

Welsh Economic Statistics User Group: Minutes of meeting

Thursday 17 October 2024, 14:00-16:00

Attendees			
Vanessa	Allis	VA	Welsh Government
Joshua	Beeson	JB	Welsh Government
Lee	Clarke	LC	Cardiff Council
Alex	Fitzpatrick	AFi	Welsh Government
Rhys	ap Gwilym	RaG	Bangor University
Martin	Jennings	MJ	Senedd
Melanie	Jones	MeJ	Cardiff Business School, Cardiff University
Steve	King	SK	City and County of Swansea
Sue	Leake	SL	Welsh Government
Tom	Nicholls	TN	Welsh Government
James	Owen	JO	Welsh Government
Neil	Paull	NP	Welsh Government
David	Phillips	DP	Institute for Fiscal Studies
Cerys	Ponting	CP	Welsh Government
Julian	Revell	JR	Welsh Government
Sam	Willson	SW	Transport for Wales
Speakers			
Jonathan	Bonville-Ginn	JBG	Welsh Government
James	Harris	JH	ONS
Luned	Jones	LJ	Welsh Government
Jonathan	Price	JP	Office for Statistics Regulation (OSR)
Minute taker			
Rich	Gale	RG	Welsh Government
Apologies			
James	Carey	JC	Welsh Government
Alan	Felstead	AF	Cardiff University
Lloyd	Fisher	LF	Vale of Glamorgan Council
Debbie	Hudd	DH	Welsh Government
Guto	Ifan	GI	Wales Governance Centre
Calvin	Jones	CJ	Cardiff University
Jack	Price	JP	Wales Centre for Public Policy
Becky	Tinsley	BT	Office for National Statistics

Summary of Action Points from the last meeting		
1	LJ to put Alan Felstead in contact with the National Survey for Wales team.	Complete
2	AFi to follow up with ONS on the status of the remote working questions in the TLFS.	AFi: ONS have paused the development of questions on TLFS at the moment while they test a shorter survey. AFi believed to

3	AFi to put Alan Felstead in contact with ONS.	be ONS's list of academic users. TN can inform of future developments if necessary.
---	---	---

1	Welcome and introductions	Actions
	<p>TN opened the meeting, welcomed attendees and outlined the agenda.</p> <p>The minutes of the meeting in March were discussed, and Action Points from that meeting were closed.</p> <p>Simultaneous translation was not provided as the minimum quota of ten percent was not met.</p>	
2	Systematic review of economic statistics – Jonathan Price, OSR	
	<p>JP gave a presentation on the OSR's current systematic review of economic statistics, which is assessing how effectively the ONS's economic statistics meet the needs of stakeholders.</p> <p>The review was implemented for three reasons: 1) recent individual assessments, e.g. of the Producer Price Index (PPI), GDP, and R&D statistics, identified cross-cutting themes, such as whether sample designs are reviewed and updated frequently enough; 2) the last review (the Bean Review) was undertaken eight years ago; 3) the economic and social context is changing.</p> <p>JP outlined the approach to stakeholder engagement in the project, which includes three overlapping stages (a review of data sources; the extent to which outputs meet user needs; and the ONS's organisational context). The project is ongoing, and comments are still open for stage one.</p> <p>Key emerging messages/issues:</p> <ul style="list-style-type: none"> - Does the ONS have a clear organisational view of its core business? How transparent and informative is the process for allocating resources, such as the assessment of costs and benefits for monthly GDP releases? - Does ONS have a strategy for integrating administrative data sources, especially considering the slower than expected progress in the use of such data? Is there a clear vision for how surveys should be designed to complement administrative data? - How effective is the ONS's approach to maintaining and improving quality? For example, are samples reviewed regularly, and is there a rolling strategy for quality review? Has the loss of regular engagement with Eurostat affected quality? <p>Discussion</p> <p>JH asked a question about the breadth and depth of engagement with stakeholders in the project, both within and beyond the ONS. JP clarified the approach to</p>	

