ECONOMY AND LABOUR MARKET

Changes to Labour Market Statistics in Scotland: What You Need to Know

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This paper outlines the Scottish Government's decision to discontinue funding for the Office for National Statistics local Labour Force Survey (LFS) boost for Scotland and assesses the potential impact this will have on labour market statistics. It presents findings from a simulation using January to December 2024 APS data and sets out the next steps to ensure continued access to high-quality labour market insights for Scotland.

Scottish Government
Riaghaltas na h-Alba

1 Summary

The Scottish Government has made the decision to discontinue funding the Office for National Statistics (ONS) local Labour Force Survey (LFS) boost for Scotland from the October to December 2025 data collection onwards. This boost has historically contributed to the overall sample size of the ONS Annual Population Survey (APS), which combines core LFS responses with additional data collected through local boosts. However, despite funding the APS boost in Scotland, we have experienced a significant downward trend in achieved sample sizes which has impacted the quality of provision and statistics.

This decision reflects that trend and a broader shift in how labour market statistics are produced and used in Scotland, driven by declining response rates, rising costs, and longstanding concerns about data quality, particularly at sub-national levels.

To understand the potential impact of this decision, we conducted a simulation using the January to December 2024 Annual Population Survey (APS) microdata. By removing the Scottish LFS boost cases from the dataset, we were able to assess how the absence of the boost would affect the number and quality of publishable labour market estimates. This approach allowed us to compare the current landscape with a future scenario where the boost is no longer present.

Key findings from the analysis include:

- **Overall Impact:** Removing the boost resulted in a 17.3% reduction in the number of estimates classified as “robust” under ONS data quality rules. This figure is largely driven by local authority level estimates
- **Local Authority Estimates:** These are most affected, with a 35.7% reduction in “robust” estimates. This decline is concentrated in statistics for employment among 16 to 24 year olds and headline economic inactivity
- **National and Regional Estimates:** When local authority data is excluded, the reduction in “robust” estimates falls to just 5.5%, with only six estimates reclassified. This demonstrates that the removal of the boost has minimal impact on broader geographic levels
- **Unemployment and Ethnicity:** Outside of local authority data, the remaining reductions in robustness are primarily clustered in unemployment and ethnicity related estimates. Notably, binary ethnicity breakdowns (e.g. 'White' and 'Minority ethnic group') remain unaffected, suggesting broader groupings may help maintain data quality

While the removal of the boost will lead to greater volatility in some estimates, including wider confidence intervals and higher Coefficient of Variation (CV) values, the overall number of publishable statistics is expected to remain largely unchanged, provided APS sample sizes remain stable or improve.

To ensure continued access to high-quality labour market statistics, the Scottish Government is actively exploring alternative data sources, including administrative financial data and other public and private sector data. This work marks the beginning of a transformation in how labour market data is collected and used in Scotland. Alongside this, the Scottish Government will continue to work closely with the ONS to support the development of the transformed Labour Force Survey (TLFS), a redesigned, digitally focused survey anticipated to launch in late 2026.

Stakeholder engagement will be central to this process, with a series of sessions planned throughout the remainder of 2025 and 2026 to ensure that future labour market statistics reflect the needs of users across Scotland.

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2 The future of the ONS Annual Population Survey in Scotland

2.1.1 Understanding the ONS Annual Population Survey and Its Importance

The Annual Population Survey (APS) and the Labour Force Survey (LFS) are UK wide surveys that serve as the primary sources of labour market statistics for Scotland. The LFS is conducted in-person on behalf of the Office for National Statistics (ONS) in Great Britain and by the Northern Ireland Statistics and Research Agency in Northern Ireland. The ONS is responsible for combining these datasets to produce monthly UK labour market statistics, based on rolling quarterly data.

The APS builds upon the LFS by incorporating additional responses collected through local LFS boosts, which are designed to increase sample sizes and improve the reliability of estimates. The local LFS boost for Scotland has historically been funded by the Scottish Government.

