
**National Statistics Quality Review of Employment and Jobs Statistics
Progress against Implementation Plan – July 2008**

NS Quality Review of Employment and Jobs statistics: Implementation Plan

The final report of this review was published on the NS website in January 2006:

<http://www.statistics.gov.uk/about/data/methodology/quality/reviews/labour.asp>

The following table contains the recommendations, actions and progress against those actions as set out in the recommendations agreed by the Review of Employment and Jobs statistics. The recommendations and actions in the plan have been grouped according to the categories used in the 'Summary of recommendations' in the final report of the review.

The top three priorities listed in the Review were: estimates of temporary foreign workers to be included in the mid-year population estimates and LFS, linking IDBR information to LFS records, and improving the employed/self-employed classification in the LFS, taken from Recommendation 2 – improving household survey coverage and classification.

Recommendation	Outcome	Action/Progress
<p>Recommendation 1: preferred sources The improvements to the existing statistical sources of employment and jobs statistics should lead, in the future, to improved data consistency and coherence. In the meantime, the following recommendations are made regarding the best source to use for different purposes.</p>	<p>(a) Whole economy levels and changes in employment and employment rates at national and regional level. Labour Force Survey (LFS), available monthly on the basis of 3 month rolling averages (note, however, that LFS employment estimates as currently constructed exclude employment among people in communal establishments and the employment of temporary foreign workers);</p> <p>(b) Detailed structural information, for example about jobs according to industry. Annual Business Inquiry (ABI/1), available annually.</p> <p>(c) Inter-ABI changes in all jobs by industry. Workforce Jobs (WFJ) series, available quarterly, and manufacturing jobs series, available monthly.</p> <p>(d) Public sector employment levels and changes. Public sector employment First Release figures – based on quarterly public sector employment survey (QPSES) and other administrative sources, available quarterly.</p> <p>(e) Local area whole economy employment by area of residence. Annual Population Survey (APS), available quarterly on the basis of 12 month rolling averages.</p>	<p>Action – Complete</p> <p>1. These recommendations for preferred sources were added to Labour Market Statistics Online Guide in June 2006.</p> <p>2. Recommended sub-national sources can be found in the Guide to Labour Market Statistics.</p> <p>Preferred sources can be found by following the link:</p> <p>http://www.statistics.gov.uk/labour_guide</p>

	<p>(f) Local area employee jobs by industry and workplace ABI/1 available annually.</p>	
<p>Recommendation 2: improving household survey coverage and classification In order to increase the consistency and coherence of estimates of employment and jobs from household and business survey sources, improvements to the coverage and classification of the underlying sources should be investigated. In the case of the LFS, the following recommendations are made:</p>	<p>(a) Linking IDBR information to LFS records should be recognised as essential for improving the quality of LFS statistics of workplace, industry and sector and, as a result, of improving the coherence not only of different sources of employment statistics but also the coherence between labour market statistics and the National accounts. In the light of this recognition, ONS should prioritise work to build on the considerable progress made so far in devising practical means of achieving this LFS/IDBR linkage;</p>	<p>Action - Ongoing 1. ONS recognise that IDBR/LFS linkage is most important if serious progress is to be made to enhance the coherence of LFS and business survey sources of employment statistics. Quality improvements to services employment statistics, productivity statistics and earnings from employment series in the National Accounts all depend upon the linkage being successful. 2. ONS investigated developing links from IDBR details to LFS records using workplace name and address details as the linking key. Pilot work carried out in early 2006 suggested that, whilst the linkage was feasible, in order for it to be achieved improvements are needed, in both LFS field procedures (to collect workplace names and addresses for a higher proportion of LFS respondents) and in internal linkage work (to improve on the success rate for linking records for which workplace details are obtained in LFS interviews). 3. While the IDBR/LFS link is seen as one of the very top priority actions arising from the Review, its demand on resources has meant competing wider ONS priorities have prevented further progress.</p>

		<p>4 . Further assessment is required on the costs of the linkage which will be affected by the extent of manual intervention needed to ensure successful links. Also a quality assessment will need to be made on the extent to which any residual non-linkage will affect the validity of the overall data.</p>
	<p>(b) Means should be investigated for improving the quality of the classification of employment as employee/self-employed in the LFS by testing different questions designed to refine the existing self classification by respondents</p>	<p>Action - Complete From 2007, an additional question on payment of tax and National Insurance was included in the LFS, allowing more accurate estimates of the numbers of self-employed when reconciling the WFJ and LFS. See Comparison of Statistics on jobs: September 2007, Machin, A (2008)</p>
	<p>(c) The feasibility should be studied of making the LFS coverage of employment more comprehensive by extending the survey sample to include communal establishments;</p>	<p>Action - Ongoing It is likely that a significant proportion of temporary foreign workers in the UK are living in communal establishments such as workers' hostels or agricultural workers' encampments. Ideally, to measure the full extent of employment in the UK it would be desirable to find a means of covering these.</p> <p>ONS has set up a project board to design a Communal Establishments Survey. At present the survey is intended to be multi-purpose and will therefore act as an additional source to the LFS.</p>

