

Living Costs and Food Survey technical report: financial years ending March 2018 and March 2019

User guidance and technical information for the Living Costs and Food Survey.

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1 . Introduction

This report provides an update on the sampling, fieldwork and data processing for the financial year ending (FYE) 2019 Living Costs and Food Survey (LCF). The survey is undertaken by the Office for National Statistics (ONS) Social Survey Operations, which is part of the Population and Public Policy Operations Directorate of the ONS.

This report contains response information, questionnaire changes and new or changed methodology for FYE 2019. However, it does not describe methodology that has changed prior to FYE 2019. For changes prior to FYE 2019, users should refer to the [Living Costs and Food Survey technical report: financial years ending March 2017 and March 2018](#). For a more in-depth explanation of LCF processes and methodology, users should refer to the [FYE 2016 technical report](#).

The purpose of this report is to update the FYE 2018 technical report, and accompany the statistical bulletin [Family spending in the UK: financial year ending March 2018 and March 2019](#). [Section 4](#) also provides an update to the [LCF National Statistics Quality Review \(NSQR\)](#).

Alongside this report, we are publishing [updated tables](#) that provide information on response, characteristics of the sample, confidence intervals and interview metrics.

2 . Response for the financial year ending 2019

As shown in [Table 4](#), the overall response rate for the Living Costs and Food Survey (LCF) in Great Britain was 43% in the financial year ending (FYE) 2019.

A total of 13,306 addresses were sampled for the LCF in Great Britain. Of these, 11% did not contain a private household and were therefore classified as ineligible. This category includes:

- empty, demolished or derelict addresses
- non-residential addresses
- temporary accommodation

Of the eligible sample, it was not possible to contact 7% of addresses, a further 44% refused to take part, and 7% had another reason for non-response. Of the 5,092 responding households in Great Britain, 4,928 cooperated fully, meaning they completed both interview and diary sections of the survey. This produced the overall response rate of 43% in Great Britain.

Response rates to household surveys have been declining over recent years ([Table 5](#)). In FYE 2019, the LCF's response rate for Great Britain remained at 43% in line with FYE 2018. It should be noted that the LCF requires satisfactory completion of both the household questionnaire and diary, which affects the overall response rate.

In FYE 2019, partial responses accounted for 3% of all co-operating households. Of these 164 partials, 143 occurred because one or more adults in the household refused to keep the diary but were happy to take part in the interview ([Table 6](#)).

[Table 7](#) compares the main outcome categories in LCF samples over time. The proportion of households refusing to take part in the survey over the last three years has increased from 40% to 44%. Over the same period, the percentage of households that could not be contacted dropped by 1% to 14%. However, this has been volatile as demonstrated by [Table 7](#).

[Table 8](#) shows quarterly response rates. In FYE 2019, response varied between quarters. Response was lowest for Quarter 2 (Apr to June) 2018, at 41%, and highest for Quarter 3 (July to Sept) 2018, at 45%. These quarterly changes are common as a result of seasonal effects.

[Table 9](#) shows response rates by region and country. As observed across many of our social surveys, London had the lowest response rate (41%). The South West had the greatest response rate in the UK (59%). The average response rate for England was 51%. Interviewers on the LCF routinely collect information about respondents who do not take part in the survey, as shown in [Table 12](#).

Interviewers record the main reason why people refuse before or during an interview from a list of pre-coded answers. The reasons are recorded at a household level but will reflect the comments made by the individual(s) the interviewer has spoken to. In FYE 2019, the three most commonly cited reasons for refusing to take part in the survey were:

- can't be bothered – 23%, which remains the top reason cited as the previous financial year
- temporarily too busy – 16%, a 3% increase when compared with the previous year
- invasion of privacy – 12%, an increase of 2% when compared with the previous year

Falling response rates are an acknowledged problem, and we have various initiatives to help tackle these. In particular, the incentive received for a complete LCF adult diary increased from £10 to £20 for August 2016 onwards to help tackle low response rates. Other initiatives to help response rates include:

- improving field capacity (such as improving recruitment processes)
- improving the skills of interviewers (such as rolling out new training programmes on achieving co-operation)
- survey-specific initiatives (such as trialling different types of unconditional incentives on certain surveys)

To gain a better understanding of the differences between responding and non-responding households, [Tables 13 to 16](#) compare these two sets of households by different characteristics.

