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Professor Sir Ian Diamond | National Statistician

William Wragg MP
Chair, Public Administration and Constitutional Affairs Committee
House of Commons
London
SW1A 0AA

2 November 2023

Dear Mr Wragg,

I am writing to update the Committee on the Office for National Statistics' work on the Labour Market.

As you will be aware, due to quality concerns, the ONS suspended publication of the Labour Force Survey (LFS) estimates element of the wider Labour Market release in October. Instead, to provide users with our best assessment of the labour market we produced indicative experimental estimates of the headline employment, unemployment and inactivity rates. These were produced using the most robust administrative data sources available to us. For employment, we used payroll data from HMRC's Real Time Information system, applying the growth rates of that data to the LFS for April to June 2023. Likewise, we used Claimant Count data for unemployment.

Today we have published a development plan for the LFS¹. This will focus on work to increase the number, and diversity, of the responses to the LFS and on improved methods to better account for non-response and bias. We will also update the population figures used in the Labour Market estimates which is another important improvement. With this work in train, we are aiming to reintroduce LFS estimates in the Labour Market release on 12 December.

In parallel, we will continue our work to transform this key survey. Alongside the LFS, we currently also have the transformed LFS in the field. This has a sample size that is three times that of the current LFS and has an on-line first mode of collection supported by telephone and face to face interviewing, to help ensure a higher and more representative response. We are doing some final fine-tuning to the questionnaire and expect to fully transition to this new survey in March 2024.

I do hope that you find this update helpful but please do let me know if you have any other questions about this topic, or if we can be of assistance to the Committee on any other matter.

 $^{{\}it 1https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/labourforcesurveyplannedimprovements and its reintroduction}$



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I am also copying this letter to Harriett Baldwin MP, Chair of the Treasury Committee and The Lord Bridges of Headley MBE, Chair of the Economic Affairs Committee as their specialists were recently briefed on this matter by members of my team.

Yours sincerely,

Professor Sir Ian Diamond