This boost has played a key role in enhancing the quality of statistics for smaller population groups and geographic areas, including:

- local authority level estimates
- breakdowns by equality characteristics, such as age, disability, and ethnicity

These enriched datasets have been vital for informing policy decisions, supporting public service delivery, and providing a clearer picture of the Scottish labour market and economy.

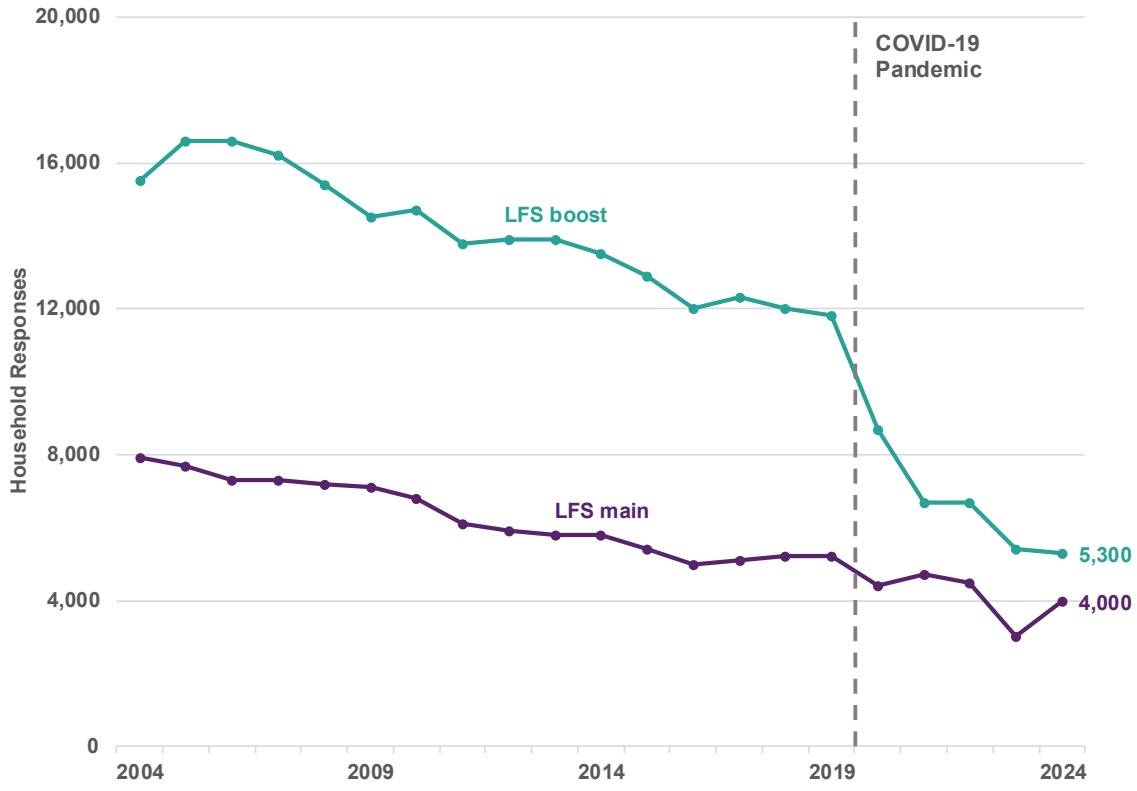
2.2 Challenges with Declining Response Rates and Data Quality

In recent years, survey-based data collection across the UK has faced growing challenges due to declining public engagement. The LFS and APS have been particularly affected, with response rates steadily falling over time. This long-term decline has been exacerbated by the COVID-19 pandemic, which led to a sharp drop in participation.

While the ONS has taken steps to improve response rates at the UK level, including enhancements to the LFS methodology, these improvements have not translated into a recovery in response rates for Scotland (Figure 1). Response rates for both the LFS and the Scottish LFS Boost remain below the average response rates for the rest of the UK, and the achieved sample sizes have not returned to pre-pandemic levels. Lower response rates have had a direct impact on the quality and reliability of labour market statistics for Scotland, especially at sub-national levels.

