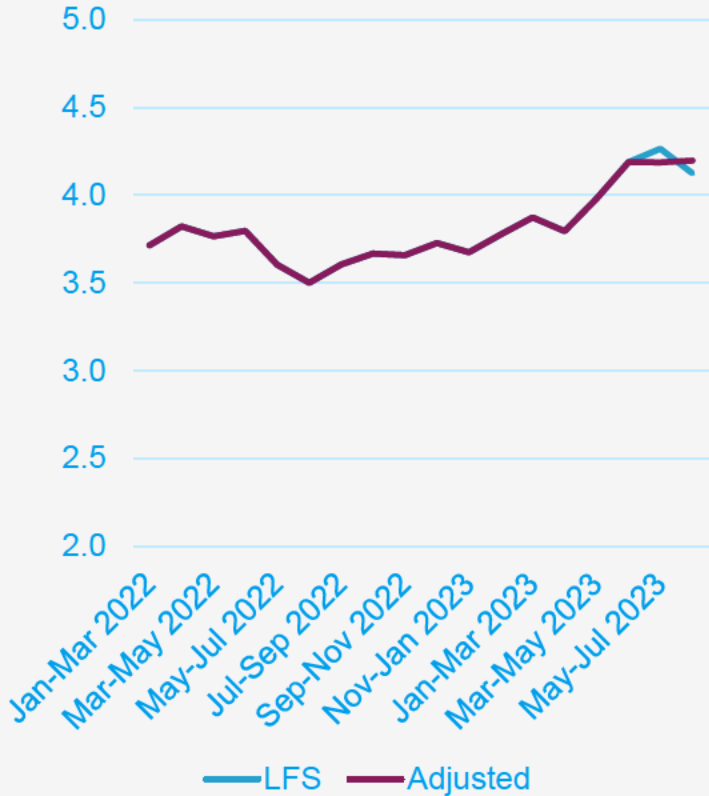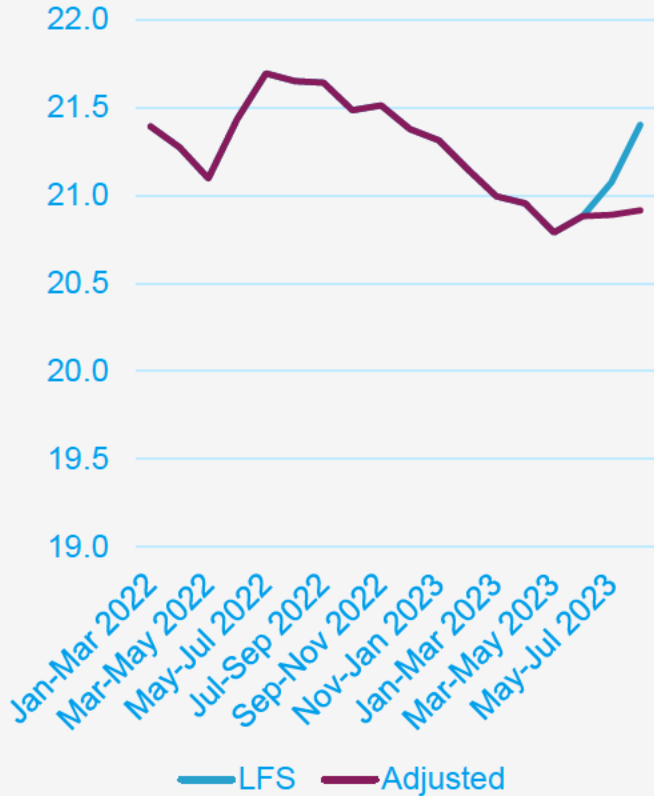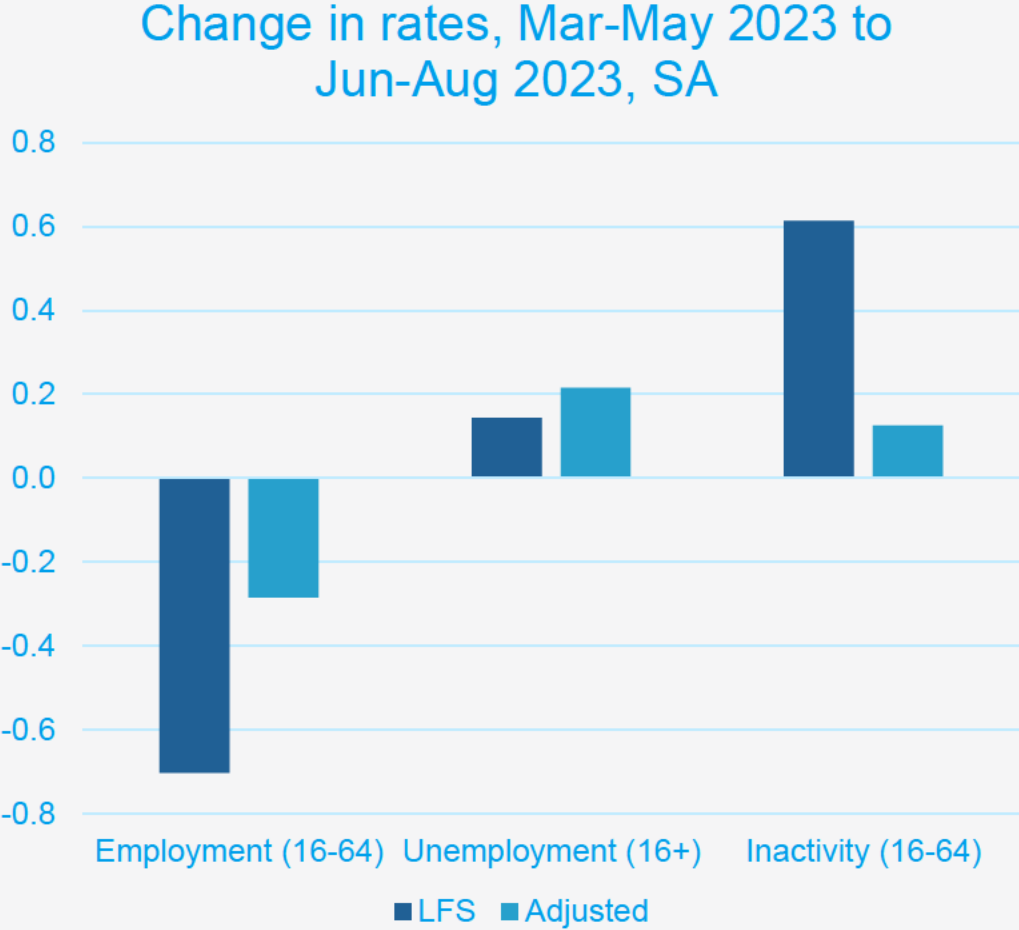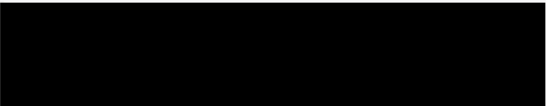
Questions/discussion

- Adjusted series
  - Adjust all age bands or just 16-24?
  - Is Apr-Jun 2023 the right starting point?
  - Is it right to use RTI and Claimant Count?

Update since Thursday

- Peer review
  - Bank – will use our approach as basis for their forecasts
  - OBR – didn't challenge approach, interested in positioning
  - ███████████████
    - Approach sensible in short term
    - Advised to publish TLFS data used as "guardrail"
    - Check relationships between variables used – DONE
    - Willing to help build on current approach for future releases

Comms

Comms playbook: Narrative

"ONS is transitioning to better methods of data collection fit for the digital age. The changes in progress mean some temporary adjustments as traditional surveys are updated or replaced. We are adapting our approach to maintain the accuracy of key statistics during this transitional phase."

Comms playbook

- Operational guidance in advance to media (Fri/Mon)

- Updated transition-themed blog and news story (Tues)

- Targeted media and stakeholder activity (Tues)

  - 0700 news agency briefing

  - 0900 media invitation briefing

  - 0900 call to key advocates

  - Breakfast interview round and supporting social media

- Backpocket activity around transformation of statistics

Annex

LFS v CC

During the pandemic LFS and CC diverged…but now back on similar trends…..do we start including in bulletin again?

