



Treasury Committee

Professor Sir Ian David Diamond, FBA, FRSE, FAcSS
National Statistician
UK Statistics Authority

By e-mail

Thursday, 21 November 2024

Labour Force Survey

Dear Professor Sir Ian

In evidence to the Treasury Committee on 19 November, the Governor of the Bank of England told us that labour data are “integral” to the Bank’s economic forecast, but that due to problems with the Office for National Statistics’ (ONS’) Labour Force Survey (LFS), “we don’t know whether [we have] a good read or not a good read” on labour market participation, which he explained is a “big signal on tightness of the labour market”. His Monetary Policy Committee colleague, Dr Catherine L. Mann, further highlighted the lack of data on flows in and out of employment, and earlier on 5 November, the Office for Budget Responsibility’s Professor David Miles told us that he was “not very” confident about the picture he has on the labour market due to problems with the LFS.

In the light of this evidence, we have major concerns about the UK’s ability to set monetary and fiscal policy appropriately in the absence of reliable data about the labour market. We would be grateful if you could supply us with the following information:

- An outline of the problems with the LFS, what steps the ONS is taking to fix those issues, the impact of the steps taken to date, and by when the ONS expects the problems to be fully resolved.
- An outline of the progress made on the Transformed Labour Force Survey (TLFS) and the challenges associated with making it a suitable replacement for the LFS, the ONS’s current best estimate of the timeline for its full launch, and how well it is performing in trials. In particular, how much progress has been made on the ONS’s March 2022 pledge to “vastly increase the number of those who complete the survey and make it more representative of the population as a whole”?¹ We

¹ Darren Morgan, ‘[Making everybody count: How we’re transforming the Labour Force Survey](#)’, National Statistical blog, 29 March 2022



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would also appreciate information on the shorter version of the TLFS survey the ONS announced in the ONS's July 2024 update.²

- In the light of the Governor's comments to us about the UK having a lower response rate to the LFS than other countries have to their equivalent surveys, what the ONS has learned from international comparisons.
- What priority the ONS places on fixing the LFS and launching the TLFS, how the level of resourcing applied to these has changed over time, and the extent to which that resourcing has been drawn from other workstreams.

I would welcome a reply by Wednesday 4 December 2024. In line with the Committee's usual practice, I will be placing this letter and your response in the public domain.

Yours sincerely

Dame Meg Hillier MP
Chair of the Treasury Committee

CC: Simon Hoare MP, Chair of the Public Administration and Constitutional Affairs Committee

² Office for National Statistics, '[Labour market transformation – update on progress and plans: July 2024](#)', 18 July 2024