Figure 1 Household responses from both the LFS and LFS Boost have been declining since 2004 but the decrease in LFS Boost responses has been far greater than those seen in the LFS main

Annual Population Survey achieved sample for households in Scotland split by LFS and LFS Boost responses, January to December 2004 through to January to December 2024



In April 2025, the Scottish Government conducted a detailed quality assessment of labour market statistics derived from the Annual Population Survey (APS). The findings revealed a notable decline in data quality over time. In 2019, nearly 94% of regularly published estimates were classified as "robust." By 2023, this figure had dropped to approximately 80%. Furthermore, while 58% of estimates were assessed as having "high" or "moderate" confidence, over 40% were rated as having "limited," "low," or "no" confidence, rendering two in five estimates unsuitable for publication.

This deterioration in data quality is closely linked to falling response rates, which have led to:

- smaller achieved sample sizes
- increased uncertainty and volatility in estimates
- wider confidence intervals
- a growing number of statistics failing to meet minimum publication standards

The ONS published a Labour Force Survey Quality Update in September 2025, which provides further insight into these challenges. While the report

highlights improvements in UK level LFS estimates, it also confirms that response rates in Scotland remain below average response rates for the rest of the UK, particularly in later survey waves. Although ONS has taken steps to address this, such as increasing interviewer capacity in Scotland, these efforts have not yet resulted in a meaningful increase in sample sizes.

Additionally, ONS continues to advise caution when interpreting sub-national estimates, including those for Scotland, due to persistent volatility in the data. This reinforces the Scottish Government's position that APS and LFS data at the Scotland level and below remain insufficiently robust for many analytical and policy-making purposes.

2.2.1 The Decision to End the Scottish LFS Boost

Over recent years, the Scottish Government has faced increasing challenges in publishing reliable labour market statistics derived from the APS. A growing number of key estimates, particularly those requiring detailed breakdowns, can no longer be published with confidence due to declining data quality. This has led to the suspension of several regular publications and limited our ability to respond to ad-hoc data requests.

While some breakdowns remain publishable (such as employment by age, sex, disability, and ethnicity at Scotland level), others, most notably unemployment estimates, have become increasingly unreliable. This has further constrained the suite of statistics we can release, as publishing only the "robust" estimates risks potential disclosure issues.

In addition to these quality concerns, the cost of maintaining the local LFS boost has continued to rise. Achieving previous levels of reliability would require increased investment, yet even those levels no longer meet the needs of many users.

Given these challenges, the Scottish Government has decided not to continue funding the local LFS boost from the October to December 2025 data collection onwards. This decision is based on:

- persistently low response rates and declining data quality
- poor value for money
- limited usefulness of the boost in its current form

This marks a strategic shift in how labour market data will be collected and used in Scotland, with a focus on exploring alternative sources to better meet user needs.

2.3 What this means for users

The removal of the Scottish Labour Force Survey (LFS) boost is expected to have a relatively modest impact on the overall availability of publishable labour market statistics. This is because, even with the boost in place, many detailed breakdowns, particularly at the local level, have not met the necessary quality standards for publication in recent years.

The first APS dataset to exclude Scottish boost responses will be for the period January to March 2026. However, due to the rolling nature of the APS and the time it takes for boost cases to fully phase out, the full impact will not be reflected until the January to December 2026 dataset, which is scheduled for publication in April 2027.

In the interim, users will begin to see gradual reductions in sample sizes across overlapping APS periods:

- April 2025 to March 2026 (published July 2026)
- July 2025 to June 2026
- October 2025 to September 2026

These reductions will culminate in the complete removal of boost responses from the January to December 2026 dataset.

As a result, a further reduction in the number of publishable statistics from the APS is anticipated in 2026, particularly for local authority level estimates and breakdowns by population characteristics, as the effects of the boost removal feed through into the APS data. A detailed assessment of the expected impact on APS derived statistics is provided in Annex 1.