3 . Living Costs and Food Survey questionnaire changes for the financial year ending (FYE) 2019

The questionnaire underwent substantial changes during this time period, with the aim of improving data collection by reflecting goods and services available, as well as reducing respondent burden. The main sections affected by the changes are:

1. Changes to utility payments data collection

Combined payments of gas and electricity

The way we ask respondents to split their combined fuel payments between gas and electricity has changed. Previously, we relied on respondents manually estimating the proportion of their combined payment allocated to gas and electricity. We now proportion this out for respondents automatically, using the ratio between gas and electricity found on their latest bill. If their bill is not readily available during the interview stage, we encourage them to find it during the diary-keeping period and give this information to the interviewer at the end of the diary-keeping period. If a household is not able to retrieve this information, we use a split of 60% to gas and 40% to electricity.

We now allow respondents to give us information about fuel payments they make as part of a larger combined bill, which also includes payments for non-fuel services such as telecoms. We ask respondents to provide the split between the telecoms and fuel elements of the payment and also for a split of the fuel element into gas and electricity.

Rebate payments for gas and electricity

Questions relating to gas and electricity rebates (both combined and separate payments) now ask about any rebate payments made in the last 12 months; previously the questionnaire asked about rebate payments in the last three months. Please note that this measure of rebates includes rebates received in cash or bank payments only and does not include over-payments that would be deducted from subsequent bills; this is not new, but clarification has been given to respondents and interviewers regarding this.

Re-ordering of questions

The newly designed questionnaire asks respondents how often they pay for their fuel, and then asks them how much they pay, which is opposite to the way it was done previously. This change was also carried out in the water and sewerage section.

2. Changes to telecoms data collection

Substantial changes were made to the way we collect telecoms expenditure in FYE 2019. This section of questions was re-designed and, in addition to the more specific details outlined below, users of the data should be aware of the following more general changes:

- The ordering of questions has changed – we now ask respondents upfront how many combined packages they have, and use this answer to determine how many packages to ask about.
- The way we ask about part-payments made by people outside the household towards a telecoms bill has changed – we now ask in terms of the payment made by others, not the ratio covered by the responding household.

Combined telecoms (TV, telephone and internet) payments

- We no longer ask for a breakdown of expenditure for combined telecoms payments (that is landline, mobiles, internet and TV).
- The FYE 2019 questionnaire enables respondents to give information about expenditure from a combined telecoms and fuel bill.

Separate telecoms payments

- A respondent may mention that within a telephone package they pay for both a landline and mobile phone. We do not ask them to split this down any further within the questionnaire, therefore we have introduced a split between the two where 60% of expenditure is allocated towards a landline payment and 40% is allocated towards a mobile payment.
- The questionnaire now probes to find out whether line rental is included in any package the respondent has mentioned. If not, they are asked for the amount they pay for line rental separately.
- Variables recording expenditure on single telecoms services exclude expenditure from combined payments.

3. Changes to insurance variables

The insurance section of the questionnaire was rewritten for FYE 2019 and therefore underwent substantial changes.

- Prior to FYE 2019, the questionnaire did not clarify whether the household insurances captured were for the primary or second dwelling of a respondent; this has been made clearer for FYE 2019.
- A new question has been introduced that measures insurance for household and electrical appliances.
- We no longer collect separate expenditure for endowment policies; any expenditure on this variable is now included in variables that previously measured life and death policies.
- An additional question has been introduced to measure non-package holiday travel insurance.

4. Changes to income data collection

Benefits

- Prior to 2018, housing benefit information was collected at a household level, however, this changed and from FYE 2019 it has been collected at a person level.
- In previous years, maintenance allowance was asked and calculated at a household level; from 2018 onwards, it has been asked at a person level.
- Both Christmas Bonus and Winter Fuel Payments are now modelled (based on household eligibility for such benefits) and are therefore no longer asked directly to respondents.

Employee pay

- The number of bonuses that can be recorded in the questionnaire has been extended.

Educational grants

There were many changes made to the education block. Some questions are the same, some are subtly different and some are new. There are some new checks and some modified checks. Routing to the new block is more specific than before, with only currently enrolled students being asked the questions.

- The new set of questions is asked at person level rather than at the household level.
- The maximum number of grants a person can report on will be two (previously could be 16).
- Grants will be separated into tuition and maintenance elements.
- Student loans are to be collected within this set of questions for the first time and we also ask for a separation between tuition and maintenance elements.
- Overseas education grants are now collected at a person level rather than asking the household.

