

Article

Living Costs and Food Survey technical report: financial year ending March 2023

User guidance and technical information for the Living Costs and Food Survey for the financial year ending March 2023.

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1. Main points

- This report contains response information, questionnaire changes and new or changed methodology for the Living Costs and Food Survey (LCF) for financial year ending (FYE) 2023.
- The purpose of this report is to update the FYE 2022 technical report and accompanies the Family spending in the UK: April 2022 to March 2023 bulletin.
- Further supporting data can be found in the updated Living Costs and Food Survey: technical report data tables.

2. Overview of the LCF technical report FYE 2023

Background

This report contains response information, questionnaire changes and new or changed methodology for the Living Costs and Food Survey (LCF) for financial year ending (FYE) 2023 (April 2022 to March 2023).

It does not describe methodology that has changed prior to FYE 2023. For changes prior to FYE 2023, users should refer to the technical reports of the relevant family spending years, which are linked to each Family spending publication. For a more in-depth explanation of LCF processes and methodology, users should refer to our Living Costs and Food Survey Quality and Methodology Information.

The purpose of this report is to update the FYE 2022 technical report and accompanies our <u>Family spending in</u> the UK: April 2022 to March 2023 bulletin.

Alongside this report, we are publishing<u>updated Living Costs and Food Survey: technical report data tables</u>that provide information on response, characteristics of the sample, <u>confidence intervals</u> and interview metrics.

3 . Response for FYE 2023

As shown in Table 4 of the <u>accompanying dataset</u>, the overall response rate for the Living Costs and Food Survey (LCF) in Great Britain was 22% in financial year ending (FYE) 2023. This is a 5% decrease in comparison with FYE 2022. The issued sample was approximately 1,000 households fewer than FYE 2022.

Of the eligible sample for FYE 2023, we were unable to contact 37% of addresses, a further 41% refused to take part and 4% had another reason for non-response. Non-response remains high since the coronavirus (COVID-19) pandemic.

Of the 4,061 responding households in Great Britain, 3,993 co-operated fully, meaning they completed both interview and diary sections of the survey. This report refers to the Great Britain sample as these data are directly collected by the Office for National Statistics (ONS) field force, while the Northern Ireland data are collected by the Northern Ireland Statistics and Research Agency (NISRA). For more information on this please refer to the Living Costs and Food Survey Quality and Methodology Information.

In FYE 2023, partial responses accounted for 2% of all co-operating households. These 68 partial responses occurred because one or more adults in the household refused to keep the diary but were happy to take part in the interview and the Main Diary Keeper (MDK) of the household completed both the interview and the diary (<u>Table 6</u>).

Interviewers record the main reason why people refuse before or during an interview. These are spontaneous results, which are coded against a list of preset answers, with an "other" option available where applicable. In FYE 2023, the two most commonly cited reasons for refusing to take part in the survey were (<u>Table 10</u>):

- cannot be bothered (33%), which was the top reason cited, as in the previous year
- temporarily too busy (15%), which is a level similar to the previous year

Challenges with response and impact to publication

The collection of data in the field in FYE 2023 encountered numerous challenges, chief of which was low respondent participation. Together with the lower set sample, the LCF has seen the lowest number of responding households in the dataset to date. Taking this into account along with stakeholder feedback in response to a review of the Family spending in the UK workbooks carried out in FYE 2022, a small number of tables have not been published to maintain quality in line with the <u>Code of Practice for Statistics</u>.

4. LCF questionnaire changes for FYE 2023

Preparations for the April 2022 Living Costs and Food Survey (LCF) questionnaire changes for financial year ending (FYE) 2023 dataset began in September 2021. This allows us to plan the changes and liaise with, and seek, stakeholder approval.

Changes for April 2022

To enable the shift from face-to-face to telephone interviewing at the start of the coronavirus (COVID-19) pandemic, several questions were removed from the LCF questionnaire in April 2020 to reduce the length of the interview. Some of these questions have now been reintroduced into the questionnaire as detailed in this section.

Questions removed

- Most of the <u>Knock to Nudge</u> (KtN) questions were removed as they were no longer required, as the KtN intervention was no longer being conducted.
- The majority of the questions related to coronavirus were removed as the government policies on which they were based had ceased.