Despite these changes, users will continue to have access to:

- monthly LFS estimates
- HMRC PAYE Real Time Information (RTI) and Claimant Count statistics
- APS data containing some boost responses until the April 2027 publication

3 Next Steps for Labour Market Statistics in Scotland

The Scottish Government is committed to ensuring continued access to high-quality labour market statistics for users and stakeholders. We will continue to monitor the quality of data from the ONS LFS and APS, applying our own quality rules and confidence ratings to assess suitability for publication.

Reliable labour market statistics are essential for understanding the Scottish economy and informing evidence-based policy making. To strengthen the data landscape, we are actively exploring a range of alternative data sources and suppliers. This includes both public and private sector data, as well as innovative approaches to using existing administrative data.

One such initiative is a feasibility study to explore the potential of using administrative financial data to infer employment status and labour market trends. This work will begin later in 2025 and forms part of a broader transformation in how labour market statistics are produced in Scotland. Alongside this, we are reviewing other administrative datasets already held by the Scottish Government and evaluating additional sources that may offer valuable labour market insights.

To ensure our future statistical outputs meet user needs, we will host a series of stakeholder engagement sessions throughout the coming year. These sessions, scheduled for November 2025, February, May, and August 2026, will provide opportunities for internal and external stakeholders to share their views on the labour market statistics that matter most to them.

This work complements the ongoing efforts of the ONS to transform the Labour Force Survey (TLFS). The TLFS is a redesigned survey focused on online data collection and targeted follow-up, with a planned launch in late 2026. The Scottish Government continues to collaborate closely with ONS as a key stakeholder in the development of the TLFS and remains committed to supporting its implementation.

Together, these efforts will help ensure that Scotland continues to benefit from meaningful, reliable labour market data that supports informed decision-making and effective policy development.

Annex 1 Impact of discontinuing the LFS boost on Labour Market Estimates for Scotland

Annex 1.1 Introduction and methods

This annex explains what the potential impact of discontinuing the local LFS boost for Scotland will be on the labour market statistics published by the Scottish Government and what it means for the information we can continue to provide.

To understand the potential impact of this change, we analysed the most recent APS microdata (January to December 2024) and simulated[1] what the results would look like without the boost. This allowed us to compare the estimates currently possible with those that would have been feasible without the 2024 boost.

Our early findings suggest that only a small number of additional statistics were affected by the removal of the boost for the January to December 2024 data. This suggests that the overall impact of removing the boost is relatively limited when considered alongside existing data quality constraints and we are confident that this will continue to be the case for future APS releases. It is important to note that the ONS are actively working to improve achieved sample sizes in the LFS, which is expected to lead to corresponding increases in the APS sample sizes over time.

Annex 1.1.1 Quality Rules

Labour market estimates are assessed using three quality classifications: “robust”, “less robust”, and “not robust”. These categories reflect the minimum quality standards required for publication. “Robust” estimates meet the minimum quality threshold and are considered suitable for public release. “Less robust” estimates may be published with appropriate caveats, while “not robust” estimates typically fall below acceptable quality standards and are not published.

Whilst the Scottish Government and ONS apply the same rules for assessing if an estimate is “robust”[2], the Scottish Government apply more stringent criteria than the Office for National Statistics (ONS) when determining whether an estimate is “less robust” or “not robust.” These enhanced rules incorporate

[1] The simulated dataset was created by filtering the APS data where LFSSAMP = 1. LFSSAMP is a variable on the APS dataset which indicates whether the record was sampled as part of the LFS (Wave 1 or Wave 5) or LFS Boost sample.

[2] Estimates are “robust” if sample size greater than or equal to 26 (these estimates may still be subject to greater sampling variability)

Coefficient of Variation (CV) calculations, which are derived using sample weights.