LFS v Claimant Count

LFS comparable unemployment —— Claimant Count

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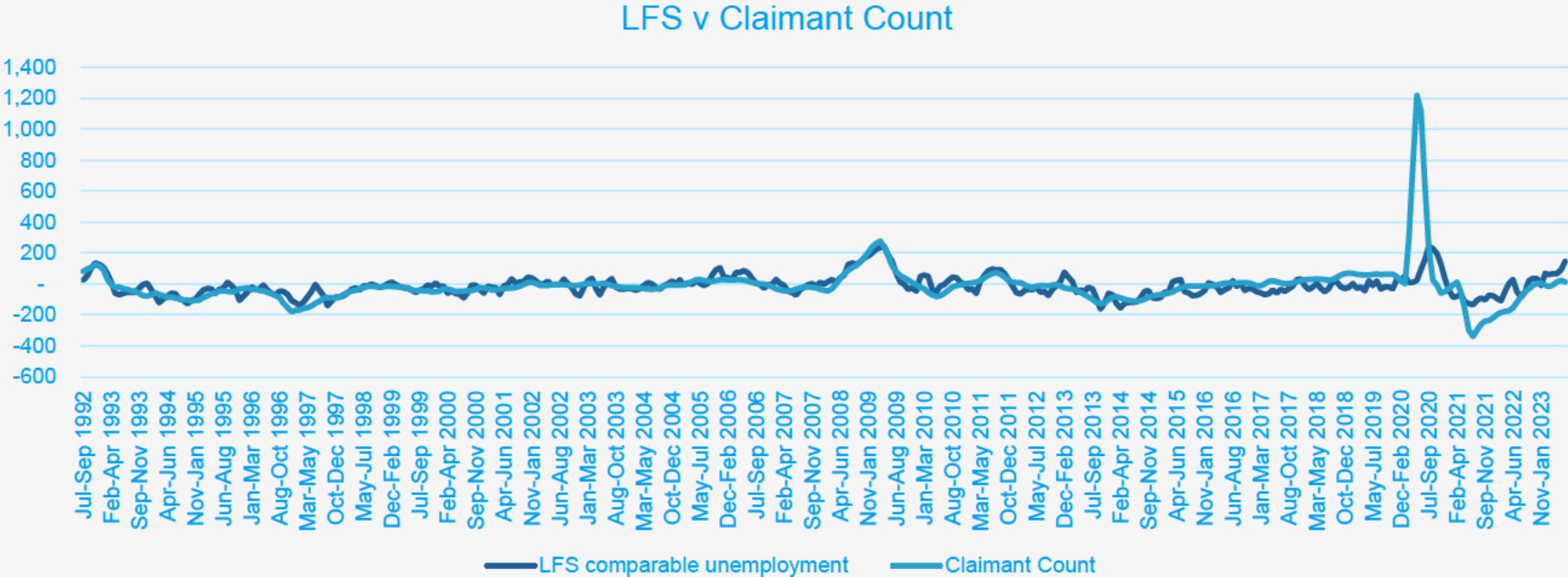
Unusually large movements in headline series in recent months

Employment Rate (%) — line chart showing People, Men, and Women from Jun-Aug 2013 to Jun-Aug 2023.