	engagement, based on known users of ONS economic statistics (Government departments, think tanks, etc.).	
3	Transformed Labour Force Survey and Annual Population Survey update – James Harris, ONS	
	<p>JH gave a presentation in two parts, on the current Labour Force Survey (LFS) and Annual Population Survey (APS), and on the development of the Transformed Labour Force Survey (TLFS).</p> <p>Key messages:</p> <ul style="list-style-type: none"> - A review of the current LFS and APS is underway, driven by falling response rates resulting in significant data quality concerns. - Badging of the ONS’s labour market statistics and other APS-derived results across the ONS has been voluntarily removed, following communication with the OSR. - Various recovery measures have been adopted to stabilise and sustain the current LFS and APS data, including enhanced use of technology to improve data collection, adjustments to sample design, reweighting of outputs and increasing interviewer capacity. A further reweighting of all LFS and APS outputs is scheduled for Spring 2025. (Detailed reports on quality and recovery are available here). - The recovery plan for the current LFS (and APS) is generating some positive results, with responses showing signs of recovery (the LFS hit a floor of approximately 40,000 for the whole UK in late 2023 but is projected to rise to approximately 65,000 for by the end of 2024). - The TLFS, which is the ONS’s long-term solution for collecting labour market statistics in the context of a changed survey environment, is being rolled out according to a revised schedule. This is to ensure data comparability between the LFS and TLFS before full transitioning takes place. As such, the dual running of the LFS and TLFS, which has been in place since February 2022, is being extended. - Response rates on the TLFS so far have been relatively consistent over time, around 40%. In Wales, while there is variation across local authorities, the average response rate is 39.6%, so broadly comparable to the wider UK. - Other challenges for the TLFS, aside from response rates, include: bias due to the ‘missingness’ of individuals within a household and the ‘missingness’ of specific question responses; and the difficulty of asking and interpreting complex variables (such as industry and SoC classifications, and reasons for inactivity). - Development work on the TLFS is currently ongoing, using LMX (labour market experimental) testing to 	

	<p>assess the impacts of a variety of changes (such as using a shorter survey, asking respondents to name their employer to link to other datasets, different designs to capture inactivity, and removal of the pay and earnings section).</p> <ul style="list-style-type: none"> - Project reports and decisions about how to proceed expected in Spring 2025. <p>Discussion</p> <p>DP asked a question about the impact of changes in LFS data quality, given that it's not just only to look at trends and levels across the country, but also to examine inequalities (e.g. it was referred to in the Levelling Up White Paper). When the sample size decreases, the variances increase. How much of the observed trends in inequality are driven by changes in sample sizes at the local authority level, rather than actual differences between areas?</p> <p>DP also made a point about use of the TLFS to study wages and minimum wage-earning. Other surveys like Annual Survey of Hours and Earnings (ASHE) and Family Resources Survey (FRS) have limitations in this regard. If there are plans to reduce the sample size for earnings data to improve response rates for other questions, it would be beneficial to liaise with the DWP and the FRS team to ensure valuable data for analysis is not lost.</p> <p>AFi responded to the sample size and variances question from a Wales perspective. The WG have been looking at all the different measures and local area breakdowns to understand what's driving the data. Once a clearer picture emerges, explanations will be provided (e.g. through blogs) about what's happening in the data and how best to use it. With all the changes in LFS and APS, recovery plans, and re-weighting work, there's a lot to work through.</p> <p>On the wage data, JH replied that the FRS survey team are part of his division, which has ongoing conversations with the DWP. Other key stakeholders, including HMRC, the Treasury, the Bank of England and Low Pay Commission are involved in the ONS's peer review process and have raised similar concerns about the importance of pay data. The testing work is currently ongoing, but decisions about the trade-off between response rates and earnings questions would be taken in discussion with stakeholders.</p>	
<p>4</p>	<p>Input-Output Tables update – Jonathan Bonville-Ginn, Welsh Government</p>	
	<p>JBG gave a presentation on ongoing Welsh Government work on Input-Output Tables for Wales.</p> <p>Key messages:</p> <ul style="list-style-type: none"> - Welsh Government received funding for a three-year project (ending March 2025) to produce input-output 	

