

# Office for National Statistics' reintroduced Labour Force Survey (LFS)-derived labour market statistics: OSR progress report, July 2024

## Introduction

This report provides an update on the progress made by the Office for National Statistics (ONS) against the requirements set out in the Office for Statistics Regulation (OSR)'s short [review of reintroduced LFS-derived labour market statistics](#). It sets out OSR's evaluation of the actions that ONS has taken, and a statement outlining the remaining actions that are necessary for each unmet and partially met requirement.

This report is not a full assessment against the Code of Practice for Statistics, which OSR would usually carry out with a view to awarding statistics the designation of accredited official statistics. In line with our [Official Statistics policy](#), it falls to ONS to determine whether the 'in development' label should be removed from the statistics and when to formally ask OSR to carry out a full assessment for the statistics to become accredited.

## Background

The Labour Force Survey is the main household survey that is used in the compilation of official estimates of the UK labour market. ONS manages the LFS in England, Scotland and Wales and publishes UK statistics. In Northern Ireland the data collection, analytical, reporting and dissemination phases are managed by the Northern Ireland Statistics and Research Agency (NISRA). This report is focused on ONS's Labour Force Survey (LFS).

At the onset of the Covid-19 pandemic all LFS face-to-face interviewing was suspended, and as such, statistics producers needed to respond and consider alternative ways to collect survey data, including for the LFS. At that time, interviews were conducted over the telephone instead of in-person. The change in mode to telephone-only affected both the level of response and the non-response bias of the survey and consequently the survey estimates. As the survey transitioned to this new mode, response rates were lower and ONS found the characteristics of those who were responding were not as representative of the population. The removal of the LFS sample boost in July 2023, which ONS had introduced during the pandemic, worsened the quality issues as the achieved sample reduced further.

In October 2023, response issues in the ONS's LFS became so acute that ONS had to suspend LFS-based labour market estimates for the UK and introduce an experimental method using administrative sources. We undertook a [rapid review](#) and provided recommendations to ONS on how it could maximise the value of these data.

In November 2023 ONS set out its [improvement plan](#) including reintroducing face-to-face interviews and the sample boost in October 2023 and January 2024, respectively. LFS Reweighted LFS-based estimates were then [reintroduced in February 2024](#), of which we carried out a [further review](#).

The Transformed LFS (TLFS) is being developed by ONS as the long-term solution to falling response rates and quality challenges on the LFS. The ambition of the Transformed Labour Force Survey (TLFS) is to allow a more adaptive and responsive survey to meet user needs, enhance respondent experience and improve the quality of our labour market statistics.

In its [July 2024 transformation update](#), ONS announced that it is extending the parallel run of the TLFS for a further six months to allow for extra quality assurance and to provide further quarters of data for comparison. It intends to report back in the first quarter of 2025 and keep users updated on progress in the meantime. During this period ONS will continue to use the LFS as its lead measure of the labour market.

In forming our judgements, we reviewed ONS's latest July transformation update and ONS's latest [Labour Market outputs](#) published on July 18.

## Summary of our findings

ONS has made good progress with its LFS improvement work, including through its latest Labour Market outputs published on July 18. We set out seven requirements in our report in March 2024. This report closes three of these requirements.

The remaining four requirements focus on:

- communicating LFS updates and developments with the Transformed LFS (TLFS) together in a way that users can easily access
- improved communication around the uncertainty in the data and what this means for the use of these data
- the publication of more detailed information about the principles and quality criteria ONS will consider in making further LFS improvements and the transition to the TLFS
- the publication of more detailed information about ONS's plans for LFS improvements from now until TLFS transition and for transitioning to the TLFS

Despite these remaining gaps, we recognise the significant work going on within ONS to bring together its thinking and communication around the LFS and plans to transform the LFS.

ONS has also demonstrated its commitment to greater transparency and taken a more proactive approach to user engagement through creating a new [stakeholder panel](#) and commissioning an independent methodological stocktake of the TLFS survey design and response from Professor Ray Chambers and Professor James Brown. These steps forward will support public confidence in these important statistics.

## Meeting user need: communication of plans and priorities

1. To help users to appropriately use the available data and make plans for future analysis, ONS should clearly communicate to users its plans on:
  - a) further reweighting of the LFS, including making it easier for users to understand what population data have been used in the reweighting and explain to users the impacts for use of the lack of Scotland Census 2022 data.
  - b) reintroduction of the currently suspended longitudinal and household LFS data. If these data are not planned to be reinstated, ONS should set out when it expects it these datasets to be available based on TLFS data.

### **Actions taken and commitments made by ONS to meet the requirement**

a: ONS has provided further information on the population data currently available and how these have been used in the current weighting approach in its [Labour market transformation update on progress and plans report in April 2024](#). ONS is aware that there is a range of datasets and weights currently available on different bases. A further annex in its article sets out some of the considerations that users should make when using different data from the LFS ecosystem.

ONS has also explored options for further reweighting and held a workshop with key users to understand their priorities regarding reweighting. As set out in its [July 2024 update](#) on the TLFS and LFS, and following a strong steer from key users, ONS plans to reweight the LFS data based on the population projections published in January this year. The same population projections will also be applied to the TLFS weighting, so that future data shares of LFS and TLFS will be comparable.

b: ONS reintroduced longitudinal and household LFS-derived data as part of the labour market statistics published in May 2024.

