

Economic and Labour Market Statistics (ELMS) User Group Meeting minutes

Monday 14th March 2016

Netherleigh

The Code of Practice for Official Statistics requires producers of official statistics to engage effectively with their users to promote trust and maximise public value and to investigate and document user needs. NISRA also utilises groups of expert users to provide feedback on particular sets of official statistics. To this end, an Economic and Labour Market Statistics user group meeting was held on the 14th March with the aim of addressing a number of areas where queries had arisen from users of our statistics.

Attendees

Name	Organisation
1. James Gillan	ELMS
2. Oonagh Neenan	ELMS
3. Andrew Mawhinney	ELMS
4. Kathryn Kavanagh	ELMS
5. Jonathan Harvey	ELMS
6. Chris Ganley	ELMS
7. Shane Murphy	DETI
8. Tony Simpson	DFP
9. Neil Gibson	University of Ulster, Economic Policy Centre (UUEPC)
10. Richard Johnston	University of Ulster, Economic Policy Centre (UUEPC)
11. Philip McDonagh	Statistics Advisory Committee

Introduction

1. ELMS welcomed everyone to the meeting and all attendees provided brief introductions. The purpose of the meeting was outlined as an opportunity to discuss a range of ELMS data, particularly on employment and productivity, in order to address any queries users may have and to inform future work.

Background

2. UUEPC provided a short presentation highlighting particular areas for further discussion and clarification including:
 - i. Variations in time series data when comparing workforce jobs (WFJ) and Labour Force Survey (LFS) employment which provide varying views on the performance of the labour market over time. Understanding the differences and causation of the different trends is important for understanding how to monitor and report on future labour market performance.

- ii. Productivity per job estimates vary across industries with some not appearing to meet expectations. There are policy implications in understanding sectoral/structural issues identified by productivity data.
 - iii. Comparison of Invest NI data on jobs promoted and ELMSB net jobs statistics over the same period raises questions about the measure.
3. It was noted that a robust understanding of these issues is important for setting future Programme for Government (PfG) targets and for monitoring the success or otherwise of Departments and Agencies in meeting these targets.

ELMS overview of labour market data

4. ELMS staff delivered a presentation on the WFJ and LFS measures, including background information, methodological and definitional differences between the two series and potential reasons for any variation. Productivity measures, primarily GVA per job, were also presented, showing the variation when using WFJ / LFS. The presentation demonstrated that the patterns shown in NI are evident in other UK regions.
5. The statistics showed that, despite divergence between LFS and WFJ historically, the two measures have since converged and are currently reporting very similar levels. However it was agreed that, in order to explain any future divergence in the figures, a better understanding of the potential causes of this is essential e.g. high levels of people working low numbers of hours resulting in growth in the LFS which is not reflected in the WFJ.
6. In order to do this, ELMS plan to analyse the two measures at a point when there was a large divergence and again when they converged, in order to identify if any particular components of the measures were driving the variance. UUEPC agreed with this approach, saying that they proposed to do the same. In addition, ELMS plan to replicate the WFJ figures produced by ONS and analyse in more detail the impact of hours worked.
7. It was suggested that, in order to gain a full understanding of the performance of the labour market over time, additional measures in particular the claimant count, should also be taken into consideration.

Actions:

- ***ELMS / UUEPC to attempt to identify the components of WFJ /LFS contributing to the differences in the series.***
- ***ELMS to consider the claimant count trend over the same period as that for WFJ and LFS.***
- ***ELMS to provide recently updated chart showing the change in LFS employment over time by male/female, full time/part time and self-employment.***

Quality assurance processes

8. Classifications of companies were discussed as it was noted there is a lack of understanding amongst the public that companies could be classified differently to how

they are perceived. For example, sections of a banking organisation based in NI could be primarily focused on legal services and would therefore be classified under legal rather than finance. It was suggested that this can cause confusion when companies locate in NI but the subsequent jobs figures do not reflect increases in the envisaged industries.

9. Quality assurance of labour market statistics within ELMS was discussed and an overview provided of the quality assurance process for the Quarterly Employment Survey (QES), outlining the various stages involved including how ELMS deal with changes in classifications and any large fluctuations in data.
10. The group felt that this was very useful to know and instils further confidence in the figures. It was suggested that a one page document explaining these issues and the quality assurance process would be very useful to educate users and Committees such as ETI and EAG.

Action:

- ***ELMS agreed to provide a document to explain the QES sampling and QA process.***

Programme for Government (PfG)

11. There was a discussion on the importance of policy makers understanding the different measures that can be used to set jobs targets, which are likely to feature in the new PfG, to be agreed after the election. An understanding of the differences is required in order to set appropriate targets which can be monitored using an outcome based approach that is accessible to citizens.
12. It was suggested that a suite of indicators is needed and that there is a technical reason to support the inclusion of both measures of jobs (LFS and WFJ) in order to provide the whole picture and avoid any risks of using one particular source for PfG.
13. It was noted that there used to be a paper published discussing “myths of the NI Labour Market” and that something similar would be useful to help dispel misconceptions about the labour market statistics. It was agreed that this would be useful for UUEPC to help answer frequently asked questions received at briefings, meetings etc.

Action:

- ***UUEPC to supply ELMS with five or six key questions that they would like to have a standard response for. This could be included in papers and presentations to help users to better understand the statistics.***

Way forward

14. ELMS are currently drafting a topic paper clarifying and quantifying the differences between the LFS and WFJ. UUEPC are keen to provide support / work with ELMS where possible and felt that the discussion today indicated that this is a worthwhile piece of work, particularly to increase confidence and understanding of the statistics among users, in particular policy makers. For this reason, UUEPC are keen to produce a non-statistical paper, perhaps 10 -15 pages addressing the three issues discussed, to help

users and policy makers better understand the data and how to interpret it. It was suggested that this could be issued in response to the ELMS paper, noting that neither could be published in the purdah period therefore further consideration of dates is required.

15. ELMS also supported a closer working relationship with UUEPC and to continue to work together on the issue going forward. It was recognised that this group is a useful resource for ELMS to help engage with users. UUEPC agreed, suggesting that it would be particularly useful if ELMS could provide a workshop for UUEPC staff to get a better understanding of how specific statistics are produced.

16. Whilst ELMS are keen to support UUEPC in their research, data confidentiality and data protection are essential and these issues must be formally agreed before micro level data can be shared.

Action:

- ***ELMS and UUEPC to meet after Easter to take this work forward, including drafting a terms of reference and discussing the possibility of an ELMS workshop for UUEPC staff.***

Invest NI performance monitoring

17. The discussion moved to the issue regarding the differences in the jobs promoted figures reported by Invest NI and the ELMS jobs figures. DETI have been working with Invest NI to resolve issues around measuring performance for some time and it was suggested that a sense check of Invest NI data against the data held by ELMS would be useful, to include not only jobs figures but other ELMS data relating to R&D, exports, sales, etc. The new IBSS system developed by ELMS would facilitate this if Invest NI provided details of their clients, however in the past this has not been available except for one off projects.

Action:

- ***To be taken forward as part of the already established discussions between Invest NI, DETI and ELMS on a new approach to data sharing.***

Any other business

18. ONS are currently consulting on regional public sector finances. DFP will be providing a response and others were also encouraged to do so.

END

If you require more information about any of the topics discussed above, please contact NISRA via the details below. In addition, if users have any views on DFP statistical services, official statistics data quality or the format and timing of reports, please provide your comments via the details below.

Email: statistics@dfpni.gov.uk

Contact: Chris Ganley

Phone: 028 90529645