For this analysis, it was not possible to apply the Scottish Government's quality criteria to estimates that excluded the local LFS boost cases, as we did not have the correct weighting to apply to the sample. As a result, the focus of our analysis is on estimates that are considered "robust", which are calculated directly from the sample size only and uses the same rules applied by both the Scottish Government and ONS.

While this analysis focusses on estimates considered "robust", we have also included estimates considered "less robust" [3] and "not robust" [4] using the ONS quality rules to provide a complete picture. It should be noted that, had the Scottish Government's stricter criteria been applied, the number of estimates classified as "less robust" would likely be lower, and those deemed "not robust" and therefore require suppression, would likely be higher.

Annex 1.1.2 Summary of analysed variables

In our Quality Assessment of the Office for National Statistics Labour Force Survey and Annual Population Survey data for Scotland report, we looked at 229 APS estimates broken down into five categories:

- 47 estimates included in the Labour Market Statistics for 16 to 24 year olds publication
- 167 estimates included in the annual People, Places and Regions publication
- 4 estimates used as National Performance Framework (NPF) indicators
- 5 estimates used as Fair Work indicators
- 6 estimates considered for Job Quality indicators

It should be noted that there are nine estimates in the Labour Market Statistics for 16 to 24 year olds publication which also feature in the annual People, Places and Regions publication. This resulted in double-counting of these estimates in the original report. We have accounted for the double-counting in this analysis and will only report on the 220 unique estimates in this paper.

Annex 1.2 Impact on publishable estimates

Annex 1.2.1 Overall impact on publishable estimates

Applying the ONS data quality rules, which are based solely on the achieved sample sizes, our analysis found that once the Scottish boost is removed from the sample, there would be a reduction in the number of estimates classified

[3] Estimates are "less robust" if sample size between 3 and 25 inclusive

[4] Estimates are "suppressed" if sample size less than 3

as 'robust', alongside an increase in the number of estimates deemed 'less robust' or “not robust” i.e. subject to suppression due to insufficient quality.

Based on analysis of the January to December 2024 APS data, the removal of the local LFS boost is projected to result in a 17.3% reduction in the number of estimates classified as “robust” under ONS data quality rules (Table A1). While this headline figure may appear significant, it is largely driven by the loss of local authority level estimates, which are particularly sensitive to sample size reductions.

Table A1 Number of estimates by quality category (ONS rules), with and without the Scottish LFS boost for January to December 2024

	APS	APS without boost	Difference
Robust	179	148	-31
Less Robust	38	64	26
Suppressed	3	8	5

When local authority estimates are excluded from the analysis (Table A2), the reduction in “robust” estimates falls to just 5.5%, with only six estimates reclassified from “robust” to “less robust.” This highlights that the overall impact of removing the boost is relatively modest for national level statistics, and that the most substantial effects are concentrated at the local level.

Table A2 Number of estimates by quality category (ONS rules), with and without the Scottish LFS boost excluding local authority estimates, January to December 2024

	APS	APS without boost	Difference
Robust	109	103	-6
Less Robust	14	20	6
Suppressed	1	1	0

Annex 1.2.2 Impact on local authority level estimates

When focusing specifically on local authority level estimates, the impact of removing the local LFS boost is more pronounced. Analysis of the January to December 2024 APS data indicates a 35.7% reduction in the number of estimates classified as “robust” under ONS data quality rules (Table A3). This substantial decline reflects the sensitivity of local level statistics to changes in sample size.

In parallel, there is a corresponding increase in the number of estimates falling into the “less robust” category or being suppressed entirely due to insufficient data quality (“not robust”). These findings underscore the critical role the LFS boost has historically played in enhancing sample sizes and improving the robustness of statistics at more granular geographic levels. However, due to persistent data quality challenges in recent years, many local authority level statistics have already been suppressed or published with caution, meaning the removal of the boost is unlikely to significantly alter the current landscape of labour market data publication.

