

Stakeholder Advisory Panel on Labour Market Statistics: Minutes 18th July 2024

Attendees

Members in attendance

Jonathan Portes (Chair)

Huw Pill (Bank of England)

Dan Gallagher (HM Treasury)

Hannah Slaughter representing Nye Cominetti (The Resolution Foundation)

Chaitra Nagaraja (University of Exeter)

David Bell (University of Stirling)

Stephanie Howarth (Welsh Government)

Steve Ellerd-Elliott (Department for Work and Pensions)

Richard Murray (Scottish Government)

Philip Wales (Northern Ireland Statistics and Research Agency)

Stephen Farrington (Office for Budget Responsibility)

ONS Secretariat

Melanie Gore

ONS Presenters

David Freeman

Tom Evans

Heather Bovill

ONS Colleagues

Liz McKeown

James Harris

Sumit Dey-Chowdhury

Heather Bovill

Sarah Henry

Minutes

1. Introduction and new Panel members

1. The Chair opened the meeting and thanked panel members for their attendance.
2. The Chair welcomed Philip Wales, Chief Executive and Registrar General, Northern Ireland Statistics and Research Agency to the Panel and Hannah Slaughter, from The Resolution Foundation, representing Nye Cominetti.
3. Apologies were received from;
 - Tony Wilson - Director Institute of Employment Studies
 - Alan Manning - Labour Market Economist, London School of Economics
 - Tim Butcher - Deputy Secretary and Chief Economist, Low Pay Commission
 - Xiaowei Xu – Senior Research Economist, Institute for Fiscal Studies
4. The minutes from the previous meeting were agreed.
5. Most actions from the previous meeting had been completed, with the one remaining one (ONS to provide a full list of outputs and surveys within scope of the Panel) in progress with the relevant team.

2. Horizon Scan – Broader Labour Market Topics

1. Tom Evans (TE) explained the four broad themes of labour supply, labour demand, earnings and other, and how they are structured within the production of the statistics. He described the data sources used in these themes and whether they are used in the compilation or publication of the statistics. He also talked the Panel through the concepts and statistics produced, to show how the data sources and statistics align.
2. TE then explained the cross-cutting areas, notably coherence (estimates of employment, earnings growth, vacancies and online job adverts), new data sources and frameworks (TLFS, RTI usage in estimates of employment and earnings, use of online job adverts and labour accounts as part of SNA25) and policy priorities (labour supply/participation, training skills, employment rights, living wage, pensions) and invited discussion on priorities from the Panel.
3. The Panel discussed the content of the presentation and gave their views on both the short-term focus and longer-term priorities. Topics of discussion included:
 - Nature of employment contracts
 - Local and regional trends
 - Coherence of estimates
 - Earnings and pay
 - Inactivity
 - Diversity of data sources
 - Self-employment
 - Employment dynamics

4. The Panel also proposed topics for discussion at future sessions, such as labour accounts as part of the System of National Accounts 2025 (SNA25).

5. The Chair summarised the discussion with the conclusion that it was clear that coherence was the top priority in the short-term. Beyond that, inactivity, and broader job quality (including all topics mentioned from nature of contracts through to job satisfaction) were more likely to become priority in the medium to long term, noting these would form discussions on future agenda items.

3. Development and Analysis of Earnings Statistics

1. David Freeman (DF) presented this item, giving an overview of the earnings statistics published by ONS.

- Average Weekly Earnings (AWE)
 - Headline measure of earnings growth
 - Published monthly
 - Based on a survey of c. 9,000 businesses
- Annual Survey of Hours and Earnings (ASHE)
 - Structural earnings survey
 - Based on a sample of 1% of PAYE employees
 - Estimates relate to April each year
 - Provides estimate of gender pay gap and low pay
- RTI PAYE
 - Monthly estimates of median and mean pay from PAYE system
 - Breakdowns available by industry and geography
 - Pay distributions available

2. DF explained there has been increased scrutiny of earnings statistics for a number of reasons, from the COVID period, when the furlough scheme was introduced and its impact on earnings, to more recent focus on cost of living and inflation.

3. DF talked the Panel through some analysis of the headline measures. The detail of the analysis has been redated due to the sensitivity of the subject.

4. DF concluded the item by asking the Panel for their uses of ONS earnings data and the areas they would like ONS to focus on for development and analysis.

5. The Panel discussed the analysis presented and gave views on the questions posed. The following topics were covered during conversation;

Uses of earnings data

- Key indicators
- ASHE
- Other indicators

Development and analysis

- Challenges with ASHE
- Employment dynamics
- Components of pay
- Seasonal patterns
- Cost of living
- Data at sub-UK level

6. The Chair and DF thanked the Panel for their contribution and moved to the next item, noting that an update was published earlier in the day.

4. Transformed Labour Force Survey - Update

1. Heather Bovill (HB) and David Freeman (DF) presented this item. HB noted that emails had been sent to the Panel regarding the publication of the [Labour market transformation - update](#).

2. HB presented the latest position on TLFS, noting the last update article, prior to today was April. Since the April article, a further data share had been completed, an academic review carried out, which has provided initial findings and feedback had also been obtained via the establishment of this Stakeholder Advisory Panel. The culmination of these activities provided the basis for the update article published today.

3. HB noted the feedback received from these activities provides confidence that TLFS is the right direction for development. The aim should be for an online first survey and there have been improvements recently with headline estimates. There are, however, some challenges that require further investigation and analysis such as partial responses, bias in data, and design challenges notably for the more complex variables.

4. HB talked the Panel through the guiding principles and next steps for development and confirmed the dual run of LFS and TLFS will continue. The LFS will continue as the lead measure for labour market statistics and ONS will run further tests on the TLFS design.

5. DF continued the item by updating the Panel on sustaining the LFS during the extended parallel run. He reminded the Panel of the LFS recovery plan to date, i.e. the return to face-to-face interviewing, an increase in incentives and a sample boost from January 2024. It was noted that the impact of the sample boost has been significant.

6. DF confirmed that the LFS will be reweighted, using the interim population projections published in January. This will be applied to LFS quarterly person data back to 2019, to allow pre-COVID comparisons. A further reweighting of the labour market estimates will be undertaken next year when the next Subnational Population Projections are available.

7. The Chair thanked HB and DF for the presentation and invited comments/questions from the Panel.

8. The Panel discussed the update including the topics:

- The decision to continue the dual run of LFS and TLFS
- Survey questionnaire content and length
- Comparisons of performance in GB and Northern Ireland
- Availability of TLFS data
- Data Sharing for peer review

9. HB and DF thanked Panel members for their comments.

5. Any Other Business and Close

1. Date of the next meeting: October 24th was proposed and invitation to be sent as soon as possible.

2. The Chair thanked the Panel for their attendance and contribution and closed the meeting.