Economic Inactivity Rate (%) — line chart showing People, Men, and Women from Jun-Aug 2013 to Jun-Aug 2023.
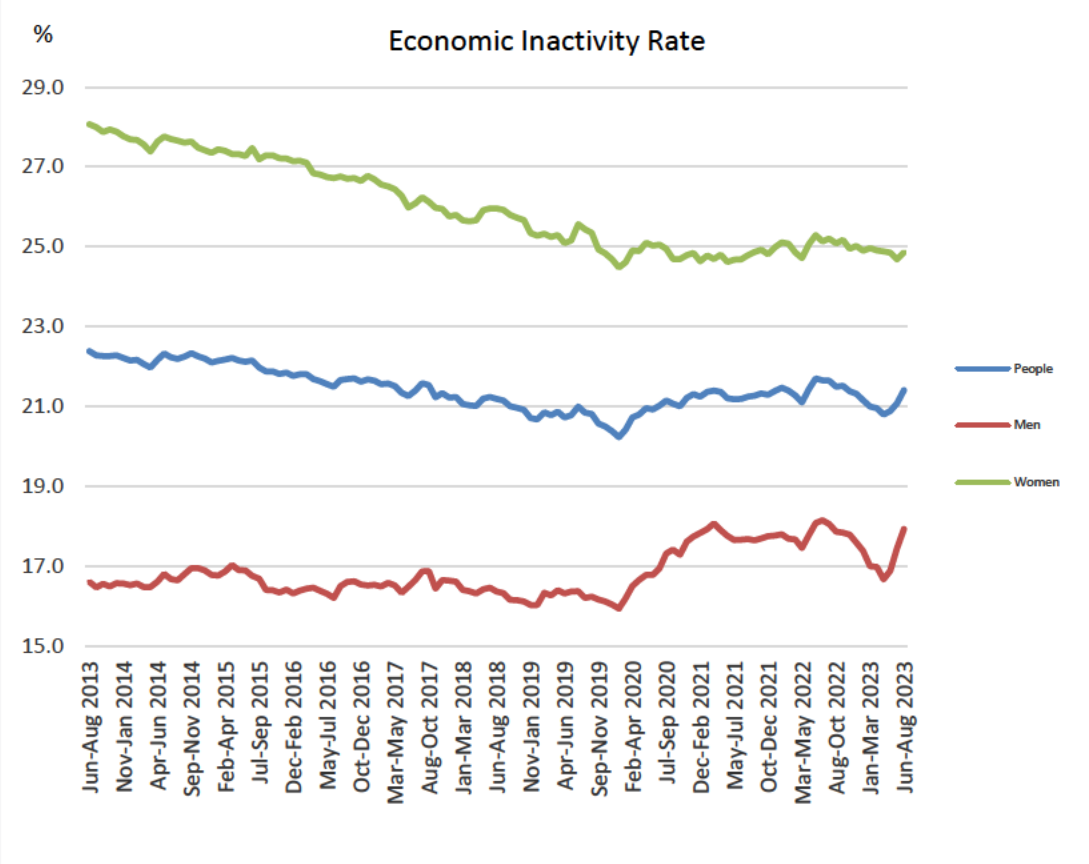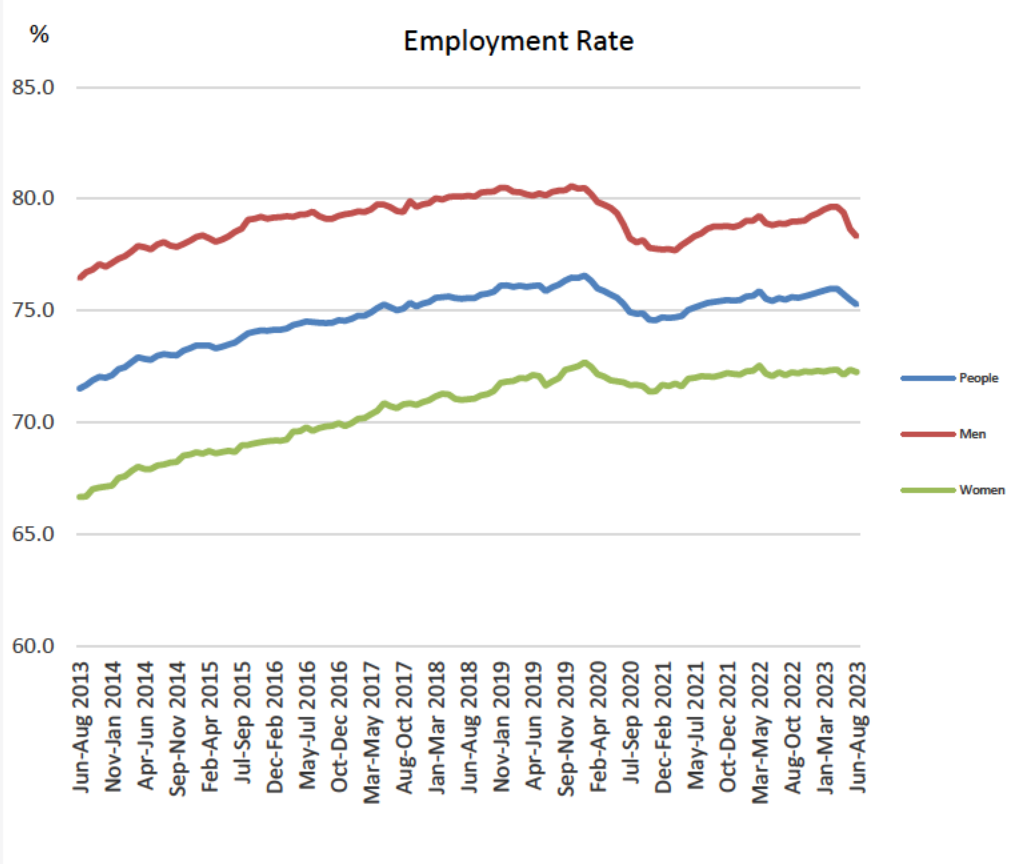
Uncertainty over seasonal adjustment of certain series in recent years, demonstrated by inactive students
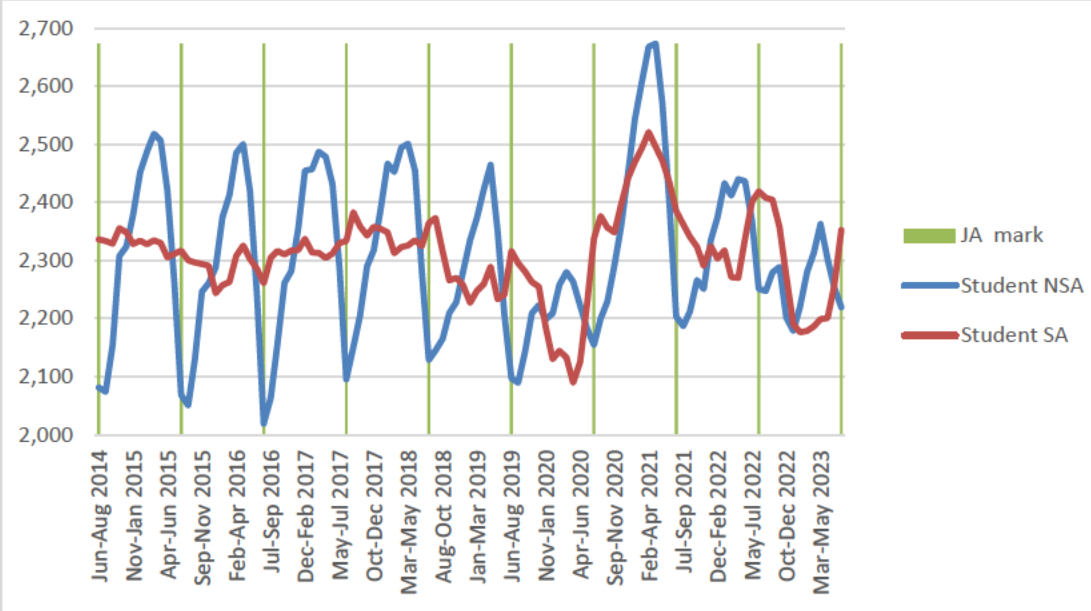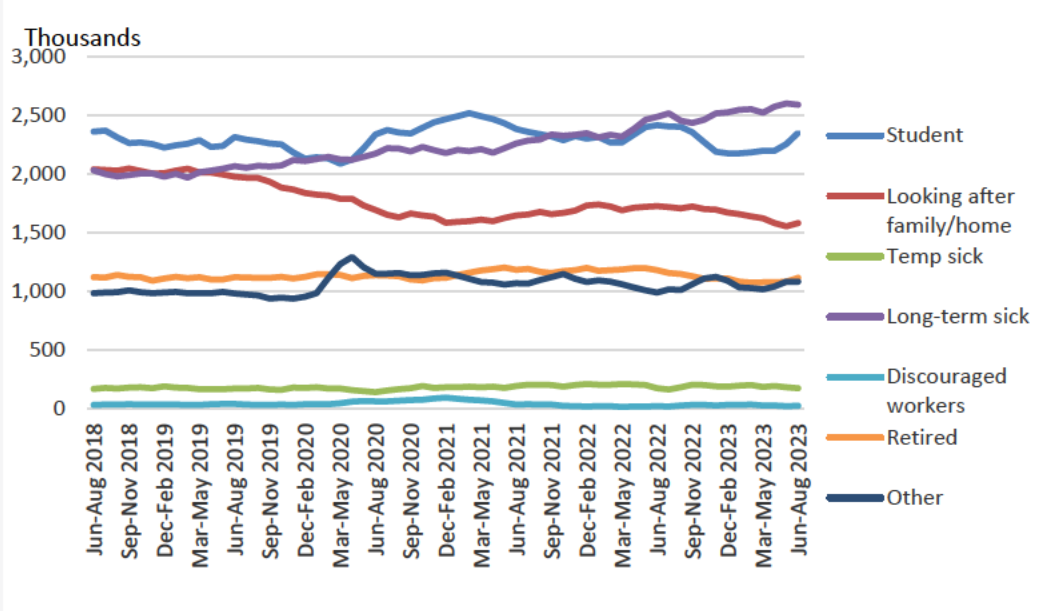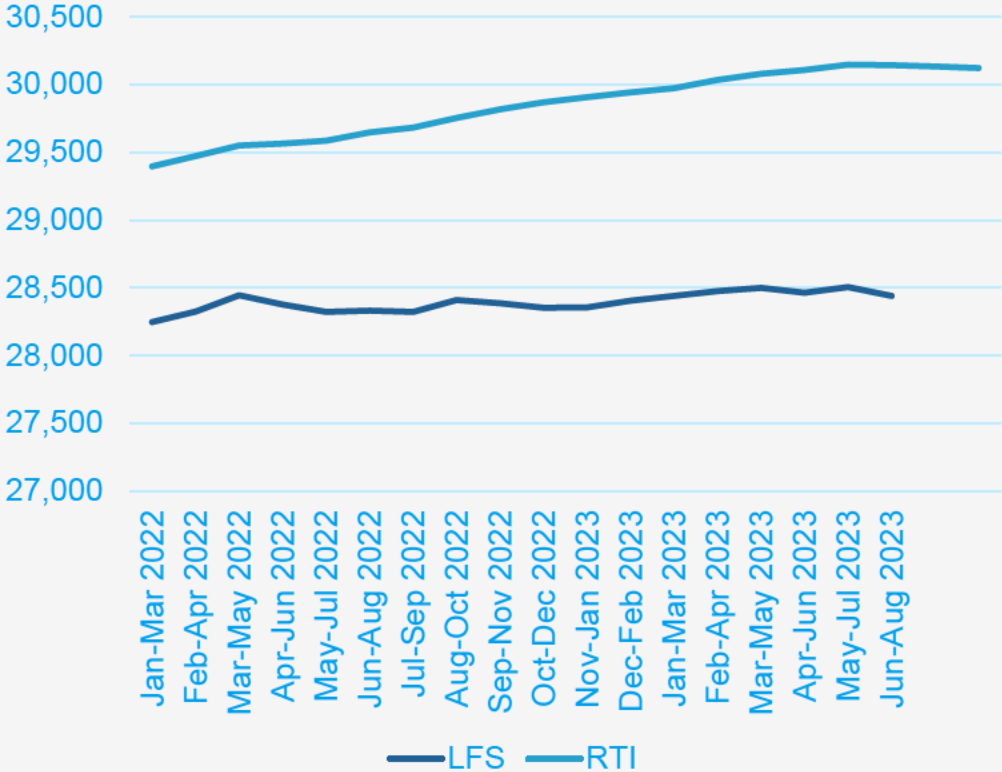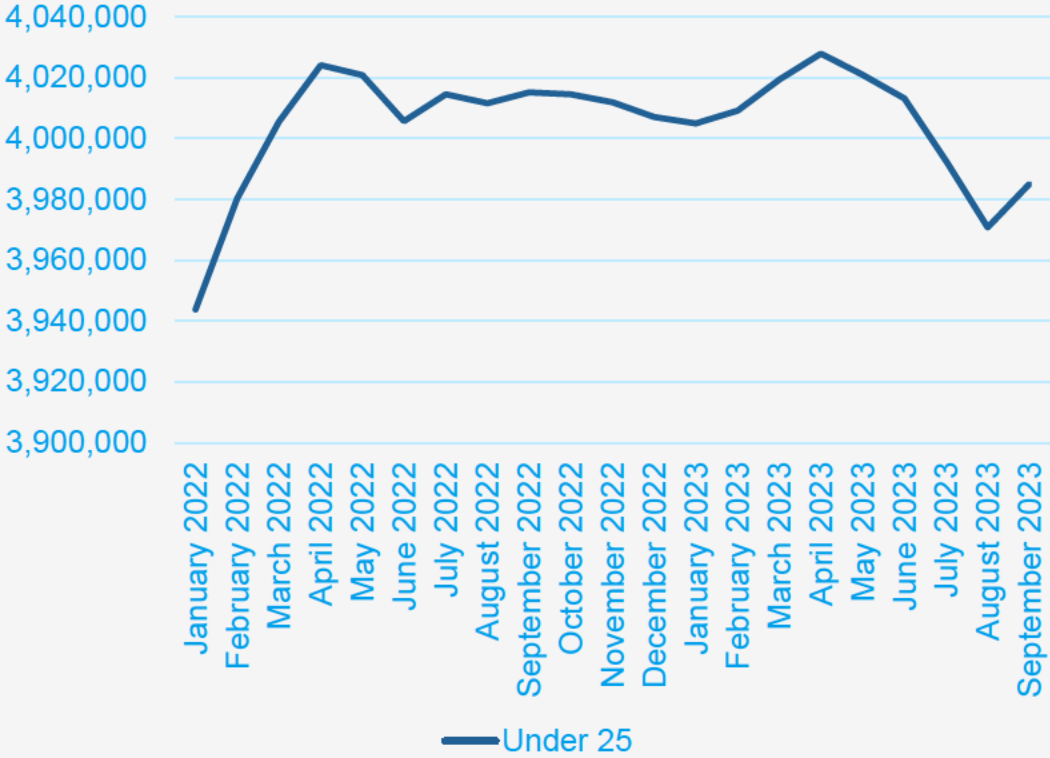
LFS achieved sample size falling rapidly

