

A response to a review of the
continuing compliance with the
Code of Practice for Official
Statistics:

The quality of Labour Force Survey
estimates produced by the Office
for National Statistics

Summary

Following the publication on 23rd June 2017 of the Office for Statistics Regulation compliance review on The Quality of Labour Force Survey estimates produced by the Office for National Statistics, a great deal of work has gone into addressing the recommendations set out in the report.

The Primary purpose of the Labour Force Survey (LFS) is to provide good quality point in time and change estimates for various labour market outputs and related topics. Labour Market and Household Division continually monitor the quality of LFS results in accordance with the European Statistical system quality dimensions detailed in the [LFS quality and methodology information](#).

The LFS is a sample survey and requires population estimates in order to produce weights to ensure estimates from the survey are representative of the UK. Each quarter's LFS sample of 50,000 households is made up of five sets of interviews or "waves", each of approximately 10,000 households. The weighting of LFS results is updated every year, ensuring consistency with the most recent Office for National Statistics (ONS) population estimates and projections. The weighting is designed to account for non-response across several detailed dimensions (age, gender and area of residence). Seasonally adjusted LFS aggregates are constrained to ensure they add up to the population total. The size of the constraining adjustments has remained small (usually less than 0.04%), indicating a degree of consistency in the underlying data.

LMH Division welcome the recommendations detailed in this compliance review and we hope our table of responses included in this report show the positive steps undertaken to address these.

Recommendation	Response
<p>1 a</p> <p>Clarify and make more prominent the degree of uncertainty in the non-UK estimates</p> <p>(for example, by including 95% confidence intervals alongside the estimates)</p>	<p>Figures for non-UK citizens in the Labour Market statistical bulletin come from the Labour Force Survey of households. Survey's gather information from a sample rather than from the whole population. The sample is designed to be as accurate as possible given practical limitations such as time and cost constraints, but results from sample surveys are always estimates, not precise figures. This means that they are subject to some uncertainty. This can have an impact on how changes in the estimates should be interpreted, especially for short-term comparisons.</p> <p>We can illustrate the level of uncertainty (also called "sampling variability") around a survey estimate by defining a range around the estimate (known as a "confidence interval") within which we think the real value that the survey is trying to measure lies. Confidence intervals are typically defined so that we can say we are 95% confident the true value lies within the range – in which case we refer to a "95% confidence interval".</p> <p>Every month, Social Surveys Division supply a spreadsheet containing sampling variability data to Labour Market and Household Division. The information in this spreadsheet is used to produce dataset A11 which is published on the website as part of the monthly labour market release. A request was submitted of a more detailed sampling variability data for UK and non-UK unemployment and inactivity (both by country of birth and nationality) for both levels and changes on year.</p> <p>We published this additional information within the Labour Market release on 16 August 2017.</p>
<p>1 b</p> <p>Provide appropriate guidance to their interpretation and use, alongside the statistics</p> <p>[paragraphs 19-21]</p>	<p>The current approach to explaining sampling variability in the LM Bulletin came out of the last UKSA assessment of labour market statistics in 2014.</p> <p>In the "Things you need to know about this release" section, which appears prominently towards the front of the Bulletin, we have a sub-section called "Accuracy and reliability of survey estimates"</p> <p>This briefly explains that survey estimates are "estimates rather than precise figures" and provides a link to the more detailed "Quality and Methodology section" that appears towards the end of the Bulletin.</p> <p>This section includes a sub-section called "Accuracy of the statistics: estimating and reporting uncertainty". This text was drafted by the Good Practice Team as part of the 2014 UKSA assessment. A further sub-section called "Where to find data about uncertainty and reliability" provides links to spreadsheets containing sampling variability estimates.</p> <p>The rationale behind the approach agreed in 2014 is that ONS wanted to strike a balance between being up front about accuracy and reliability but without appearing over-defensive about the quality of the figures and without using terminology in the commentary that could potentially make the Bulletin text rather turgid and unreadable.</p>

