Treasury Committee

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

By e-mail

Friday, 14 February 2025

Follow up to oral evidence session on 4 February

Dear Professor Sir Ian

We are grateful to you and your colleagues for giving oral evidence to us on labour market statistics in the very informative session on 4 February. As you agreed at the session, it is vital to policy making in the UK that there are trusted and accurate statistics on the state of the economy.

We note your confidence in the data produced by the Office for National Statistics (ONS), particularly on the issues of workforce inactivity and long-term illness. However, we also note the concerns that have been expressed to us by Bank of England and Office for Budget Responsibility officials about the information they have about the labour market and inactivity.[1] The Bank re-stated these concerns in the February 2025 *Monetary Policy Report* published shortly after our session. We will continue to monitor whether key users of economic statistics are confident in the data from the ONS, particularly those concerning the labour market.

At the session we noted that you expect the data derived from the Labour Force Survey to be published from May this year to be "really good labour market data", and that, after repeated delays, you now regard 2027 as a "backstop" for the transition to the Transformed Labour Force Survey (TLFS) with a hope that it will take place in early 2026. We also note that the ONS's 'lessons learnt' exercise concerning the TLFS found that it is "consistently overoptimistic in its vision". We would be grateful if the ONS provide this Committee, copying in the Chair of the Public Accounts and Constitutional Affairs Committee, with quarterly written updates on the progress of the LFS and TLFS. We

[1] As stated in my letter to you of December 2025, 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.

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would also welcome being informed should any other key economic statistics be at risk of developing significant quality issues due to poor response rates or other issues.

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

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