Addition of questions

- The sets of questions related to well-being, country of birth of respondents, rooms, and some of the questions related to a respondent's qualifications, economic status and material deprivation were reintroduced into the questionnaire at the request of users and for data processing requirements, following their removal in April 2020.
- A set of questions related to cost of living, including questions about whether a household's cost of living has increased or decreased were input into the questionnaire at the request of stakeholders.
- A question has been introduced into the questionnaire asking respondents to describe other income not already reported in the questionnaire.
- Inclusion of a question in the Council Tax block to capture if a household has received a Council Tax rebate introduced by the government from April 2022.

Other changes

- Updating of the time periods in the remaining coronavirus questions to reflect the new financial year.
- The ethnicity questions were updated in line with <u>current ONS ethnicity harmonised standards</u>.
- A new state benefit answer option "Basic income for care leavers" has been added for Wales.

Changes made to the questionnaire in response to the coronavirus pandemic

The actions implemented to continue the survey while coronavirus restrictions were in place were carried forward into 2022 - please see our <u>Living Costs and Food Survey technical report</u>: <u>financial year ending March 2021</u> <u>methodology</u> for more detail.

For FYE 2023, face-to-face interviews returned as standard, though telephone interviews could also be arranged in special circumstances to avoid disruption to data collection activities.

5. Other changes for FYE 2023

Regional data

The GORX variable is used to produce the regional breakdown expenditure tables. However, in the microdata there are several geography variables, which are inconsistent in the treatment of some border addresses between Scotland and England, and England and Wales depending on the level of geography variable used. This only impacts a small number of cases and for the purpose of the publication the tables are correct for the GORX variable. This note is useful to analysts who use the Living Costs and Food Survey (LCF) microdata from UKDA or SRS.

Update to weighting methods

The weighting method was updated for financial year ending (FYE) 2023 from LCF weights to Household Financial Surveys (HFS) to reflect the true probability of selection and to unify with other surveys in Office for National Statistics (ONS) household finances. HFS weights are calibrated using the following groups:

- age-sex groups: age bands 0 to 15 years (children combined male and female), 16 to 24, 25 to 44, 45 to 64, 65 to 74, 75 years and over (separately for male and female)
- regions (12 Government Office Regions): person-level totals
- regions: household totals
- employment: under 16 years, employed, self-employed, unemployed, inactive
- tenure: owning outright, owning with mortgage, renting

The update to weights reduced spending by an average of 1% across all expenditure categories.

Outlier treatment

The methods for income and expenditure outlier identification and treatment methods have now been unified within LCF processes. To identify and treat outliers in both household-level and person-level datasets, outliers are identified from a proportional representation of the expenditure influence. Influence caps are set, and if the spending for a household exceeds the cap, then the expenditure is classed as an outlier. The weight for that household is then treated accordingly to bring the weighted spending below the influence cap, while attempting to minimise any additional impact to other spending categories. The annual household weights are then scaled to account for the impact of the adjusted figures.

6. Terminology for FYE 2023

Design factor

The design factor, or deft, is the ratio of the standard error of an estimate calculated considering the complex design relative to the <u>standard error</u> that would have resulted had the survey design been a simple random sample of the same size. Design factors are estimated for some of the main variables on the Living Costs and Food Survey (LCF). These are published in our <u>technical report tables</u>.

The size of the deft varies between survey variables according to the degree to which a characteristic is clustered within Primary Sampling Units (PSUs) or is distributed between strata, and the impact of the weighting. For a single variable, the size of the deft also varies according to the size of the subgroup on which the estimate is based and on the distribution of the subgroup between PSUs and strata.

Defts below 1.0 show that the standard errors associated with the complex design are lower than those associated with the simple random design due probably to the benefits of stratification. Deft greater than 1.0 show the survey has produced less precise estimates than would be obtained from a comparable simple random sample because of the effects of clustering and weighting.

7. Data on response rates and characteristics of the sample

Living Costs and Food Survey: technical report data tables Dataset | Released 23 August 2024 Characteristics of sampled households in the Living Costs and Food Survey.

8. Related links

Family spending in the UK: April 2022 to March 2023

Bulletin | Released 23 August 2024

Average weekly household expenditure on goods and services in the UK, by age, income economic status, socio-economic class, household composition and region.

Living Costs and Food Survey Quality and Methodology Information

Methodology | Released 1 August 2023 Details the strengths, limitations, uses, users and methods used for the Living Costs and Food Survey.

9. Cite this article

Office for National Statistics (ONS), released 23 August 2024, ONS website, article, <u>Living Costs and Food</u> <u>Survey technical report: financial year ending 2023</u>