<p>2 a</p> <p>Make clear the potential biases that may impact these statistics in the light of falling response</p>	<p>Labour Market division continually monitor the quality of Labour Force Survey (LFS) results and, to address the falling response rates, always undertake steps to monitor robustness. Our key approaches to measure and ensure the reliability of the indicators are:</p> <p>regular assessment of the methodological design - as a sample survey, the LFS requires population estimates in order to produce weights to ensure estimates from the survey are representative of the UK. The weighting of the LFS results is updated every year and the weighting itself is designed to account for non-response across several detailed dimensions (age, gender and area of residence). Seasonally adjusted LFS aggregates are constrained to ensure they add up to the population total.</p> <p>monthly wave and cohort analysis - using the LFS microdata, we break the aggregates down into building blocks (e.g. based on the month they were interviewed) and examines them individually to ensure we understand their respective impact on the overall aggregates.</p> <p>seasonal adjustment - results are rigorously checked to ensure that factors that we would expect to impact on results do so. Seasonal adjustment of the LFS is subject to a regular annual review to ensure whether any unusual occurrences, such as changes to the LFS questionnaire, have had an effect on the time series and to determine if the existing seasonal adjustment is optimal.</p> <p>sampling variability - most of the LFS figures in the monthly bulletin come from surveys and therefore from a sample rather than from the whole population. This means they are subject to some uncertainty and we illustrate this by defining a range around the estimate within which we think the real value that the survey estimate is trying to measure lies (known as confidence intervals). The confidence intervals for both the employment rate and unemployment rate have remained stable over the past 10 years.</p> <p>comparison with other data sources - we regularly publish comparison of headline LFS indicators with other sources (e.g. Workforce Jobs) to continually evaluate trends within and across data sources.</p> <p>These approaches are discussed in more detail in the monitoring the quality of Labour Force Survey results article.</p>
<p>2 b</p> <p>Set out the steps it is taking to address the decline in response more generally</p>	<p>ONS has a number of actions it is taking forward to address falling response on the LFS. These are aimed at the following broad areas:</p> <ul style="list-style-type: none"> • Resources. <ul style="list-style-type: none"> ○ Capacity planning of interviewer resources has been improved as well as boosting recruitment to account better for interviewer attrition ○ The recruitment process has been speeded up to fill vacancies quicker. ○ New software is being evaluating for managing field resources that will make monitoring and allocation of work more efficient ○ A new system is being tested for defining interviewer work areas that optimises the work load of the interviewer using recent population and geographic data ○ Broadband connectivity has been introduced to all interviewers to speed up data transfers and to allow for better

	<ul style="list-style-type: none"> communication with the field force <ul style="list-style-type: none"> ○ Smart phones will be introduced to all interviewers to improve communication • Training. <ul style="list-style-type: none"> ○ Improved training is being rolled out to all interviewers to support them in gaining respondent cooperation • Operation. <ul style="list-style-type: none"> ○ An unconditional monetary incentive has been introduced for all sampled wave 1 households ○ Telephone interviews of wave 1 cases have lower response rates than face to face interviews so we will phase out all telephone interviewing on wave 1 <p>We recognise user concern over falling response and the possible impact on the representativeness of the LFS. We have therefore started a project to look at potential non-response bias by linking the survey to administrative data. This builds on the work already published from the Census Non-Response Linkage Study, where LFS data was linked to the 2011 Census. We have also completed a review of LFS outputs with the aim of providing better information for users to monitor the quality of those outputs.</p>
<p>2 c</p> <p>Publish the reasons why it is confident in the robustness of the LFS estimates, and engage with users about their views of that reassurance</p> <p>[paragraph 26]</p>	<p>Labour Market and Households division undertake rigorous steps to ensure robustness and maintain quality of the Labour Force Survey (LFS) estimates included in each release. To maximise visibility of the steps undertaken we continually engage with stakeholders, via bilaterals and key meetings (e.g. Labour Market Theme Group) and support each discussion with quantitative and qualitative analysis. In May 2017, we published the monitoring the quality of Labour Force Survey results article to share analysis we have carried out to reassure users of the quality of the data.</p> <p>In addition we regularly update users, via our host of engagement forums, on opportunities we are exploring to improve the robustness of the LFS.</p>
<p>We recommend that ONS provide greater context about the patterns of employment and migration by drawing on information such as National Insurance Number allocations to overseas nationals and related international migration statistics, to support the appropriate interpretation of the statistics</p>	<p>ONS considers that it would not be appropriate to include commentary on migration statistics in the Labour Market bulletin because employment and migration are different, although the two overlap, concepts and migration statistics are published separately in the Migration Statistics Quarterly Report. However we recognise that many users of non-UK employment statistics will also be interested in migration. We have therefore included a URL link to the Migration Statistics Quarterly Report together with some additional text, explaining that the non-UK workers employment estimates are separate from migration statistics, in the Labour Market Bulletin published on 14 June 2017:</p> <p>“These employment estimates should not be used as a proxy for flows of foreign migrants into the UK. Migration statistics are published separately from this release in the Migration Statistics Quarterly Report.”</p> <p>ONS has considered the option of publishing the Labour Market and Migration releases on the same day. This could only be achieved by delaying the publication of labour market statistics by over a week in those months when the Migration Statistics Quarterly Report is published. We feel that such a delay in publishing key market sensitive statistics, such as the unemployment rate, would not be acceptable.</p>