LFS Achieved Sample Size
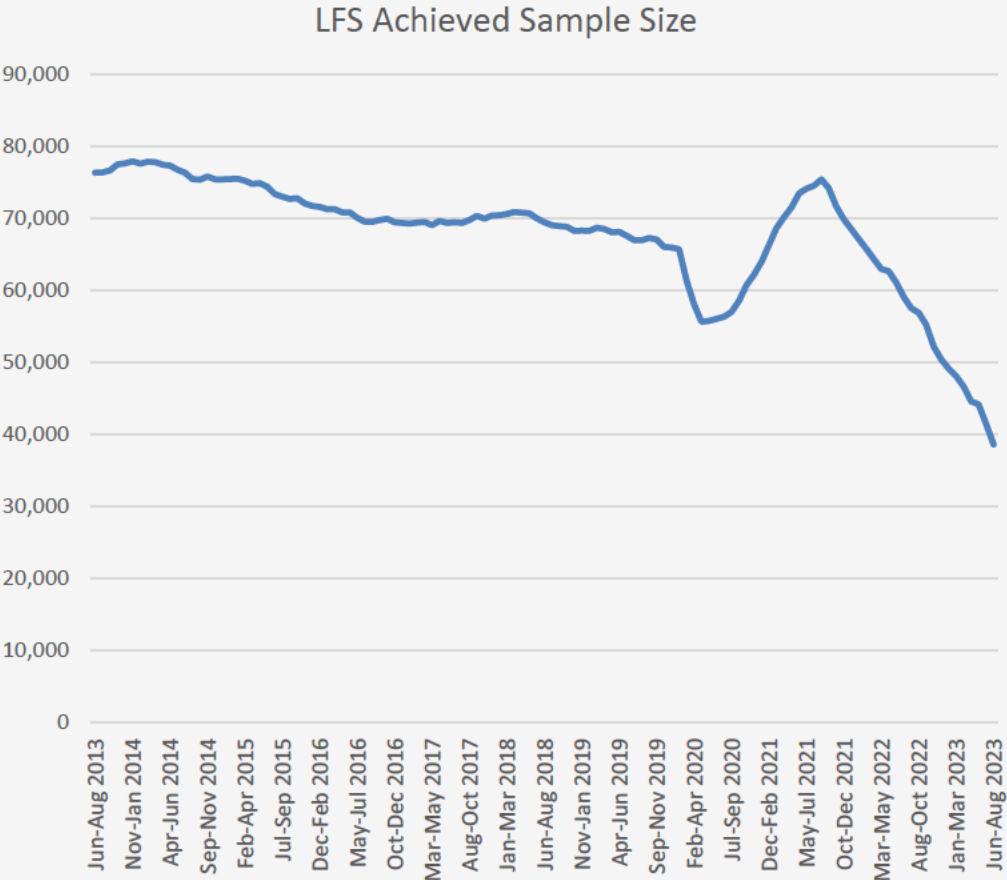
Sample sizes JA23 (JA13 in brackets):

- Employment (16+) 21.8k (45.8k)

- Unemployment (16+) 709 (3.6k)

- Inactivity (16-64) 6.0k (13.9k)

Sample sizes at wave level are decreasing, recently (July 2023) reaching lowest levels outside of the pandemic (only March and April 2020 were lower)
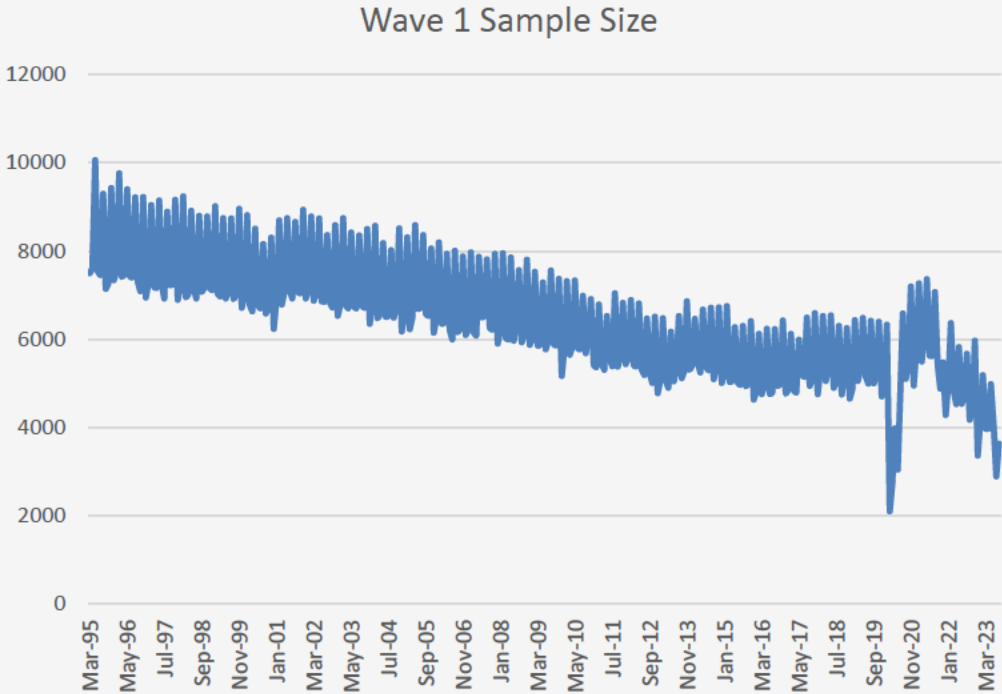
Wave 1 Sample Size

Wave 1 Sample Sizes, August 2023 (August 2013 in brackets):

- Employment (16+) 1,961 (3,477)
- Unemployment (16+) 56 (331)
- Inactivity (16-64) 534 (1,120)

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Single month/wave estimates continue to receive attention, despite adding higher profile warnings about uncertainty to tables


In this chart, the underlying sample size for unemployment by wave in the latest period shown (July 2023) was:

W1: 50
W2: 72
W3: 26
W4: 26
W5: 40

Also differences between RTI and LFS for male and female

LFS employees by sex
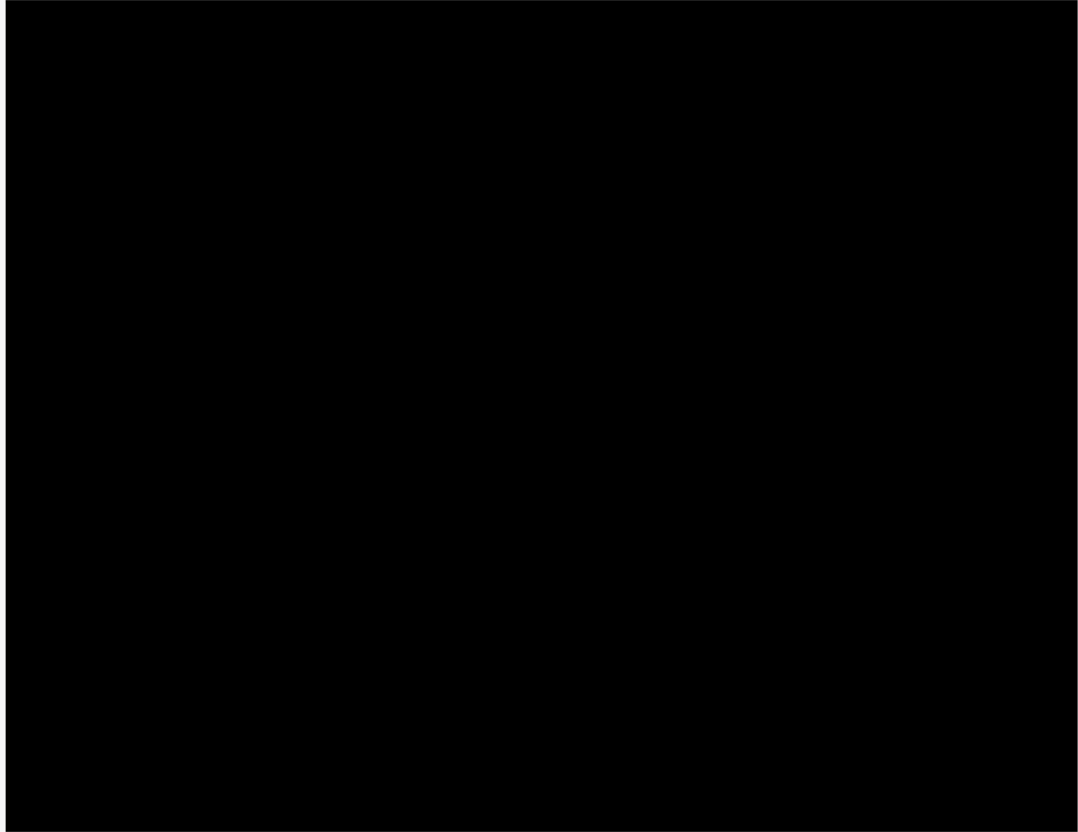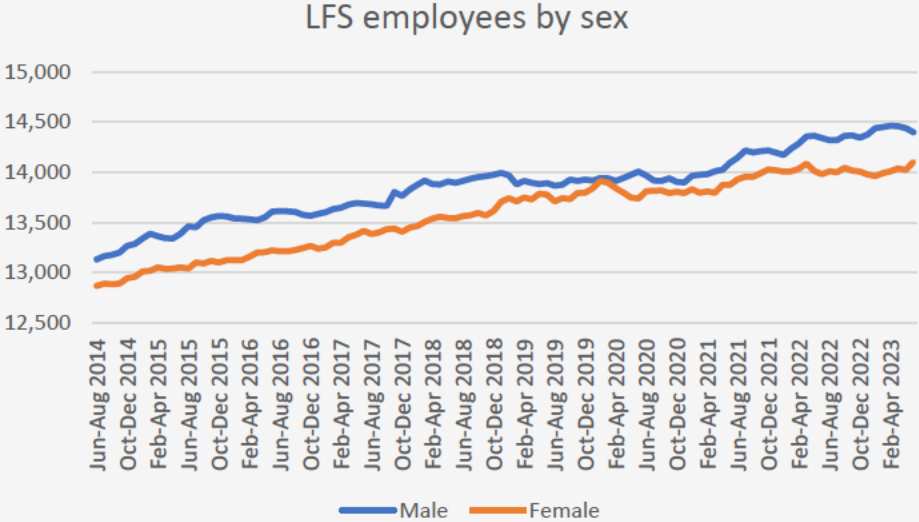
LFS achieved sample size falling - July and August are two of the three lowest wave 1 responses outside the pandemic