[LFS flow estimates](#) were reinstated in May 2024 (with January to March 2024 estimates weighted in line with the quarterly LFS estimates). The back series has not been reweighted. As such, reweighted seasonally adjusted flows estimates are not yet available.

ONS published data on [Working and workless households in the UK](#) on 29 May 2024. There are data missing for the July to September 2023 quarter (estimates unavailable due to quality concerns), and data from October to December 2023 are weighted to the same population totals as the quarterly LFS estimates, resulting in a discontinuity in these series.

The future availability of historic data for household and longitudinal datasets on a consistent basis will continue to be considered as part of wider ongoing conversations within ONS and in discussion with users on their priorities for reweighting.

### **OSR judgement**

We consider this requirement to be met. ONS has provided further information on the population data currently available and how these have been used in the current

weighting approach and outlined its future reweighting plans. ONS has committed to further updates on this.

ONS has generally implemented its plans to reintroduce longitudinal and household LFS-derived data. We note that there is still some further work to be done and are reassured by ONS's commitment to consider this as part of its wider ongoing conversations around reweighting LFS data.

We expect ONS to continue its approach, including updating users on future reweighting plans, as it implements further LFS improvements.

## **Requirement met**

### Accessibility of updates and communications

2. To help users understand and keep up to date with the full narrative around developments to the LFS, ONS should gather this information in one place and make it easily accessible to users.

## **Actions taken and commitments made by ONS to meet the requirement**

ONS has said that it supports this requirement and recognises that the audience for information on the LFS and TLFS is the same: labour market statistics users. Its recent Labour market transformation updates (published in [April 2024](#) and [July 2024](#)) have included both LFS improvements and information on the transition to the TLFS. It plans to continue providing joint updates.

ONS also told us that improved accessibility and transparency has been a key focus for its July transformation update. The update was sent to around 6000 people registered to receive updates via govdelivery newsletters and was proactively shared at ONS's media briefings on labour market statistics publication day. The transformation update is linked to from section 1 of the [Labour market overview](#), [Employment in the UK](#) and [Labour market in the regions](#) releases published in July 2024. ONS also hosted an open stakeholder webinar in addition to its regular stakeholder engagement with key users. ONS intends to build on this engagement approach by making sure materials and collaborations are combined and readily accessible to all labour market users - both LFS and TLFS.

## **OSR judgement**

We see ONS's [April 2024](#) and [July 2024](#) Labour market transformation updates and the planned joint approach to communications as a positive step forward in bringing the narrative around the LFS and TLFS together for users. We also think that the inclusion in section 1 of the labour market releases published in July 2024 helps users to navigate to the most up-to-date announcement on this work. However, it remains difficult for users to find all documentation related to the development and transformation of labour market statistics. ONS should consider the feasibility of a central LFS/TLFS-type landing page, which users could have as a one-stop-shop to

access all information on the TLFS and ongoing changes with the LFS. ONS might want to consider [NISRA's](#) landing page for its Labour Market statistics transformation as a good example.

### **Action remaining**

ONS should work with users to determine how it can improve the accessibility of all its LFS development and TLFS publications and communications.

#### Explaining how the data should be used

3. To enable users to more fully understand the uncertainty around the LFS data, ONS should be clearer in its communication around terms such as 'volatility' and 'caution'. It should also link clearly to the data which demonstrates where this volatility and uncertainty exists to enable appropriate use of the data.

### **Actions taken and commitments made by ONS to meet the requirement**

ONS has included more detail around how users should interpret LFS statistics in its bulletins, reference tables and in its supporting metadata, such as its quarterly performance and quality monitoring reports and its estimates of sampling variability published in [Table A11](#) every month. For example, in its June release, ONS prominently flagged the differing trends across its different measures of employment and advised users to make longer-term comparisons. To help users to compare datasets, ONS published [Table X12](#), providing a comparison of annual growth rates of Pay As You Earn Real Time Information (PAYE RTI), LFS and Workforce jobs (WFJ). ONS has said that it will continue to publish Table X12 while users find it helpful.

ONS also included more detail in its [April 2024 Labour market transformation update](#) explaining how the lower number of responses to the LFS in late 2023 led to increased volatility in the single-month and three-month movements in its labour market estimates. ONS has said that it will communicate to users any additional uncertainty for these or other high-profile LFS indicators that it publishes.

### **OSR judgement**

ONS has provided more information to help users understand the uncertainty in the data and committed to continuing to do this. To further support users' understanding of the uncertainty, ONS should be clearer on the sources of bias in the sample. It should also improve its signposting from all the publications that include statistics derived from LFS data to the tables that provide the accompanying data. For example, it would be helpful if the Employment in the UK release included links to information around variability and the volatility in the statistics which are found in Table A11 and Table X12.

We understand ONS's position that because volatility is not isolated to age groups alone, it could be considered misleading if ONS were to just publish sampling variability by age group. However, we consider that being clearer about the key sources of sampling variability data, including age, is helpful for users. Commentary could be provided alongside any such clarifications to reduce the risk of misleading users.

