
Chair of the UK Statistics Authority, Andrew Dilnot CBE

Chris Leslie MP
House of Commons
LONDON
SW1A 0AA

17 January 2013

Dear Mr Leslie

EMPLOYMENT STATISTICS

Thank you for your letter dated 11 December regarding statistics on the net increase in private sector jobs since May 2010. I apologise for the delay in responding.

In August 2012, I replied to an enquiry from George Eaton of the New Statesman on essentially the same matter, and my view remains unchanged.¹ I have updated the available official statistics to take account of more recent data on the estimated number of people in employment. I have asked my officials to prepare a short note setting out the statistical context in relation to this matter, and this is attached.

Yours sincerely



Andrew Dilnot CBE

¹ <http://www.statisticsauthority.gov.uk/reports---correspondence/correspondence/index.html>

ANNEX

The available official statistics relate to the estimated number of people in employment. This is not quite same as the number of jobs, since one person may have more than one job. And the estimated change in the numbers in employment is not the same as the number of jobs created, since it is effectively a net figure, equivalent to the difference between jobs created and jobs that are lost.

In looking at the statistical trends over time, there was sustained growth in the numbers in employment between 2001 and 2008, followed by a sharp fall to mid-2009 and then a recovery from 2010, such that the latest estimate is close to the 2008 peak. How much of the growth since early 2010 can be attributed to the change in administration, or to anticipation of policy changes, is a matter for political debate and, within reasonable bounds, we would not challenge a political statement on this.

What we can say is that, based on the latest available data, published in December 2012, covering the period between February to April 2010 (referred to as March 2010 in the statistical release) and August to October 2012 (September 2012 in the statistical release), the increase in private-sector employment is about 1,146,000, excluding employment in further education and sixth form colleges. The comparable figure for the period between May to July 2010 (referred to as June 2010 in the statistical release) and August to October 2012 (September 2012 in the statistical release) is about 853,000, again excluding employment in the further education and sixth form college sector. We note the comparable figures for the earlier data published in September 2012 covering the periods between March 2010 and June 2012, and between June 2010 and June 2012 were 1,181,000 and 874,000 respectively.

It should be noted here that there is considerable uncertainty in these figures as they are the differences between estimated totals (of around 23 million in each case) which the Office for National Statistics says, based on the latest data available, should be regarded as likely to be within the range 158,000 to 161,000 either way. That means that the difference between two estimates will have even wider confidence intervals.

When account is taken of the inherent uncertainty in sample-based estimates of this kind, and the obvious uncertainty about the path the graph would have followed in the absence of a change in administration, the Statistics Authority would not wish to challenge, or endorse, political claims of the kind to which you refer in your letter.

Finally, we note the point made by Mr Leslie in respect of the reclassification of 196,000 posts in further education and sixth form colleges as private sector jobs. The effect of this reclassification exercise has been accounted for in the published official statistics on the estimated number of people in employment by sector, as discussed above.