LFS Achieved Sample Size

Wave 1 Sample Size
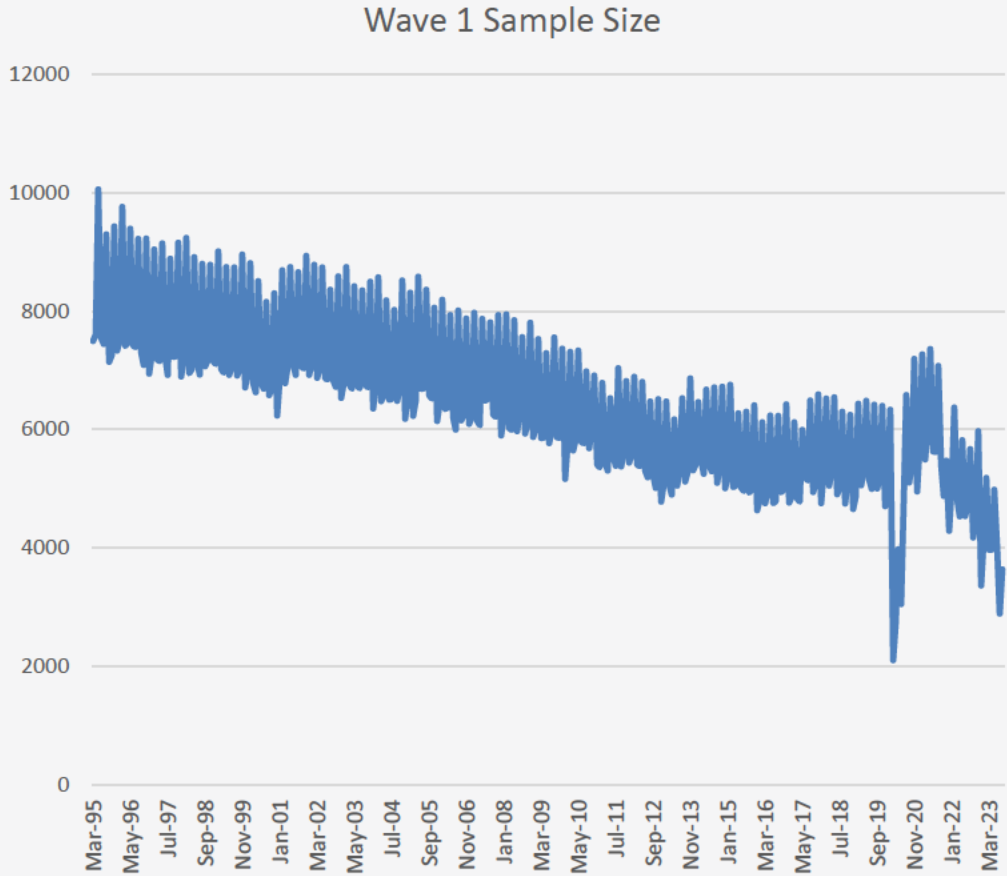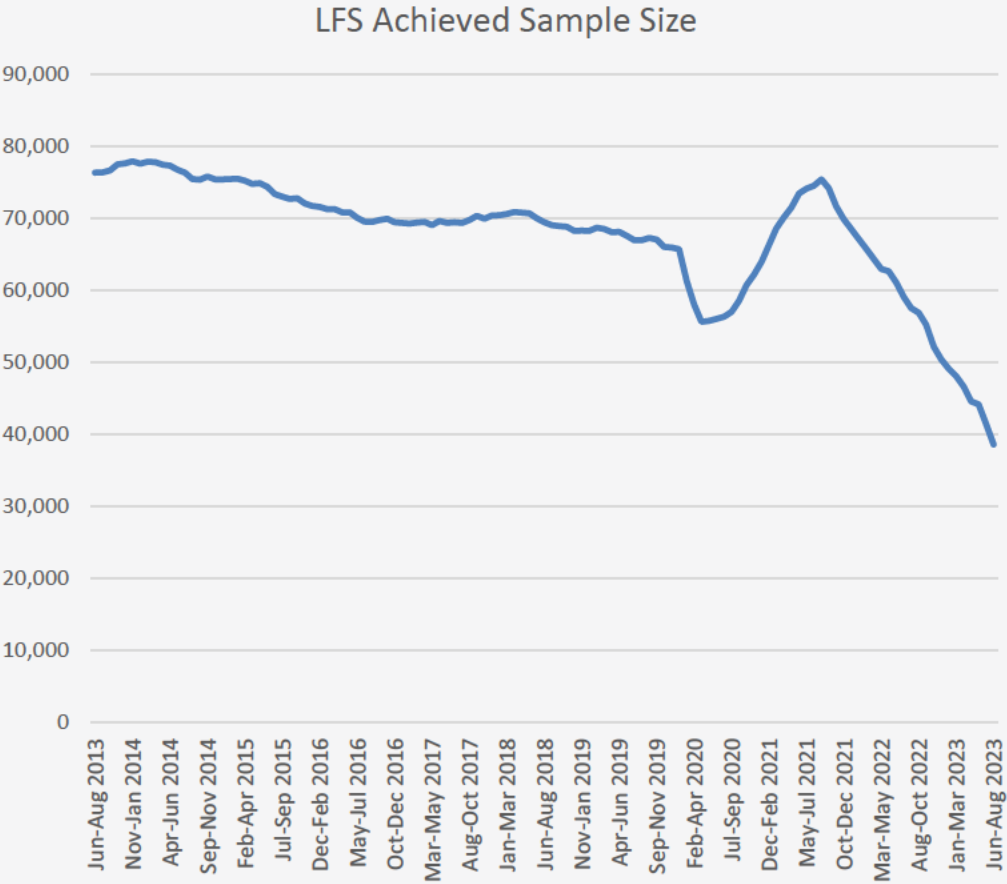
LFS quality indicators

Published in PQM – next due to be published in Nov

Table 4: Wave specific response rates, Great Britain, excluding imputed households, April to June 2023

	Wave 1 in AJ23		Wave 2 in AJ23		Wave 3 in AJ23		Wave 4 in AJ23		Wave 5 in AJ23		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Eligible households found at selected units	24,317	100	23,806	100	23,873	100	23,825	100	23,732	100	119,553	100
Responding units												
Total	6,794	27.9	2,981	12.5	2,497	10.5	2,593	10.9	2,605	11.0	17,470	14.6
Full	6,407	26.3	2,704	11.4	2,289	9.6	2,407	10.1	2,360	9.9	16,167	13.5
Partial	387	1.6	277	1.2	208	0.9	186	0.8	245	1.0	1,303	1.1
Non-responding units												
Circumstantial refusal	1,496	6.2	966	4.1	628	2.6	545	2.3	412	1.7	4,047	3.4
Outright refusal	5,946	24.5	6,521	27.4	6,814	28.5	6,600	27.7	7,220	30.4	33,101	27.7
Refusal to HQ	2022	8.3	10,801	45.4	12,009	50.3	12,587	52.8	12,008	50.6	49,427	41.3
Non-contact	8,059	33.1	1,905	8.0	1,193	5.0	805	3.4	718	3.0	12,680	10.6
Addresses not issued for interviewing												
Refusal to re-interview	n/a	n/a	632	2.7	732	3.1	695	2.9	769	3.2	2,828	2.4
Co-operation rate		41.8		14.0		11.4		11.6		11.7		16.8
Contact rate		58.5		45.2		42.9		42.1		44.6		46.8

