Stakeholder Advisory Panel on Labour Market Statistics: Minutes 29th January 2025

Attendees:

<u>Stakeholder Advisory Panel on Labour Market Statistics Members:</u>

Jonathan Portes (Chair)

Harvey Daniell (Bank of England, Delegate for Huw Pill)

Tom Pybus (HM Treasury, Delegate for Daniel Gallagher)

Nye Cominetti (The Resolution Foundation)

Steve Ellerd-Elliott (Department for Work and Pensions)

Chaitra Nagaraja (University of Exeter)

Xiaowei Xu (Institute for Fiscal Studies)

Alan Manning (London School of Economics)

David Bell (University of Stirling)

Stephanie Howarth (Welsh Government)

Richard Murray (Scottish Government)

Philip Wales (Northern Ireland Statistics and Research Agency)

Jonathan Wadsworth (Royal Holloway, University of London)

Tim Butcher (Low Pay Commission)

<u>ONS secretariat</u>

Niamh Davies

<u>ONS presenters</u>

Tim Gibbs

Orlaith Fraser

Skevi Pericleous

Heather Bovill

ONS colleagues

Sarah Ash

Tom Evans

David Freeman

Liz McKeown

Sumit Dey-Chowdhury

Katy Nicholls

Alex Lambert

Leone Wardman

James Harris

1. Introduction

1. The Chair opened the meeting and thanked panel members for their attendance.

2. Liz McKeown (LM) welcomed panel members and noted that the agenda will cover an update on the Labour Force Survey (LFS) bias work before focusing the majority of the meeting on the Transformed Labour Survey design (TLFS) and timelines ahead of the upcoming ExCo and UKSA decisions on the future of the TLFS in March.

2. LFS Bias analysis – Tim Gibbs

1. Tim Gibbs (TG) presented an overview of planned LFS bias work since the last panel meeting in December. The three areas that ONS will be working on are within group bias, bias impact on employment estimates and administrative data linkage. TG welcomed any further feedback and reflections on what further bias work could be missing from the plan.

2. The panel were supportive of the proposed next steps and expressed they would be interested in any further assessment of the issue being progressed quickly so focus could be given to what, if any, improvements were needed to collection, methods or communication around the Labour Market estimates. The ONS confirmed they will provide the panel with an update on further LFS bias analysis work at the next panel meeting.

3. LMX Evaluation – Orlaith Fraser

1. Orlaith Fraser (OF), ONS statistical transformation team lead on surveys, introduced the rationale behind the LMX; to test if a shorter survey could reduce the proportion of partial household and individual responses and provide an opportunity to test solutions to complex variable challenges.

2. The presentation outlined the key findings from the LMX and the subsequent emerging recommendations from the LMX evaluation. The emerging recommendations are to implement a shorter core survey in tandem with data rotation and a face-to-face mode to deliver further data quality improvements.

3. Panel members were presented with the additional benefits of proceeding with a shorter survey; it may reduce respondent fatigue and improve data quality, it can reduce attrition across waves and reduce bias in latter waves, it is more operationally sustainable, supports in future proofing the survey and aligns with international best practice.

4. From the LMX evaluation, the proposed next steps from the ONS are to share LMX analysis wider internally and with key users, gain validation with academic experts and take the recommendation to its Executive Committee in March. Panel members endorsed the proposed next steps and agreed with the recommendation from the ONS to proceed with a shorter core survey on the Transformed Labour Force Survey.

4. Integrated Survey Design – Orlaith Fraser

1. Orlaith Fraser (OF) presented panel members with the proposed integrated survey design to have two separate surveys linked through calibration; the shorter 'core' labour market focused questionnaire with wave design and a longer cross section 'plus' survey which would initially be the current TLFS. The proposed design enables ONS to manage a shorter survey to drive up data quality and the impact of face-to-face mode and data rotation means the achieved sample size should be equivalent to the current TLFS.

2. OF presented the panel with the next steps for the integrated survey design; compiling case studies to pull together evidence for a final recommendation, assessing costs and options for delivery and determining the impacts on other surveys. Following the clear evidence from the LMX test and rationale for the integrated survey design, the panel endorsed the emerging design recommendation and the proposed next steps.

5. TLFS Measures of success – Skevi Pericleous

1. Skevi Pericleous (SP), ONS labour market transition lead, introduced the measures of success as a set of metrics to assess if the data quality of the TLFS is satisfactory for transition. SP emphasised that the measures of success are a work in progress and welcomed any steers and feedback from panel members.

2. The presentation outlined the three pillars for measures of success; operational readiness, statistical and data quality and user confidence and readiness for operational readiness. For each success measures, the ONS has determined a baseline expectation and planned evidence collection.

3. Panel members were broadly supportive of the initial set of quality measures, with the reflection that a wider assessment may also need to rely on key judgements alongside any more detailed statistical criteria. These key judgements could include on aspects such as coherence with other data sources and the addressing the question of whether, even if necessarily imperfect, the TLFS was nevertheless a clear improvement on the existing LFS.

6. Remaining Known Issues - Heather Bovill

1.Heather Bovill (HB) summarised the current known issues on the TLFS to panel members; variable challenges, discontinuity, single person household bias, attrition and bias, SIC/SOC, collection to publication timeline and outlined the current action undertaken by ONS to deal with them. HB stated if any further detail is required by panel members on any of these issues, the ONS Labour Market Transformation team will coordinate specific focus on sessions with panel members.

2.The panel were in agreement on the key remaining issues to resolve on the TLFS and acknowledged that there is still ongoing and planned work to be done to resolve these. There was also recognition that while TLFS data cohered well at the headline level, below the key headline measures there were still substantial coherence issues and other quality issues that needed to be addressed.

7. Timelines, Decision Complexity, Options - Heather Bovill

1. Panel members were presented with an overview of the complex sequences of decisions required to reach a strategic decision on the TLFS. From TLFS labour market design through to TLFS integrated design, implementation, transition decision timing, the parallel run and then to the strategic options for a decision in March. Ahead of the decision in March, HB set out the plan for a technical and strategic paper to inform the March decisions and the timelines and for developing these.

2. The panel recognised the complexity of the decisions to be taken and were keen to see and comment on the technical paper which will be shared by ONS later in February. As part of the assessment of the options, the panel were keen to understand explicitly the trade-offs e.g. what more time before transition provided in terms of quality improvements.

3. The panel discussed the publication timelines of the Transformed Labour Survey. In the previous October 2024 panel meeting, it was agreed it was not the right time to publish TLFS data. However, panel member views were now somewhat more mixed with some seeing value in publishing experimental data sooner although the risk of doing this before a large design change was acknowledged. The ONS agreed to come back to panel members with more detail on the available options. The panel's insights could then help inform this aspect of the effective transition to TLFS which would be considered as part of the overall design decision in March.

8. AOB & Close – Jonathan Portes

1. The chair thanked participants for their valuable contributions and recognised the vast amount of ongoing work on both the LFS and TLFS.

2. The chair encouraged panel members to reach out to the Labour Market Transformation team with any further comments and feedback offline and noted that the technical papers will be shared with panel members later in February.