Table A3 Number of estimates by quality category (ONS rules), with and without the Scottish LFS boost for local authority estimates, January to December 2024

	APS	APS without boost	Difference
Robust	70	45	-25
Less Robust	24	44	20
Suppressed	2	7	5

The tables above demonstrate that the reduction in the number of estimates classified as “robust” is concentrated primarily within local authority level data. A more detailed breakdown by estimate type reveals that this decline is driven largely by reductions in the quality of estimates for employment among 16 to 24 year olds and headline economic inactivity.

These findings underscore the impact of removing the local LFS boost on specific subgroups within local areas, where sample sizes are inherently smaller and data quality is more sensitive to changes in survey coverage. In particular, estimates for younger age groups and economically inactive populations at the local authority level are most affected (Table A4).

However, it is important to recognise that the quality of APS data at sub-national levels has been poor for some time, and this has already constrained the Scottish Government’s ability to publish many local authority level estimates and detailed unemployment breakdowns. As such, the difference between having the boost and not having it is relatively limited, as many of the affected estimates have already been suppressed or classified as “less robust” in recent years due to longstanding data quality concerns.

Table A4 Change in number of estimates by quality category (ONS rules), with and without the Scottish LFS boost for local authority estimates by key breakdowns, January to December 2024

	16 to 24 year old difference	Headline employment difference	Headline inactivity difference	Total difference
Robust	-9	-2	-14	-25
Less Robust	8	1	11	20
Suppressed	1	1	3	5

Annex 1.2.3 Impact on estimates excluding local authority samples

Excluding local authority level estimates, the remaining reduction in robustness is primarily concentrated within two key categories: unemployment and ethnicity (Table A5). When grouped accordingly, these areas account for the majority of the remaining estimates that have shifted from “robust” to “less robust” or have been suppressed due to data quality concerns.

This clustering highlights the particular sensitivity of unemployment and ethnicity related statistics to changes in sample size, even at broader geographic levels, and underscores the importance of maintaining sufficient coverage to support reliable analysis in these domains.

Table A5 Change in number of estimates by quality category (ONS rules), with and without the Scottish LFS boost excluding local authority estimates by key breakdowns, January to December 2024

	Unemployment difference	Ethnicity difference	Other differences	Total difference
Robust	-4	-2	0	-6
Less Robust	4	2	0	6
Suppressed	0	0	0	5

For the purposes of this analysis, unemployment by ethnicity has been grouped under the broader 'ethnicity' category rather than 'unemployment', to ensure consistency in classification. This approach reflects the intersectional nature of the data and allows for clearer interpretation of quality impacts within demographic breakdowns.

It is also important to note that when using a binary ethnicity classification (e.g. 'White' and 'Minority ethnic group') rather than the more detailed five-category breakdown, there is no observed reduction in the quality of estimates

across the categories. This suggests that broader groupings may help maintain statistical robustness where sample sizes are more limited.

Annex 1.3 Conclusion

Analysis of the January to December 2024 APS data suggests that the removal of the local LFS boost will potentially have a limited impact on the overall number of publishable estimates. While there is a noticeable reduction in the number of estimates classified as “robust,” this is largely concentrated within local authority level data and unemployment breakdowns.

Importantly, the quality of APS data, particularly below regional and national levels, has been a concern for several years, as highlighted by the ONS. These longstanding issues have already restricted our ability to publish certain estimates, including detailed unemployment statistics by characteristics such as disability and ethnicity, and many local authority level estimates.

As such, the difference between having the boost and not having it is relatively modest, given that data quality constraints have already limited the scope of publishable statistics. Assuming APS sample sizes without the boost remain consistent with those observed in this analysis, the overall impact on the number of estimates we can currently publish is expected to be minimal.

However, it is anticipated that estimates produced without the boost will be more volatile, with wider confidence intervals and higher Coefficient of Variation (CV) values. This may affect the precision and reliability of certain statistics over time.

To mitigate these challenges and enhance the quality of labour market data, the Scottish Government is actively exploring alternative data sources that could complement the existing LFS and APS datasets (See section 3).