Source: Labour Force Survey from the Office for National Statistics

[REDACTED] and others have been referencing the 14.6% response rate

Figure 1: Achieved number of household interviews

Great Britain and UK, April to June 2013, to April to June 2023

Legend: GB Includes imputed — GB Excludes Imputed — UK Includes imputed — UK Excludes Imputed
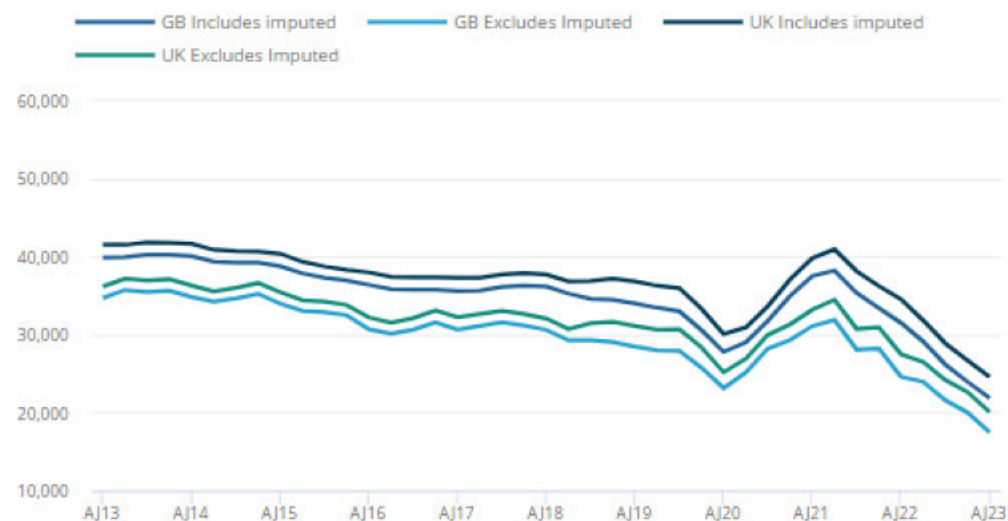
We know that the achieved sample size in Jul and Aug have fallen as wave 1 sample size has reverted back to pre-pandemic levels. Next month this chart will show the large fall
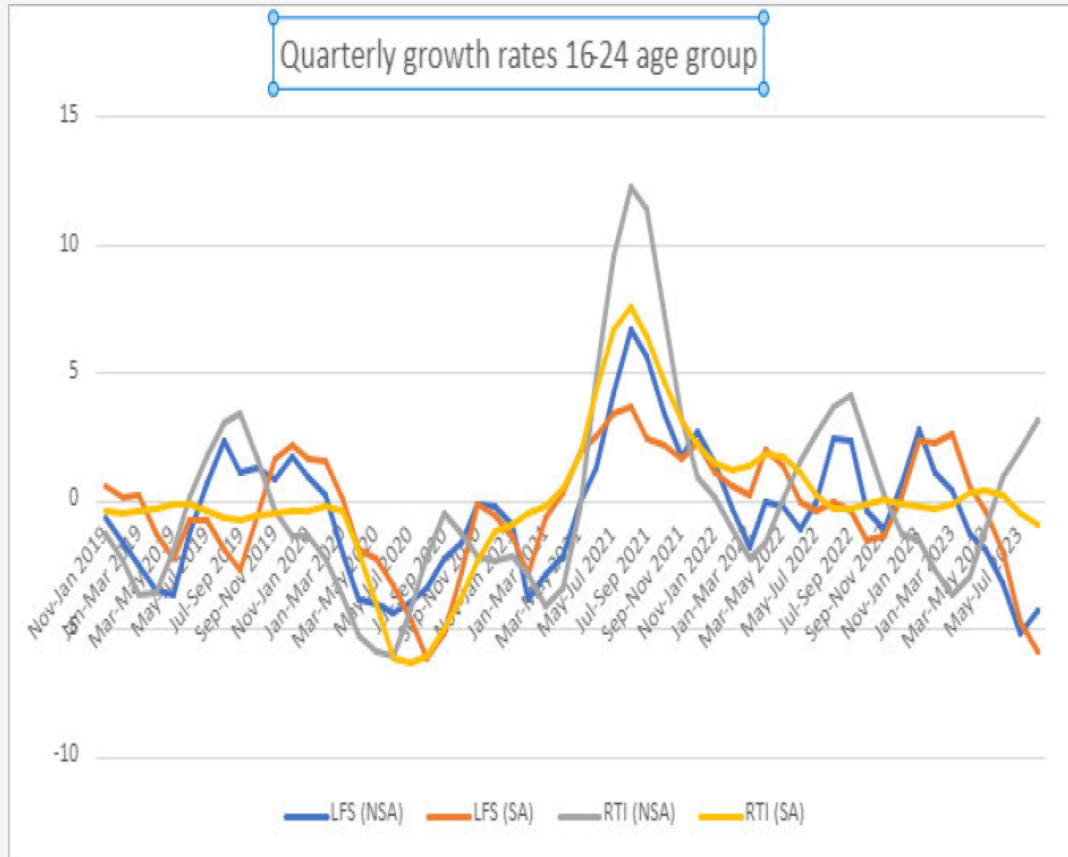
Office for National Statistics

Sampling variability is increasing

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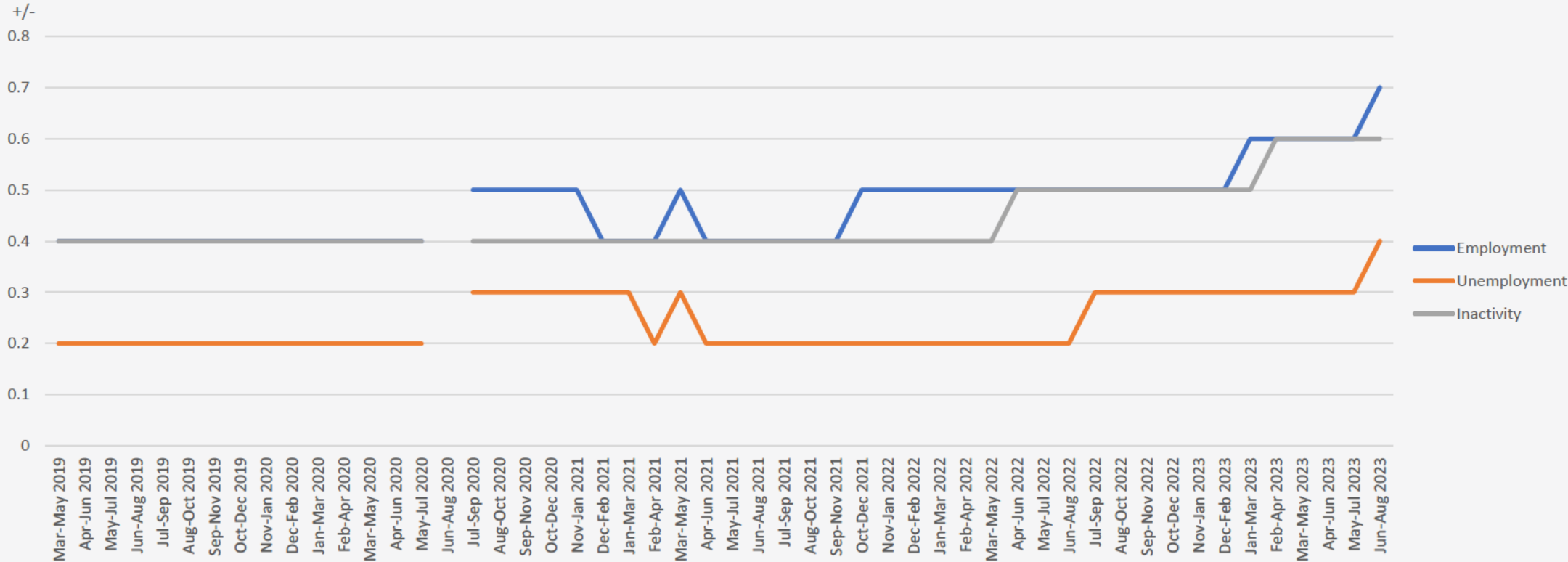
LFS v RTI

LFS v RTI for 16 – 24 age group

Quarterly growth rates 16-24 age group

Legend: LFS (NSA), LFS (SA), RTI (NSA), RTI (SA)

