
Ed Humpherson, Director General for Regulation

Sam Beckett
Second Permanent Secretary, Office for National Statistics
(by email)

7 July 2021

Dear Sam

Assessment of the Living Costs and Food Survey

We have today published the assessment report of the [Living Costs and Food Survey](#) (LCF), run by the Office for National Statistics (ONS), against the [Code of Practice for Statistics](#). The LCF is the most significant survey on household spending in the UK and provides essential information for key social and economic measures. LCF data are published annually by ONS in [Family Spending in the UK](#) and are also used in the production of other statistical series such as the Retail Prices Index (RPI). In recent years, there have been several errors in LCF data which have led to errors in these outputs.

Our report highlights that the LCF data processing system is not fit for purpose. The system is unstable, often producing inconsistent results between processing runs of data. The survey has also been underperforming in terms of sample size and response rate in recent years and this was highlighted as the main limitation of the LCF by users to whom we spoke. While ONS has taken forward most of the recommendations from the [2016 National Statistics Quality Review](#), the lack of progress in the use of alternative and administrative data sources in the UK has impacted on the quality, accuracy, and international comparability of the LCF data.

Despite the challenges with the system and resource it is working with to run the LCF, the statistics team has done remarkably well to keep the LCF afloat. We found that the LCF is highly valued by users and is seen as unique in bringing together data on spending habits with information on the households who are doing the spending. While there is interest in exploring alternative data sources, users we spoke to do not see an alternative approach to collecting this information in the short term that does not involve a survey in some form.

We identified several ways the LCF needs to be improved to meet users' needs and to comply with the highest standards of the Code. Urgently fulfilling the requirements of this assessment is necessary to ensure that the LCF and its outputs continue to be fit for purpose.

I am grateful for the positive engagement of your team throughout the assessment process and for involving us in the development of your plans to respond to the findings of this assessment. ONS should report back to us every quarter, starting from the end of September 2021, demonstrating progress against these requirements. We would also encourage you to keep users informed of progress against these requirements.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ed Humpherson', written in a cursive style.

Ed Humpherson

Director General for Regulation