

Progress Report in response to OSR Assessment of LCF

30 September 2021

Background

In July 2021, the Office for Statistics Regulation (OSR) [published a report](#) assessing the Living Cost and Food Survey (LCF) for compliance with the Code of Practice for Statistics.

This report identified two requirements and three considerations for improvements to be made to ensure that the LCF and its outputs continue to be fit for purpose and for Family Spending in the UK to retain its National Statistics status.

This document presents updates on our work to meet the OSR requirements, as of 30 September 2021, and planned future actions.

Requirement 1

Demonstrate a positive direction of travel by making some short-term gains by the end of 2021 as follows:

1. The Office for National Statistics (ONS) needs to take remedial action to improve the stability of the existing LCF processing system and to develop a new system which meets the needs of users and the staff running the systems
2. The ONS should enhance its understanding of the value of the statistics by improving its engagement with users, within and outside the ONS, to capture a wide range of views and use these to drive its priorities for development; the ONS should reflect on the Government Statistical Service's [User Engagement Strategy for Statistics](#) to help determine the best methods for engaging with users
3. The ONS should provide a mechanism and relevant access for other teams in the ONS who make use of LCF data to be able to contribute to the quality assurance of the data

Actions taken as of September 2021

The ONS has set up a dedicated and ringfenced improvement project, the LCF and RPI improvement project, that has delivered:

- detailed process maps, covering the current LCF data processing and identifying the “pain points”
- recommendations for improving the processes and their governance
- an updated Data Aggregation Module in Python to replace the old SAS Aggregation module, streamlining it and moving away from use of unsupported software and minimising the use of excel to manipulate data.
- an enhanced and updated Data Quality Assurance Module in R to replace current set of individual SPSS scripts, streamlining the data quality assurance the LCF

Research team is undertaking and providing them with additional indicators to help them spot rogue or missing data or miscalculated derived variables

The LCF Research team, responsible for the LCF outputs, started hosting curiosity meetings with the internal users of the data. In those meetings the team shares their findings about and interpretations of the LCF data, giving chance for data users outside the LCF research team to contribute to the quality assurance of the data.

The LCF research team has also committed to provide access to the micro-level unweighted and weighted data, alongside the aggregated data to the Economic Statistics Group (ESG) data users.

The LCF Research team has initiated discussions with the existing LCF steering group members to refresh its terms of reference, membership list and purpose as a first step towards strengthening our engagement across the LCF user community.

Next steps

- Designing and implementing streamlined business process for the LCF Data processing and its improved governance structure; timeline: by the end of March 2022.
- Implementing the updated modules of the LCF processing system in the Business As Usual (BAU) LCF data processing; timeline: by the end of March 2022.
- Developing and delivering training for the LCF Research team to upskill them in the use of the updated modules of the LCF processing system; timeline: by the end of March 2022.
- Continue improving¹ and updating the legacy modules of the LCF processing system.
- Review the governance around the LCF and its development, both internally and externally, and consider different channels of engagement to capture a wider range of views and uses; timeline: continuous.

Requirement 2

Publish a plan which includes specific actions, deliverables, and a timetable by the end of March 2022, that explains how it will address the following strategic improvements:

¹ During the years, LCF data processing system have organically grown, with additions of subroutines, derivations, and modules that have outlasted their use. The system complete re-development aims at streamlining the data processing, pruning un-necessary code, and improving code transparency by aligning it with the best coding practice in developing reproducible analytical pipelines. Though the system re-development is mostly tactical, it follows the ONS policy to move away of the use of SAS and strives to exploit opportunities for using strategic tools and existing frameworks and standards to facilities a future strategic uplift. Timeline: By the end of March 2023.

1. The ONS needs to develop a solution to address user need for more-granular breakdowns of data, so that the devolved administrations and other key users can use the statistics in the ways that they need to for the public good
2. The ONS needs to invest time and resource to pursuing initiatives to improve the quality and robustness of LCF data. The ONS should be open to creative solutions to improve the response rate, such as continuing exploring the use of different short and long form questionnaires/diary, alternative sampling strategies and linking with other data sources, rather than focusing only on increasing the existing sample.

Actions taken as of September 2021

The ONS has started commercial procurement of an external review aimed at informing the ONS' statistical blueprint for its future expenditure data collection, including a high-level survey design. The project will include a user requirement exercise to identify what household expenditure data our users need and for what purpose, an assessment of alternative, non-survey data that may be available to meet part of these needs, and recommendations for the best design for a household expenditure survey to meet user needs, including quality and cost requirements.

Next Steps

- Appoint a supplier for the delivery of the external review; timeline: by the end of October 2021.
- Develop and implement plan how to transform the collection of survey-based expenditure data in line with the review recommendations, as well as for the wider transformation of the Household Finances Survey; timeline: by the end of March 2022.
- Continue implementation of the LCF National Statistics Quality Review 2016 recommendations as outlined in the latest update [here](#).

Consideration 1

The ONS should consider extending the scope of its LCF and RPI improvement project work to include input from some of its key external users, such as those in the devolved administrations, where additional intelligence could be gathered on the use and issues faced by the government in its use of LCF data.

Actions taken as of September 2021

Please see the actions taken to address Requirements 1 and 2 above.

As part of the LCF external review, which is currently in the process of being commercially procured, the ONS will carry out a detailed user requirement exercise to inform the future of its household expenditure data collection.

Next Steps

Please see the next steps to address Requirements 1 and 2 above.

Consideration 2

The ONS should consider the management of risks throughout the end-to-end production process as part of the LCF projects medium term work and ambitions.

Actions taken as of September 2021

The ONS has expanded the scope of the LCF and RPI improvement project to consider wider aspects of the end-to-end process. We have established a continuous improvement project aiming at streamlining the LCF receipts processing and data coding and editing processes.

Next Steps

- Complete Quality Assurance of LCF data report using the [Quality Assurance of Administrative Data](#) framework at A3 level of the QA matrix, in order to fully assess the end-to-end risks to the survey; timeline: by the end of December 2021.

Consideration 3

The ONS should determine a longer-term solution for the LCF which draws on a broader base of data, international best practice and wider transformation initiatives.

Actions taken as of September 2021

The external review of the needs for household expenditure data mentioned in the Actions taken under Requirement 2 will contribute to the ONS's work with regards to Consideration 3. A detailed review of the design of international expenditure surveys will be a key component of the household expenditure external review.

The ONS is now regularly in contact with the Australian Bureau of Statistics (ABS), who are also [re-designing](#) their Household Expenditure Survey to exchange knowledge and lessons learned, and to keep abreast with the world's developments in the area of Household Expenditure official statistics.

Next Steps

- Appoint a supplier for the delivery of the external review; timeline: by the end of October 2021.
- Develop and implement plan how to transform the collection of survey-based expenditure data in line with the review recommendations, as well as for the wider transformation of the Household Finances Survey; timeline: by the end of March 2022.
- Continue collaboration and exchange of knowledge with Australian Bureau of Statistics and re-start our collaboration with other NSIs (for example, Statistics Canada and Statistics Netherlands); timeline: continuous.