

National Statistics Quality Review of the Labour Force Survey

Implementation Plan

The final report of the Labour Force Survey review was published on the NS website on 4 September 2002.

The following table contains the actions planned to implement the 11 recommendations agreed as a result of the review. Many of the actions can be achieved within the current resources already allocated to LMS, but some are dependent on bids for additional resources from within ONS's existing budget.

Rec. no	Recommendation	Action	Expected completion date
1	<p>Primary Purpose: That the primary purpose of collecting National Statistics relating to the labour market - using the LFS or its Integrated Social Survey successor - should be recognised as being the prompt publication of key aggregate, whole economy indicators, for the integrated assessment of labour market conditions. The criteria for assessing the use of the LFS for purposes other than this, including regulatory obligations to provide LFS data to Eurostat, should be formulated with the primary purpose in mind.</p>	<p>Given that the LFS questionnaire is already heavily loaded and quite onerous for some respondents, ONS will in future exercise firmer control over the existing and proposed future content of the survey in order to ensure that the LFS fulfils its recommended primary purpose. In practice this means that, in order to determine whether a question should be included in the LFS as well as to assess whether changes should be made to the survey or sample design, the following criteria should be applied : relevance to the primary survey purpose; coherence of the whole LFS interview; feasibility of gaining valid responses ; and potential effect on survey response.</p> <p>These criteria will be applied with immediate effect to all new questions proposed for inclusion in the LFS. In addition, in consultation with LFS users, all existing questions will be assessed against the criteria and a report will be published in summer 2003 in time for application to the 2004 LFS questionnaire.</p>	<p>Ongoing from December 2002</p> <p>Summer 2003</p>
2	<p>Production of Monthly Estimates: That ONS should investigate methodologies for the production, and evaluation of the precision, of estimates based on a single month of LFS data as well as estimates of monthly change in the presently published series of rolling three month estimates. These investigations should include an assessment of the possible uses of LFS trend-based estimates.</p>	<p>ONS will publish a plan for a methodological study into producing and evaluating estimates for individual months from the LFS. The plan will also address the methodological issues of using measures of monthly change produced from successive sets of overlapping three month LFS rolling averages</p>	<p>March 2003</p>
3	<p>Timeliness: That ONS should aim to publish key labour market estimates from the LFS a full month in advance of existing</p>	<p>ONS will publish a plan for a methodological study to construct and assess the quality of provisional estimates from the LFS produced in advance of the final estimates.</p>	<p>March 2003</p>

	publication dates. To this end a methodological study should be carried out to assess methods for producing such estimates and their likely precision compared with the current monthly LFS estimates.		
4	Sample design and estimation: That ONS should assess the impact, on the precision of key estimates of level and change at the national and regional levels in the LFS and local LFSs, of changing the regional sampling rate on the main LFS and should carry out a methodological study to review all aspects of the weighting of LFS samples to produce estimates.	ONS will publish a plan for a methodological study investigating all aspects of LFS weighting.	March 2003
5	Quality of Industry based data: That ONS should investigate ways to improve the quality of industry based information from the LFS. In particular consideration should be given to the use of the IDBR to code LFS industry and workplace data.	<p>ONS will publish a plan for increasing, to the extent possible, the quality of classification - by public/private sector - of the existing employment and jobs data available from the LFS in terms of their alignment with National Accounts concepts. The plan might contain details of the piloting, during 2003, of new LFS questions, and modifications to existing ones, designed to improve the quality of the sectoral data collected. It might also include details of new editing procedures to be applied to the LFS industry, occupation and public / private sector data in order to classify the sectoral data , as far as possible, in line with National Accounts concepts. Any questionnaire or editing changes shown by the pilot to be successful will be introduced in March 2004.</p> <p>ONS will also publish a plan for investigating how the quality can best be improved, in the longer term, of the LFS employment and jobs data by workplace, industry, and public/private sector. This plan will be based upon using the information recorded for enterprises in the ONS's Inter-Departmental Business Register (IDBR) to classify the data</p>	March 2003

