

---

**Chair of the UK Statistics Authority, Sir Andrew Dilnot CBE**

Chuka Umunna MP  
House of Commons  
LONDON  
SW1A 0AA

22 August 2013

Dear Mr Umunna

**ZERO-HOURS EMPLOYMENT STATISTICS**

Thank you for your letter of 17 August about the estimates of the number of people on zero-hours contracts produced by the Office for National Statistics (ONS) on the basis of data from the Labour Force Survey (LFS).

Some weeks ago, ONS published an article *Estimating Zero-Hour Contracts from the Labour Force Survey* which identified the relevant survey questions and explained the process by which ONS estimates from these the number of people who say that their main job involves a zero-hours contract.<sup>1</sup> While this is a technical note it is evident that there are some risks of such estimates being too low due to individuals not describing their working arrangement as being a 'zero-hours' contract to the interviewer. If 'zero-hours' is not the term used by the employer, or if the employee thinks the term implies a pattern of working different from his or her experience, then the estimates may be too low. I am aware that this point has also been made by others, for example in a note published by the House of Commons Library *Zero Hours Contracts* on 5 August.<sup>2</sup>

You ask specifically whether the Statistics Authority believes that ONS estimates are satisfactory. Our view is that any estimate based on responses from individuals to a question that uses a possibly unfamiliar term such as 'zero-hours' may be subject to the risk of an undercount, for the reasons I have mentioned. If, for example, an employee undertakes any hours of work in the reference period he or she might be hesitant to refer to that as a 'zero-hours' arrangement because zero-hours does not describe what he or she perceives their work pattern to be.

In relation to your second point, I have asked ONS to assess the technical merits of the estimates from the other sources you quote, including those of the Chartered Institute of Personnel and Development (CIPD), and if they are found to be robust to include a prominent cross-reference to them in any future ONS output that includes LFS estimates of the numbers of people on zero-hours contracts.

---

<sup>1</sup> <http://www.ons.gov.uk/ons/guide-method/method-quality/specific/labour-market/articles-and-reports/zero-hours-contracts.pdf>

<sup>2</sup> <http://www.parliament.uk/briefing-papers/SN06553.pdf>

Finally, ONS plans to add some questions on zero-hours contracts to an existing large scale ONS business survey, to obtain new data directly from employers. This will commence on a quarterly basis in the Autumn and the results will be published early next year. ONS will undertake a brief consultation next month to clarify the data requirements and better meet users' needs.<sup>3</sup>

I am copying this to Jil Matheson, the National Statistician, and to Glen Watson, Director General of ONS.

Yours sincerely

A handwritten signature in black ink that reads "Andrew Dilnot". The signature is written in a cursive style with a large initial 'A'.

**Sir Andrew Dilnot CBE**

---

<sup>3</sup> <http://www.ons.gov.uk/ons/rel/mro/news-release/ons-announces-additional-estimate-of-zero-hours-contracts/zhc0813.html>