	<p>(d) The feasibility should be studied of making the LFS coverage of employment more comprehensive by extending the survey sample to include temporary foreign workers;</p>	<p>Action – Improved but ongoing LFS interviewer instructions have been clarified by the removal of the 6 month residency cut-off. This means that more temporary foreign workers are now included by design. This work is also being done in conjunction with a Eurostat review of LFS guidance.</p>
	<p>(e) The feasibility should be studied of extending the coverage of the 2011 Population Census, and of subsequent mid-year population estimates, to include temporary foreign workers in order to provide population controls to which a potential LFS sample of temporary foreign workers could be weighted.</p>	<p>Action – Improved but ongoing 1. A more comprehensive coverage of short-term migrants (and therefore temporary foreign workers) has been designed for the 2011 Census. ONS will still provide population estimates comparable to 2001, as well as being able to provide residents who have shorter stays.</p>
<p>Recommendation 3: improving business survey coverage and methodology In the case of the business survey sources, the following recommendations for improving coverage are made:</p>	<p>(a) The feasibility, benefits and cost should be investigated of extending business surveys to include estimates for small businesses which are not covered by the IDBR.</p>	<p>Action - Ongoing Work is continuing on small businesses with live company registrations which are below the VAT and PAYE thresholds. Some of these have been identified as being multi service companies and are being included on the IDBR under this category. Also further work is on going looking at non corporate PAYE only business, with the aim of adding these to the IDBR.</p>
	<p>(b) Some investigation should be carried out of the methodology for incorporating estimates of self employed jobs and of government trainees into the WFJ series.</p>	<p>Action – 1. Complete 2. Ongoing 1. Investigation of the methodology for incorporating LFS estimates of self-employed jobs in WFJ has shown the main difference to be the exclusion of self employed second jobs where a person is also self employed in their main job. Analysis of LFS data has shown that many of these</p>

		<p>second self-employment jobs are in a different industry and/or occupation to the first job and this suggests that they should be regarded as having two distinctly different self-employment jobs with both being included in the WFJ total. As a result the methodology for calculating self-employed jobs was revised in the March 2007 LMS First Release. - Complete</p> <p>2. An initial investigation of the methodology for estimating government trainees into WFJ will be carried out as part of the quarterly reconciliation comparisons (see Rec. 7). It should be noted that the difference between LFS and WFJ estimates of government trainees is small, and this issue will take lower priority than improving estimates of self employment. – Ongoing</p>
	<p>(c) There should be a further investigation of the coverage of the ABI with a view to using the lessons learned in the Business Register and Employment Survey (BRES) development. For example, the issue should be probed further of whether vacant jobs are being erroneously included in ABI returns and hence in ABI and WFJ jobs estimates.</p>	<p>Action- Ongoing</p> <p>The development and implementation of the new BRES survey is on target. A mini pilot took place in September 2007. This was generally successful. Changes have been made to the questionnaire and plans are now well advanced for the main pilot in September 2008 and full implementation in September 2009. Regarding data collection methods, a more automated method of taking on data provided by the largest enterprises in spreadsheets has been developed as part of the BRES project.</p>

	<p>(d) The BRES project should address the issues of improving the quality of regional and local area jobs estimates by surveying local units rather than reporting units, and of improving the quality and consistency of measures of annual change by industry</p>	<p>Action – Ongoing One of the main aims of the BRES project is to improve regional and local area employment estimates. Although full implementation will not occur until 2010 there have been early improvements. The ABI/1 reference date was moved to September for the 2006 survey onwards, and the survey now uses Local Unit data from the Business Register Survey for all large enterprises.</p>
	<p>(e) The BRES project should include an investigation of how PAYE data received by ONS from HMRC can be used most effectively to improve the quality of local area jobs estimates.</p>	<p>Action - Ongoing The use of PAYE data has been investigated as part of the BRES project, but unfortunately these exclude the lowest paid employees, who do not have to pay Income Tax. Further work is continuing by sending BRES questionnaires to a small sample of the smallest enterprises.</p>
<p>Recommendation 4: developing public sector employment statistics A programme of improvements to public sector employment (PSE) statistics is being taken forward by ONS in collaboration with government departments. In the context of this programme, the following key improvements are recommended.</p>	<p>(a) The newly improved UK level PSE statistics should be integrated into the WFJ statistics as published in ONS’s LMS First Release and elsewhere</p>	<p>Action – All Complete 1. The new PSE statistics were integrated into the Workforce Jobs statistical series released in December 2005 (see linked article) http://www.statistics.gov.uk/cci/article.asp?id=1340 2. A new table showing PSE statistics was incorporated into the LMS First Release from January 2006. 3. The majority of PSE jobs were included in the WFJ December 2005 release, a small number of jobs not in the main PSE SIC categories will be incorporated by December 2008.</p>