	<p>tables for Wales, the first since 2007. They focus on the year 2019, as this was the latest year unaffected by the COVID-19 pandemic, providing more useful results for policy appraisal.</p> <ul style="list-style-type: none"> - Professor Calvin Jones from Cardiff University, an expert in Input-Output Tables, is working with the Welsh Government. As he is seconded into the Civil Service, he has been able to access data which he wouldn't otherwise be able to, thereby increasing the quality of the tables. - Input-Output Tables show the buying and selling relationships between all parts of the economy, including interactions with households, government, and the non-profit sector. They help assess the impacts of changes in demand across the economy. - The methods used are being documented in a forthcoming methodology paper, and the tables have been peer-reviewed by experts from ONS and other devolved governments. - Tables have various potential policy applications, including agricultural subsidies, freeports, devolved tax powers, and environmental issues. If other organizations are interested, the team would like to know how they can assist. <p>Discussion</p> <p>DP asked a question about whether there will be guardrails in place in terms of both internal and external use, given potential misuses of these models (e.g. consultancy work that might use them to assess the multiplier effect of a specific investment, without considering supply-side constraints). Will there be disclaimers or other measures in place to prevent their misuse, whether accidental or deliberate?</p> <p>JBG responded this is something the team is aware of and considering in relation to outputs, particularly use of caveats and disclaimers. Other options are to publish the user tool with a dummy dataset or highly aggregated versions of the tables, to help ensure only people who know what they're doing use the Input-Output Tables.</p> <p>TN commented that even with the best safeguards, there's always a risk of misuse. However, providing updated and accurate data with the right caveats is better than relying on outdated information. Meanwhile, having the tool available for public use could also lead to unforeseen benefits and research outputs.</p>	
5	<p>Boosting samples in wider UK surveys to improve data available for Wales – Jonathan Bonville-Ginn, Welsh Government</p>	
	<p>JBG gave a presentation on several Welsh Government-funded boosts to UK-wide surveys, intended to enhance</p>	

data coverage in Wales. Most of these boosts were funded directly by the Input-Output Tables project, or the budget that funded the project.

Key messages:

- [Annual Business Survey](#): The main structural survey conducted by the ONS, collecting end-of-year financial data from businesses, including turnover, wages, salaries, purchase of goods and services, stocks and capital expenditure. This was boosted in 2022, increasing the sample by 1,000 businesses. This involved use of a 'reference list' of specific businesses which have a weight of 1 in the sample, as there is no Wales-specific strata.
- [Annual Purchase Survey](#): Collects data on business expenditures, such as energy, goods, services, and materials used up/transformed in business activities or intermediate consumption. This was also boosted by 1,000 businesses in 2022 and 2023, and unlike the Annual Business Survey, includes a Wales-specific strata. However, data are not published by the ONS at local unit level, so businesses not headquartered in Wales but with significant operations in Wales don't show up in the Welsh sample.
- [Living Costs and Food Survey](#): Collects information on household expenditure patterns and is the main source of expenditure data below UK level. It is relied on heavily in Wales-level studies (including material deprivation and Input-Output Tables) because of regional level outputs. However, sample sizes for Wales are low (approx. 220 households per year), with the result that three years of data are combined in published outputs. The data were boosted in 2023-24, doubling the sample size to enable more robust analysis.
- [Family Resources Survey](#): A household survey managed by the DWP, providing the main source of data on income, poverty, and inequality. It's used extensively to develop, monitor, and evaluate social welfare policies. In 2019-2020, the Welsh sample size was 770 households. With boosts in 2022-2023 and 2023-2024, the sample size nearly doubled in the first year and remained significantly larger in the second year. By spring 2026, there will be three consecutive years of boosted data, amounting to data on approximately 4,000 households.
- [Business Register and Employment Survey](#): Provides estimates of employees (number of individuals employed) and employment (number of jobs) at detailed geographical and industrial levels. Welsh Government boosted this each year between 2021-2024, resulting in a significant increase in reporting units in the 20-99 FTE band (anticipated to

