Stakeholder Advisory Panel on Labour Market Statistics: Minutes 30th April 2025

Attendees:

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

Jonathan Portes (Chair)

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

Steffan Jones (Cabinet Office)

Daniel Gallagher (HM Treasury)

Sunita Bali (OBR, delegate for Laura Gardiner)

Chaitra Nagaraja (University of Exeter)

Alan Manning (London School of Economics)

Alexandra Fitzpatrick (Welsh Government, delegate for Stephanie Howarth)

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>

David Freeman

Tom Evans

Heather Bovill

Martina Portanti

Andrew Banks

Matt Weldon

ONS colleagues

Liz McKeown

Katy Nicholls

Sarah Ash

Melanie Gore

Leone Wardman

Tim Gibbs

1. Introduction

1. Jonathan Portes (chair) opened the panel meeting and welcomed panel members.

2. Liz McKeown (LM) thanked the panel for all their input for the recent decision-making and reminded panel members that ONS are proceeding with the decision to parallel run the LFS and TLFS whilst the planned design changes are implemented to the TLFS. LM recapped the activity on the Transformed Labour Force Survey (TLFS) since the previous optional panel meeting on 3rd April. LM explained that since the last meeting, the TLFS project has focused on internal and external engagement and communication of the UKSA Board's decision on the way forward for TLFS, including the publication of two articles on 10 April and hosting an external webinar (16 April) for over 120 attendees, while also confirming the financial position and considering future governance arrangements for the programme.

2. Labour Market Strategy Development – David Freeman

1. David Freeman (DF) introduced himself to the panel as the Deputy Director of the Labour Market and Households Division at the ONS. DF provided panel members with an update on the development of the Labour Market Strategy which will focus on delivering high-quality LM statistics in the short and longer term to ensure information remains relevant in a changing world. DF explained the strategy will form a vital part of the wider Economic Statistics Strategy and is being developed through conversations with Labour Market experts and will include previous Stakeholder Advisory Panel horizon scanning.

2. DF asked users a series of questions to reflect on to gain insight on user needs, priorities and views on the strengths, weaknesses, threats and opportunities in the ONS Labour Market statistics landscape. DF emphasised that responses are not required immediately but can follow through the Labour Market Transformation mailbox.

3. Panel members reflected the proposed Labour Market strategy development would build on the developed plans that the ONS have outlined for TLFS as the future of labour market statistics. The panel were supportive of the strategy development and looked forward to further informing content.

3. LFS Bias – David Freeman

1. DF introduced the Labour Force Survey (LFS) Bias item by recapping the current situation with bias on the LFS, noting that recovery actions from 2023 - 2024 will feed fully through to LFS data by Q1 2025 in the upcoming May publication.

2. DF presented panel members with several graphs to demonstrate the impact recovery actions have had on improving sample representativeness, restoring responses closer to 2021 Census distributions and bringing LFS closer to RTI. DF then took panel members through the impact analysis of tenure adjustment on LFS, concluding that the analysis shows tenure adjustment is still needed but noting it has a different impact across characteristics.

3. DF concluded the ONS' recommendation on LFS bias work is to maintain current weighting adjustments and continue to monitor, allow further fieldwork improvements to impact data and utilise the learning to inform the approach for the TLFS. DF noted this approach is supported by academic experts. The subsequent next steps for LFS bias work are to consider the hours worked series, bring the analysis of Q1 LFS results to the panel meeting in July and bring further updates on LFS performance from July onwards.

4. The panel recognised the progress made on the LFS bias work and broadly agreed with the recommendation that other than the full reweighting and further collection improvements for Waves 2-5, methods development should now be focussed on TLFS. The panel discussed developments for the weighting strategy including individual level non-response models and ONS responded these would be subject to timing and resource as ONS moves to develop the TLFS weighting methods. It was agreed ONS would bring TLFS methods development back to the panel and would consider the logistics of external support with the weighting strategies.

4. LFS Quality Assessment – Tom Evans

1. Tom Evans (TE) introduced himself to the panel as the Assistant Deputy Director of the Labour Market Transformation division and gave panel members an overview of the LFS quality update article due to be published on 13th May. TE explained the article would open with background to LFS quality and then subsequently cover the recovery to the LFS, impact on response rates and levels, impact on composition on responses, coherence, communication and guidance and finally a look ahead to

TLFS transitions and future LFS work. This will be published alongside LM statistics for Q1.

2. TE opened the discussion to panel members and asked their reflections on the proposed structure and narrative of the upcoming LFS quality article. The panel welcomed the publication of the article, agreed that the proposed outline was sensible and stressed the importance of the article providing a balanced assessment.

5. TLFS Timelines and Trade - Offs – Heather Bovill

1. Heather Bovill (HB) introduced herself as the Deputy Director of the Labour Market Transformation division at ONS and proceeded to present panel members with a series of key TLFS delivery dates and proposed dates for data sharing. HB highlighted these timelines already have trade-offs built in and the acceptable trade-offs will need to be agreed with users and accepted that there will be continuous improvements post-transition.

2. HB presented a data catalogue and outlined the readiness assessments which will be used to assess data against key quality indicators and a data catalogue. HB then opened the discussion to panel members, encouraging them to reflect if there is anything not listed that they would expect to see pre-transition and what each panel member's position is regarding trade–offs.

3. Whilst some key users expressed that ONS should look relatively quickly to move to the TLFS for core labour market headline estimates, tables and breakdowns, other key users expressed they may require annual data before they give further feedback.

6. Inactivity by Reason – Heather Bovill

1. Heather Bovill (HB) recapped the differences between LFS and TLFS estimates of inactivity. HB presented an overview of the recommended multistrand approach to understanding the differences; a crossover survey, data linkage and qualitative research to be delivered throughout Autumn this year. HB asked panel members for their feedback and endorsement of the recommended approach.

2. The panel were largely supportive of the recommended approach with the caveat that the ONS would further explore the possibility of benefits data in data linkage activities. ONS stated this work is already developing in conversations with colleagues in the Department for Work and Pensions.

7. Earnings Development – Martina Portanti, Andrew Banks

1. Martina Portanti (MP) introduced herself to the panel as the Assistant Deputy Director of the Labour Market and Household Division at ONS. MP provided an update on the latest developments and future plans for Average Weekly Earnings (AWE) and the Annual Survey of Hours and Earnings (ASHE). MP presented a

timeline for ASHE developments with early Autumn 25 as the indicative date for publications.

2. The panel discussed the plans for ASHE and more broadly explored the relative strengths and weaknesses of different sources of earnings data (including AWE, ASHE, RTI) and the importance of work on coherence in relation to them.

3. Andy Banks (AB) introduced himself as the Deputy Director of the Data Science Campus and proceeded to provide panel members with a demonstration of the new ClassifAI tool. The new coding approach uses AI to improve efficiency and accuracy of industry coding.

4. The panel thanked AB for this demonstration and discussed the implications this could have on business data, imputation and validation and step changes on industry and occupation coding.

8. Conclusion

1. The chair closed the panel meeting by thanking panel members for their valuable contributions. Liz McKeown (LM) informed panel members that the next quarterly panel meeting will be in July with a potential ad hoc panel meeting with NISRA in June, dates will be confirmed in due course.

2. LM reminded panel members that the LFS Quality Update Article is due to be published alongside the Labour Market release on 13th May. Members were encouraged to raise any future agenda items or queries via correspondence and refer to the slide pack for an update on 'Non–labour market Plus content and activity'.