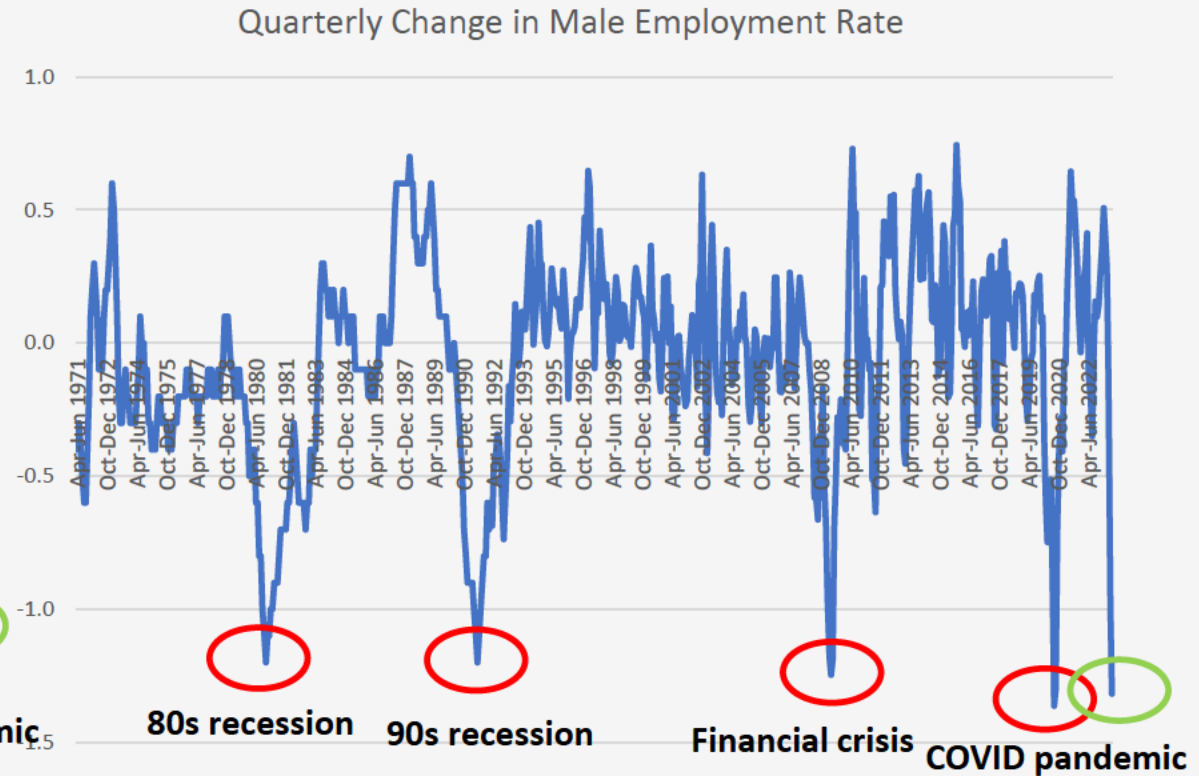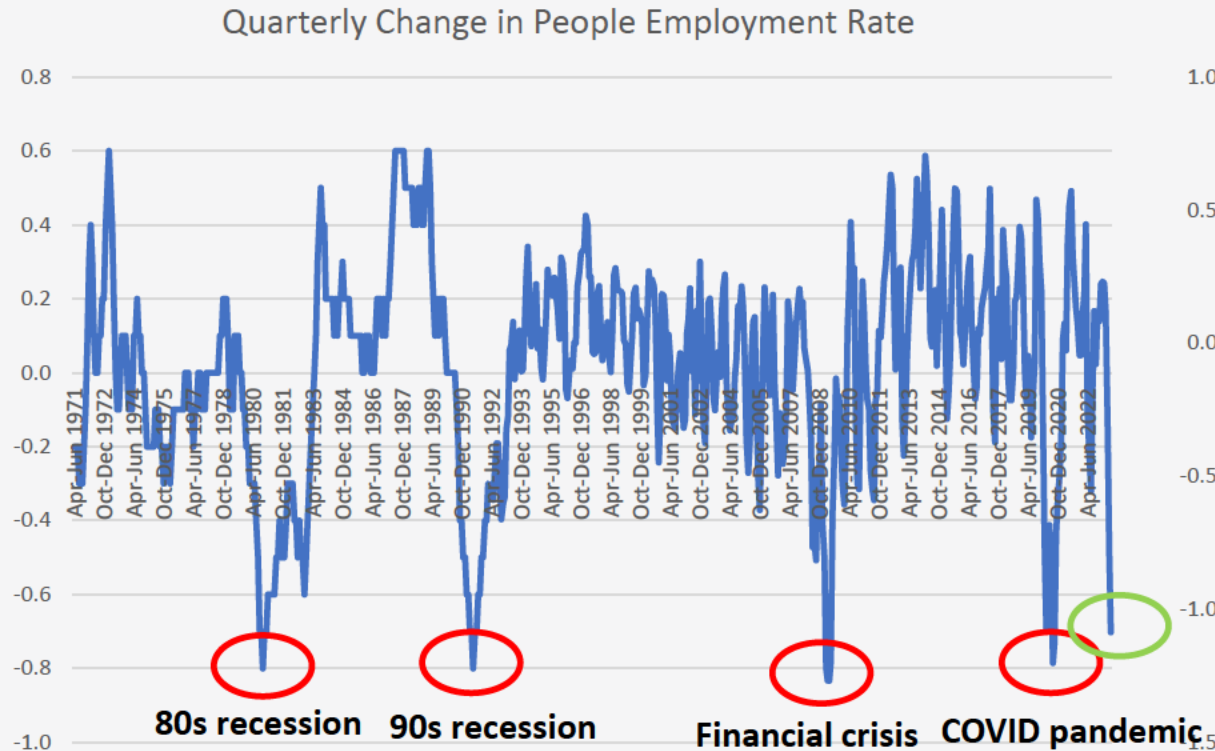On the overall figures for Jul – Aug RTI is 74k up and LFS 58k down. RTI Aug figures will be revised

- There has always been a gap between RTI and LFS. Pre-pandemic RTI had, on average, 140k more 16-24 year olds (SA) which was already starting to diverge in 2018/19. During the pandemic RTI and LFS were more consistent, but since May-Jul 2022 the average difference is now 245k (SA) and is increasing.

- This could also be a population problem. During the interim reweighting, we saw that 16-24 year olds grew by 215k between Feb 20 and Feb 23 (in the experimental population totals). In particular, the 16-18 year olds were increasing far more (9.3%) than those aged 19-24 (0.3%).

- RTI is currently going through a seasonal adjustment review this will make some difference, but it is likely to be marginal.

- LFS also needs a seasonal adjustment review since there has been a change in seasonality.