	<p>be around 2,835 in 2024, up from 1,085 with no boost).</p> <ul style="list-style-type: none"> - Annual Population Survey: (See item 3 above). A key data source for various labour market statistics used by Welsh Government, including young people not in education, employment, or training (NEET), highest qualifications held by working-age adults, general labour market statistics, and Welsh language data. <p>Discussion</p> <p>TN commented that it was good to see these spin-offs from the Input-Output Table project, enabling Welsh Government to be more informed users and analysts, and to address questions from policy colleagues and external stakeholders more effectively.</p> <p>JH linked back to his update on the APS (item 3) and how the ongoing work on this survey encompassed working with Welsh Government colleagues on the Wales boost. He welcomed participants in the meeting to share any feedback if they have experienced difficulties in generating results due to sample sizes (e.g. for disabled groups, ethnicity groups, Welsh language data, or any other specific breakdowns).</p>	
6	<p>Well-being of Wales Report update – Luned Jones, Welsh Government</p>	
	<p>LJ gave a presentation on the Well-being of Wales Report, updating on the most recent report (September 2024) and providing background to raise awareness.</p> <p>Key messages:</p> <ul style="list-style-type: none"> - The annual Well-being of Wales Report tracks progress towards the 7 national well-being goals, which are the top-level goals for Wales, set by the Well-being of Future Generations (Wales) Act 2015. - The well-being goals are set within an ‘architecture’ established by the 2015 Act, which encompasses: the mechanisms through which progress towards the goals can be understood, including the national indicators; the duty on public bodies to reflect the well-being goals and work sustainably; the five ways of working sustainably; and an accountability mechanism to ensure transparency about progress made towards the well-being goals. The annual Well-being Report fulfils this accountability function. - The Report tracks progress towards the well-being goals, considered against 50 national indicators and 17 milestones (which link to 16 of the national indicators). Both the indicators and milestones were created through wide-reaching processes of consultation. - The milestones are collective goals for Wales, rather than targets for the Welsh Government or individual 	

	<p>public bodies and are intended to show where we should be by 2050.</p> <ul style="list-style-type: none"> - The Well-being Reports are supported by a number of other products, including themed supplementary reports (past topics have included ethnicity and children and young people), and national indicator pages which are updated throughout the year. - Currently considering new ways of showing progress towards the well-being goals, focusing this year on the 17 milestones and using data to assess progress on these since 2015 when the Act came into force. - Some of the 17 milestones have multiple parts, so 21 progress assessments were made in total. Of these, 10 showed improvement, 5 deteriorated, 5 showed no change, and one couldn't be assessed due to lack of data. - The Well-being Reports are used to provide contextual evidence to shape policy and target investments, but also to develop performance indicators (e.g. in the case of the employability plan) <p>Discussion</p> <p>DP asked a question about the assessment of progress towards the 17 milestones, and how this tracks trends established prior to 2015. Would it be more informative to examine <i>changes</i> in trends rather than the trends themselves, to assess whether changes in trends are positive or negative and can be attributed to actions taken?</p> <p>LJ responded that these measures are designed to track long-term progress for the whole of Wales, rather than individual organisations. Correspondingly, the approach helps to capture overall progress, rather than attributing changes to specific interventions.</p>	
7	Any other business / Close	
	<p>TN invited participants to get in touch if they have suggestions for themes or presentations for the next meeting. He stressed his keenness to ensure this group builds an inclusive, two-way dialogue.</p> <p>LJ mentioned the launch of the UK Statistics Authority's advisory Statistics Assembly, with an inaugural event scheduled for Wednesday 22nd January 2025 in London. Register for the event here.</p> <p>TN announced the forthcoming Wales Economic and Fiscal Report (working title) which will replace the annual Chief Economist's Report but will be similar in focus and content.</p>	