### **Action remaining**

ONS should consider how to further improve its information on the key sources of sampling variability in the data and ensure that information about uncertainty is well signposted from all its bulletins that use LFS-derived statistics.

4. To help users more fully understand how the reweighted data can be used at the sub-UK level, ONS should include more explanations about what the reweighting improvements mean for the use of this data.

### **Actions taken and commitments made by ONS to meet the requirement**

In its [April 2024 Labour market transformation update](#), ONS set out the considerations users should make when using different LFS and APS data and statistics, given the current range of weighting approaches being used.

### **OSR judgement**

We consider this requirement to be met. ONS has set out the weighting that it has used for the following datasets: LFS person-quarterly, Annual Population Survey (APS), LFS household-quarterly and LFS two-quarter longitudinal. We also appreciate that ONS is listening to its users and exploring options for further reweighting.

### **Requirement met**

#### Communication of data quality issues and improvements

5. To help users interpret the data appropriately and gain the most value from them, ONS should take a consistent and clear approach to communicating data quality issues and improvements.

### **Actions taken and commitments made by ONS to meet the requirement**

ONS regularly provides information on the quality of its labour market statistics, both at a national and subnational level, across its bulletins and reference tables. Any quality concerns are reflected in its communication of these statistics on its website and in the media. Information is also provided in its quarterly LFS performance and quality monitoring reports.

## OSR judgement

We consider this requirement to be met. This requirement identified a need for ONS to be consistent in its communications and signposting within its releases as we had highlighted inconsistencies around the NI processing error and releasing Welsh and Scottish data. ONS has made appropriate changes to address these issues.

## Requirement met

### Transition to the TLFS

6. To support users' confidence during the transition to the TLFS, ONS should publish updated information setting out the principles and quality criteria it will consider in making further LFS improvements and the transition to the TLFS.

## Actions taken and commitments made by ONS to meet the requirement

In its [Labour market transformation update published in July 2024](#), ONS set out at a high level the criteria it will use to determine its readiness to transition to the TLFS. The three components of this readiness criteria include: statistical and data quality, user confidence and readiness and operational readiness. This represents more detail than it included in its April 2024 update where ONS noted that it had adjusted, refined and expanded upon its original quality criteria for transitioning to the TLFS set out in May 2023.

## OSR judgement

It was good to see at the high-level criteria ONS is using to determine its readiness to transition to the TLFS and we support the general approach being taken. It would be helpful for users if more detail was provided to support this high-level explanation.

ONS also needs to provide more information for users about how it is monitoring and measuring the impact of LFS improvements on the quality of the data and statistics. This would help assure users about the direction of future developments and to what extent the statistics can be used to inform decision-making.

## Action remaining

To support users' confidence during the transition to the TLFS, ONS should provide more detail around its expanded quality criteria for transitioning to the TLFS. ONS should also provide more information on its quality criteria for improving the LFS.

7. To further support users during the transition to the TLFS, ONS should publish its plans for further improvements to the LFS as soon possible, making it easy for users to find on the website. These should include plans, priorities and progress and how its human, financial and technological resources are being used to deliver labour market statistics that serve the public good using LFS and, in future, TLFS data during this transition period.

### **Actions taken and commitments made by ONS to meet the requirement**

ONS published an update on improvements to the LFS and progress on transitioning to the TLFS in its Labour market transformation update published on 29 April 2024 and on 18 July 2024. The most recent update published in [July 2024](#), included progress made on the LFS recovery plan and plans for further reweighting of the LFS data based on the population projections published in January 2024. ONS has said that it will continue to provide regular joint updates on the LFS and TLFS to communicate progress and keep users informed of key decisions and progress against its plans. ONS has said that it will also continue to refer to these updates in its monthly LFS publications so that the latest information is readily available to our users.

### **OSR judgement**

ONS's commitment to publishing regular joint updates on its progress with LFS improvements and transitioning to the TLFS will help support users during the transition. ONS has begun to fulfil this commitment, publishing its first publication in [April 2024](#) and another in [July 2024](#). The transformation update is linked to from section 1 of the [Labour market overview](#), [Employment in the UK](#) and [Labour market in the regions](#) releases published in July 2024.

We welcome ONS's commitment to provide further updates ahead of implementing the reweighting into the LFS-based statistics, including recommendations on how best to reconcile LFS outputs. ONS has also told us that it currently intends to publish quarterly TLFS updates.

As [announced by ONS](#), the timeline for transitioning to the TLFS has changed. ONS's July transformation update provides some high-level information on the next steps between now and its transition to the TLFS. However, there is not much detail provided.

### **Action remaining**

Following the changes to the timescales for the TLFS work, and to support users with the transition, ONS should publish more information setting out the transformation roadmap and regularly update it to reflect the latest information, setting out its plans for LFS improvements from now until TLFS transition and for transitioning to the TLFS. For example, it should set out when the next update will be provided. This would enable users to plan their work, ensure the most appropriate data and statistics are used to inform decisions and public understanding, and keep users engaged throughout the transition.