	<p>(b) Further work should be undertaken to improve the public sector information contained on the IDBR. As part of this, the feasibility should be investigated of collecting information about the structure of public sector organisations, including local unit details, and of incorporating this into the IDBR with a view to improving regional and industry breakdowns.</p>	<p>Action - Complete The focus of business profiling has been changed to put more emphasis on government bodies and additional checks introduced into the Business Register Survey to improve the quality of local unit information. Additional resources have been allocated to checking of IDBR and QPSES, with particular emphasis on the treatment of educational establishments.</p>
	<p>(c) Improved LFS PSE statistics should be developed through the means of the linkage of public/private sector information to the LFS from the IDBR.</p>	<p>Action – Ongoing (LFS-IDBR Dependent) To be developed once a working linkage of LFS and IDBR is achieved.</p>
	<p>(d) PSE statistics at regional level should be developed and published;</p>	<p>Action - Ongoing ONS have published regional Public Sector Employee estimates in February 2007 and a follow up article was released in June 2008. A project is underway to produce improved regional estimates by early 2009.</p>
	<p>(e) The feasibility should be investigated of complementing the official PSE statistics, defined on the National Accounts basis, with wider measures including, for example, General Practitioners, University staff and others who are officially classified to the private sector but are of interest for analysis of public sector activity.</p>	<p>Action - Ongoing 1. ONS published in October 2005 – in the report <i>Public Sector Employment Trends</i> – wide ranging statistics for groups of workers associated with the public sector e.g. General Practitioners who are excluded from the National Accounts definition of the public sector. Updated public sector employment analyses have been published see: www.statistics.gov.uk/cci/nscl.asp?id=6656 2.</p>

		<p>2. Further work to develop the more refined identification of such groups - by analysing LFS data by occupation, industry and public/private sector - would be much facilitated by success in achieving the linkage of IDBR details to the LFS.</p> <p>3. It is likely that this approach of identifying and publishing statistics for relevant groups of interest would be more effective than seeking to set up a measure of wider “public sector related” employment. There is no consensus among users about the purpose for which such a wider measure would be used, and there is no clear statistically valid basis upon which it could be established.</p>
<p>Recommendation 5: developing hours of work statistics</p> <p>A programme of improvements to the quality of hours of work statistics is being developed, taking into account the work of the international ‘Paris Group’ which is developing a draft International Labour Organisation (ILO) resolution on the measurement of working time for submission to the International Conference of Labour</p>	<p>(a) The metadata for the published hours of work series should be improved so that the distinction between the LFS actual and usual hours worked measures and the ASHE paid hours measure is more obvious to users.</p> <p>(b) Cognitive testing of the LFS hours of work questions, and the self-classified full-time/part-time question, should be carried out, in order to enhance users’ understanding of the published statistics and to identify possible improvements to the LFS questionnaire.</p>	<p>Action - Complete</p> <p>Improvements to the metadata on hours of work have been made to the LMS and ASHE First Release and associated tables as well as to the online Guide to Labour Market Statistics. Information was also published for users in Feb 2007 the following ELMR article: www.statistics.gov.uk/cci/article.asp?ID=1727&Pos=2&ColRank=1&Rank=1.</p> <p>Action - Ongoing</p> <p>The cognitive testing is being carried out on the LFS but has been not reached these questions as yet.</p>

<p>Statisticians (ICLS) in 2008. In the context of this work, the following key improvements are recommended:</p>		
	<p>(c) Further work should be carried out to assess whether factors such as coverage errors, unit non-response, question non-response, forward imputation, attrition, and proxy responses cause bias in the key LFS hours of work estimates.</p>	<p>Action - Ongoing An ILO resolution on the measurement of working time will be discussed at the ICLS in November 2008. This recommendation will be revisited after that time.</p>
	<p>(d) The limitations of using a simple full-time/part-time split to measure employment should be drawn to users' attention.</p>	<p>Action ONS has published an article providing greater understanding of full-time/part-time employment see www.statistics.gov.uk/cci/article.asp?ID=1727&Pos=2&ColRank=1&Rank=1</p>
	<p>(e) More detailed statistics of hours of work should be routinely published to address the needs of users.</p>	<p>Action - Complete</p> <ol style="list-style-type: none"> 1. An additional table on usual weekly hours of work was added to the monthly Regional First Releases in 2004. 2. A breakdown of usual hours of work by employment status and gender is published quarterly in the LFS Historical Quarterly Supplement.