		collected from LFS respondents. Work will be needed to determine how best the identity can be established of the enterprise in which each LFS respondent works - so that the IDBR details for that enterprise can be associated with the LFS respondent.	
6	Classification of Employment Status: That ONS should assess the implications of using respondents' own assessments of employment status instead of editing these to avoid certain occupations being classified as self employed. If any changes are made to the methodology in this respect, a consistent back series of self-employment estimates should be produced.	As outlined in an analytical article in the September 2002 issue of Labour Market Trends, the revisions to estimates of employment status will be incorporated into the LFS estimates as part of the microdata re-weighting. This means the revised data will be released in summer 2003.	Summer 2003
7	Use of Administrative Data: That ONS should investigate the feasibility of linking administrative data, for example on receipt of working age benefits, to LFS survey data. Bearing in mind that the huge, potential benefits of such linkage could only be realised if the ethical, legal and technical basis for linkage was acceptable and it could be shown that its implementation would have no significant deleterious effects on the acceptability to respondents of participation in the LFS.	ONS is currently developing protocols for Data Management, Data Matching and Statistical Integration that will cover both survey and administrative data. These are due to be published in summer 2003. Such protocols should enable clear rules to be drawn up to address the legal, ethical and technical boundaries for the linkage of working age benefits data to LFS records designed to improve the quality of LFS benefits data. In addition, DWP are considering whether there are any other legislative issues which should be addressed before such data linkage could take place. ONS and DWP will set up a research project to review discrepancies in benefits data sourced from both the LFS and administrative sources. The project will attempt to identify discrepancies due to misreporting and non-responses, with a particular view to seeing if these are related to whether the respondent is being interviewed in the LFS for the first or for a subsequent time. Details of the project will be published in June 2003.	Summer 2003 June 2003
8	Recommendation 8: Extending Population Coverage: That ONS should evaluate, using results	ONS will publish an article setting out a proposed plan for extending the coverage of the LFS to communal establishments. This	June 2003

	<p>from the 2001 Census, the costs and benefits of extending the sampling frame of the LFS to include communal establishments.</p>	<p>might be achieved by including in the LFS sample institutions which are recorded on the Postcode Address File for small users used as the LFS sampling frame. These institutions are currently excluded from the LFS survey sample.</p> <p>The plan will detail the costs of such an LFS extension and will explain the potential advantages and implications for LFS users. Analyses of communal establishment data from the 2001 Census will be included to illustrate the points made.</p> <p>The affordability of the plan will then be assessed - in the context of ONS's existing budget provision - and users' views of the plan will be sought.</p>	
9	<p>Calendar Quarters: That ONS should make any changes to the questionnaire at the start of calendar quarters rather than seasonal quarters so that the results could be produced for calendar quarters based on the same questionnaire content over the whole of that quarter.</p>	<p>Under the EU Regulation relating to the conduct of continuous Labour Force Surveys in all Member States, the UK must change the basis of its LFS questionnaire and microdata outputs from seasonal to calendar quarters. The change to calendar quarters will be made from January 2005 onwards. This will not affect the LFS data published each month, on the basis of rolling three month periods, in the ONS Labour Market Statistics First Release.</p> <p>To avoid any transitional problems arising from the switch to calendar quarters, it is planned that the LFS questionnaire which, using seasonal quarters, would be used for the winter quarter period - December 2004 to February 2005 - will be continued in use until March 2005. The LFS questionnaire will then be modified as necessary to cover the calendar quarter period April to June 2005.</p> <p>In line with the switch to a calendar quarter basis for LFS questionnaires, the annual LFS questionnaire development and question piloting timetable will be re-orientated to apply to periods starting in the January rather than the March of each year.</p>	<p>January 2005</p>
10	<p>Calculation and Dissemination</p>	<p>A substantial amount of material has already</p>	<p>March 2003</p>

	<p>of sampling and non-sampling Quality Measures: That ONS should aim to make more measures of quality routinely available with LFS data including the impact of proxy responses and the imputation of missing responses. A particular focus should be to improve the information available about the extent of non-response bias in the LFS estimates using information about LFS non-response available from the 2001 Population Census. Users concerns about the quality of specific questions should be followed up.</p>	<p>been published about LFS quality measures, but it is in several different places. In order to make this information more accessible, ONS will bring it all together and publish it on the ONS website by March 2003. Regular material on sampling and non-sampling errors will also be published on the website from March 2003. The LFS questions on working hours will be reviewed in the 2003 LFS pilot to see if they can be improved in time for the 2004 LFS questionnaire.</p>	
11	<p>Confidentiality: That ONS should investigate and develop a mechanism for allowing access to potentially disclosive LFS data to bona fide users working in a secure environment.</p>	<p>ONS is investigating means of providing access to potentially disclosive data to bona fide researchers outside of ONS under conditions which ensure the confidentiality of individual records is guaranteed. Such a guarantee will require both a safe environment protected by physical or electronic boundaries, and a procedure to confirm the status of the research and the need for access to data of this type. Plans for the development of an acceptable approach will be published by ONS. These will set out the timetable for the development of this during 2003.</p>	<p>March 2003</p>