Other smaller income changes

Some questions are the same, some are subtly different and some are new. There are some new checks and some modified checks. Routing to the new block is more specific than before, with only currently enrolled students being asked the questions.

- We now ask respondents for one figure regarding income for any odd jobs, instead of separate figures for each individual odd job carried out.
- We have removed questions relating to foreign policy pensions.
- We now ask about winnings from Premium Bonds.

4 . Update to the Livings Costs and Food Survey National Statistics Quality Review

Background

The [Living Costs and Food Survey \(LCF\) National Statistics Quality Review](#), published in May 2016, identified 30 recommendations outlining developments required to the LCF to ensure the survey remains fit for purpose. [Our response to the NSQR](#) was published in January 2017, describing at a high level how the recommendations will be addressed. This was followed by a further [progress update](#) in April 2018. Three approaches were identified for taking the work forward:

- the Office for National Statistics (ONS) Data Collection Transformation Programme (primarily [through the transformation of ONS household financial surveys](#))
- research projects taken forward by the LCF team
- projects led by other areas of the ONS, in particular methodology and prices

Progress against each of the 30 NSQR recommendations is provided in Table 20 of the data section of this release. Where appropriate, recommendations have been combined, resulting in 25 recommendations to take forward. Nine recommendations have been completed and 12 are ongoing. Four are not yet started because of dependencies on other recommendations.

Projects completed in response to the NSQR

During the financial year ending (FYE) 2018, four discrete research projects were set up in response to the NSQR recommendations. These projects have been completed as follows:

1. A questionnaire review and development completed by Ipsos Mori. Recommendations for changes to the LCF questionnaire from April 2018 were made as a result of this review and in consultation with the LCF Steering Group. The updated questionnaire content will be available on release of the FYE 2019 microdata files in the first half of 2020.
2. A review of the paper diary completed by NatCen, along with an [internal review of the LCF diary length \(PDF 1.936KB\)](#). A summary report of the paper diary review is available on request.
3. An international review of the use of store scanner data by Cardiff Business School. A copy of the review document is available on request.
4. A six-month data science project, which investigated the feasibility of developing receipt scanning, optical character recognition and automation of international classification of individual consumption by purpose (COICOP) coding. A paper summarising the findings from this study was published in our [Survey methodology bulletin](#) in May 2019.

Future developments

Each of the projects resulted in additional recommendations for further work. Annex A outlines the broad workstreams that will be taken forward in FYE 2019 and beyond, to further develop expenditure data collection methods. Progress with each of these work strands is subject to securing resource and funding. We will update on progress each year within the LCF survey technical report.

Governance

The LCF Steering Group continues to provide high-level oversight of the actions to address the recommendations. Progress against the actions outlined is also being monitored by our Quality Centre.

Annex A: Expenditure data collection work plan: requirements, deliverables and benefits

Ref	Deliverable	Benefits	Timeline
Response rates			
1	Assessment of higher levels of conditional incentive on LCF response rates.	Cost and benefit analysis will inform future response rate strategy.	January 2019 – initial analysis. Project end date dependent on achieved sample size and findings from initial analysis.
2	An assessment of the impact of falling response rates on data quality.	Users informed of changes to data quality. Inform direction of future response rate strategy.	Spring 2019
Development of expenditure questionnaire			
3	Impact assessment of FYE 2019 expenditure questionnaire changes on estimates.	Users informed of impact of questionnaire changes.	Throughout FYE 2019
4	Review and development of priority expenditure topics leading to implementation of questionnaire changes in April 2019.	Expenditure questionnaire keeps pace with changes in spending habits of households.	September 2018 to March 2019
Development of LCF diary			
5	Redesign of the LCF paper diary, including qualitative and quantitative testing.	At point of implementation: - reduction in respondent and interviewer burden - improved data quality	To be confirmed – dependent on available resource and funding
6	Identification, development and testing of options for electronic method(s) to modernise paper diary.	Once implemented: - reduction in interviewer costs - reduction in respondent burden	To be confirmed – dependent on available resource and funding
Development of optical character recognition from scanned receipts and automatic COICOP coding			
7	Development of optical character recognition and automated COICOP coding- including an assessment of time and cost savings.	Implementation of a more efficient processing system, leading to increased timeliness of data delivery.	September 2018 to December 2019

Source: Source: Office for National Statistics – Living Costs and Food Survey