<p>Recommendation 6: improving the consistency of the weighting methods used to produce employment and jobs estimates from household and business surveys</p> <p>As well as improving the consistency of coverage, and classification of employment in household and business survey sources, greater alignment of the methods used for sample weighting from the two survey types would be desirable to obtain more coherence between the different estimates. The following recommendations relate to the work that could be done in the context of the development of integrated business surveys - the Business Register and Employment Survey (BRES) in the case of jobs data - and integrated household surveys – the Integrated Household Survey.</p>	<p>(a) The feasibility, benefits and cost should be assessed of incorporating information from the Population Census, through the medium of population estimates converted into an estimate of total jobs based on the LFS sample, into the estimation and weighting process to be developed for the new BRES, as well as into that for the IHS.</p> <p>(b) The feasibility, benefits and cost should be assessed of incorporating information from the IDBR and the Quarterly Survey of Public sector Employment (QSPSE) into the estimation and weighting process for the LFS element of the new IHS, as well as into that for the BRES. As part of this investigation, the implications, if any, for mid year population estimates should be considered.</p>	<p>Action - ongoing</p> <p>Action in relation to recommendations 6(a) and 6(b) will not be feasible in the short to medium term due to pressure on ONS’s methodological resources. Nevertheless, the advantages of promoting the coherence of LFS and business survey sources of employment statistics via some convergence of estimation methods will be borne in mind in future work programmes.</p>
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<p>Recommendation 7: improving the comparison and reconciliation of jobs series</p> <p>It is hoped that implementing the recommendations in this document will introduce greater coherence between household and business employment and jobs estimates. However, it is inevitable that differences will still remain. The scale of these differences can be demonstrated by the publication of a comparison of the levels and changes in estimates of jobs derived from the LFS (adding first and second jobs) and from the WFJ series. However, further insights into the reasons for any remaining discrepancies could only be provided by in depth analysis such as that set out in this report. The following recommendations are therefore made:</p>	<p>(a) Summary comparisons of jobs estimates from household and business surveys should continue to be published each quarter;</p> <p>(b) An improved, more informative, structure should be developed for the presentation of these regular comparisons which, drawing upon the findings set out in this Review report, identifies the definitional reasons why each source deviates from the ideal measure of total UK jobs (viz. all jobs contributing to UK output) alongside the figures showing the latest difference in estimated jobs from the two sources;</p>	<p>Action - Complete</p> <p>1. An improved presentation of comparisons is now being updated and published quarterly.</p>
	<p>(c) A detailed comparison and reconciliation of the LFS and business survey jobs series should be undertaken, to up-date the information set out in this review, when new developments such as the LFS/IDBR linkage and BRES projects have been completed.</p>	<p>Action - Ongoing</p> <p>This work will be undertaken once the LFS/IDBR linkage has been achieved.</p>

<p>Recommendation 8: investigating the feasibility of a single series of jobs data</p> <p>A further step beyond analysing and explaining any residual differences between the jobs estimates provided by improved business and survey sources of jobs data would be to use all the available sources to generate a single "best estimate" jobs series. The feasibility of such an approach is not clear since its publication could have potential implications for other labour market series, such as unemployment, for population estimates and for estimates of output. But an approach which seeks to build upon the enhanced presentation, envisaged in recommendation 5(b) above should be investigated. Towards this goal, the following recommendations are made.</p>	<p>(a) When more coherent and consistent employment and jobs data are available as a result of the business and household survey improvements recommended above, the feasibility should be investigated of developing a single "best estimate" jobs series, drawing upon all of the available information, which measures the total of jobs which contribute to the UK economy;</p> <p>(b) Even if such a single jobs series could be developed and published, the underlying separate source data should continue to be published also.</p>	<p>Action - Ongoing</p> <p>1 ONS recognise the advantages of users having a single series of employment and jobs estimates based upon analysis of LFS and business survey data sources.</p> <p>2 This aim would be considerably facilitated by the successful linkage of IDBR information to LFS records. If and when this is achieved, analytical work will be taken forward to address recommendation 6(a).</p> <p>3 In response to recommendation 6(b), ONS undertakes to continue to publish the underlying data sources – currently the LFS and business surveys - upon which any future potential single series of employment and jobs might be based.</p>
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