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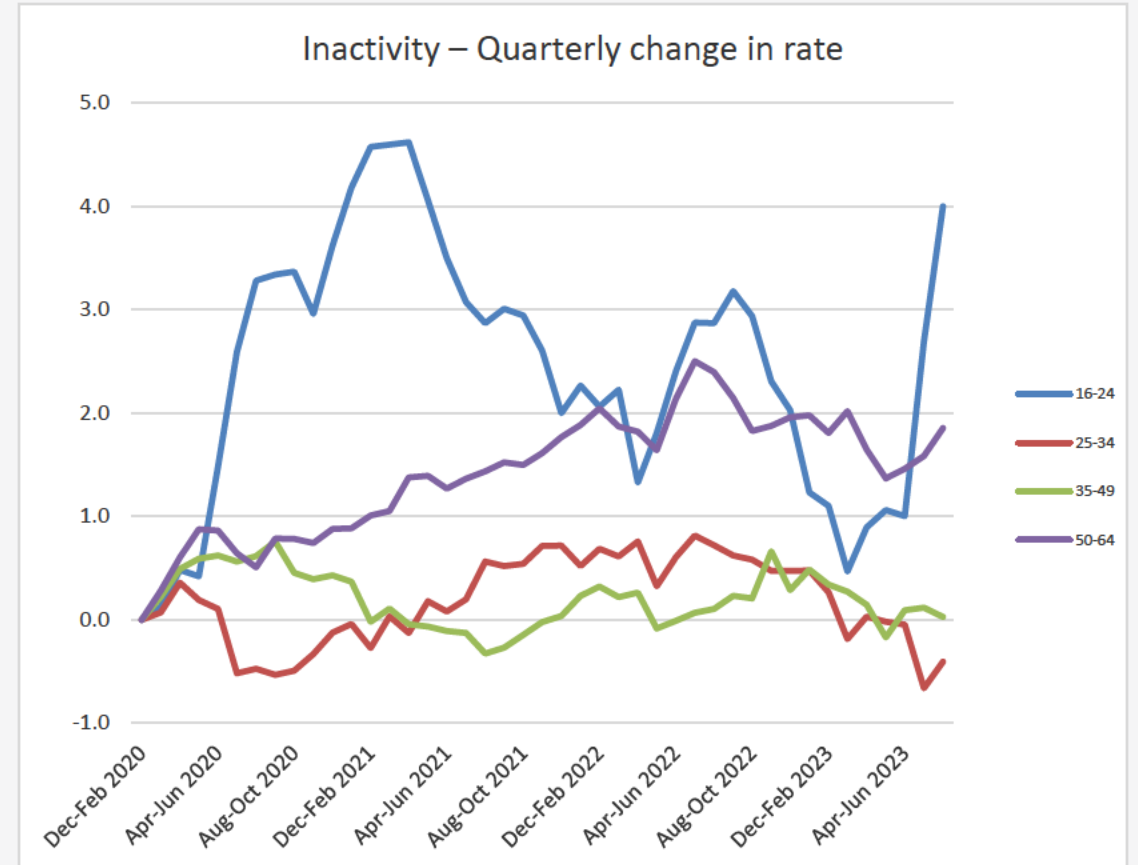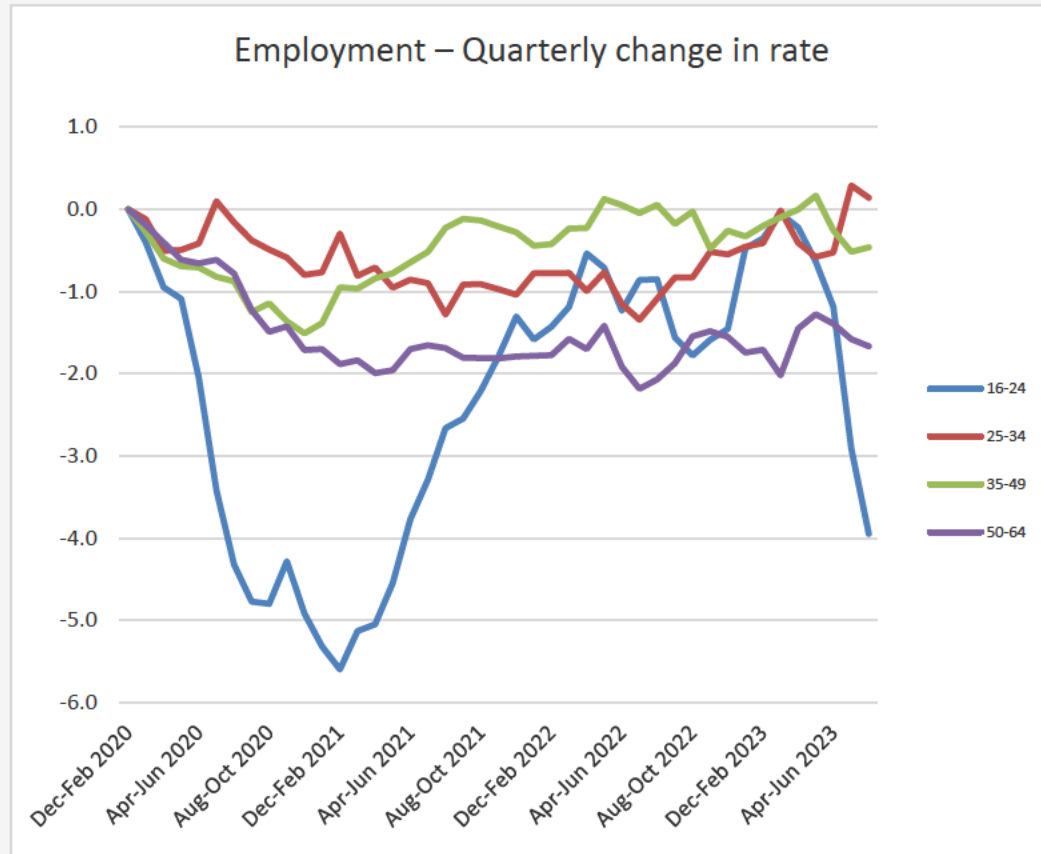
LFS: where we are

21 February 2025

Office for **National Statistics**

Implausible movement in headline series in latest period (LFS Data)

Quarterly Change in People Employment Rate

Quarterly Change in Male Employment Rate

80s recession   90s recession   Financial crisis   COVID pandemic

80s recession   90s recession   Financial crisis   COVID pandemic

Changes in employment rate are as large as past recessions, and the change in the men's employment is largest except for the early pandemic falls.

Source: Labour Force Survey

Office for National Statistics

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16-24 age group very difficult to justify and driving movements in headline series

Source: Labour Force Survey

Office for National Statistics

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Number of 16-24 responding to LFS has fallen faster and further than other age groups – not caused significant problems previously but another sharp fall has

Percentage change in number of LFS responders by age compared with March-May 2020
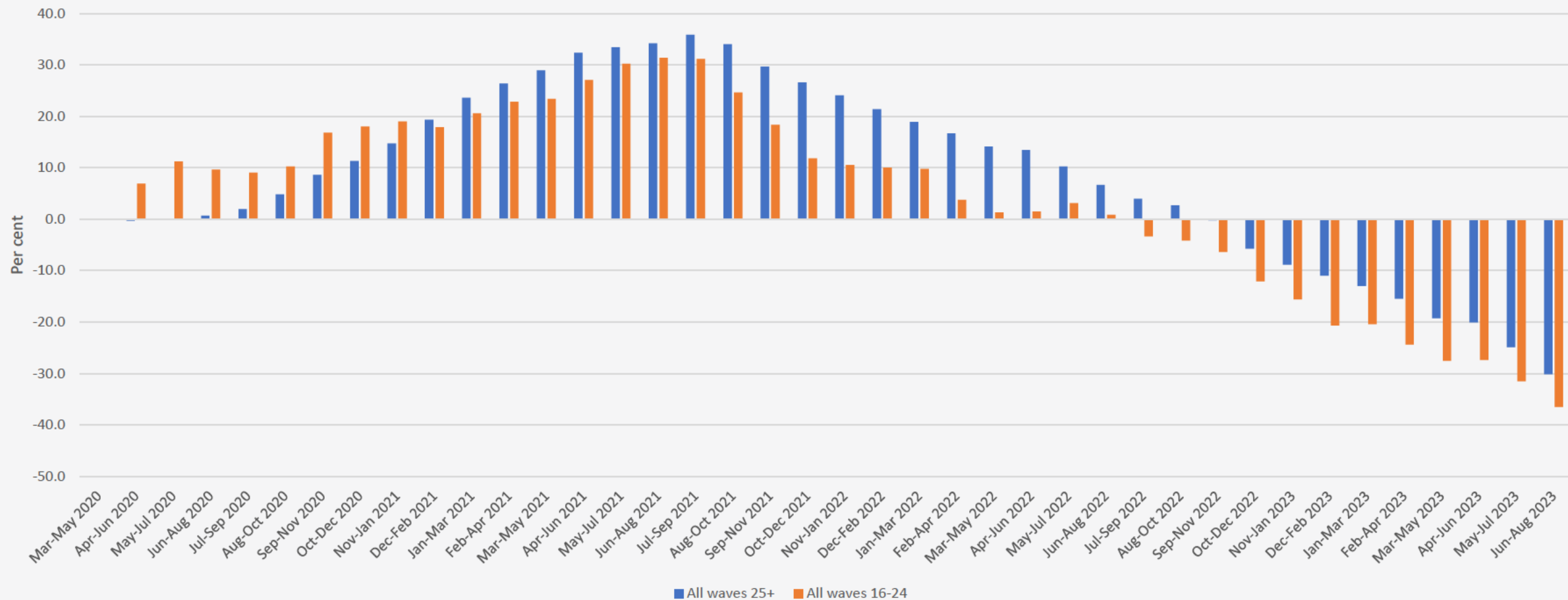
LFS: proposed way forward

21 February 2025

Office for **National Statistics**

Multi-pronged approach

Data collection interventions

Done

Re-introduced in-home interviewing with immediate effect

Doing

Investigate re-issuing non-contact cases from previous waves

Investigate ways to increase 16-24 responses

Targeted comms to raise the profile of the ONS and the importance of taking part in our surveys

Next

Considering re-introducing a boost to the LFS sample from November

Targeted recruitment campaign to address capacity in the field community

Methodological interventions

Alongside we will do

Update LFS weighting framework in line with TLFS; remove RTI, add Census 21 Tenure pre-calibration step, update population totals

Improve LFS non - response adjustment (exploring admin, TLFS, Census)

Investigate using a model-based approach with RTI/Claimant counts

Re-run LFS with updated RTI/Tenure distributions

.

TLFS is the future

Transforming

Launch the TLFS in March 2024

TLFS survey performance is encouraging:

- Improved response rates ~39% average on wave 1

- Response rates for most deprived areas 50% higher than LFS

- Continue working with stakeholders to ensure needs are met and quality is sufficient

.

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