
Chair of the UK Statistics Authority, Sir Andrew Dilnot CBE

Rt. Hon. Matthew Hancock MP
House of Commons
LONDON
SW1A 0AA

12 March 2015

Dear Mr Hancock

ZERO HOURS CONTRACTS

Thank you for your letter of 4 March regarding statements made by the Shadow Chancellor, the Shadow Secretary of State for Work and Pensions and on Twitter by the Labour Party regarding the number of people on zero hours contracts.

You are correct that the ONS survey of businesses estimated that there were 1.8 million contracts that do not guarantee a minimum number of hours in use for August 2014. The previous estimate of contracts in use was 1.4 million for January 2014. The ONS release advised that as the two releases cover different times of year, differences in the number of such contracts reported may reflect seasonal factors.

You are also correct that the number of people estimated to be on a zero hours contract in their main job is different to the estimated total number of zero hours contracts. This figure, which was estimated from responses to the Labour Force Survey, was 697,000 for the period October to December 2014, an increase from 586,000 for the same period in 2013. However some of this increase is likely to be due to greater recognition of the term zero-hours contracts rather than new contracts.

The ONS is clear in their publication that:

- i. the number of zero hours contracts in use 'will be greater than the number of people [with zero hours contracts] as people can have more than one contract'; and,
- ii. contracts cover a variety of working arrangements. 'This will include instances where people in their main employment are working a regular number of hours a week (although these hours are not guaranteed by their contract) as well those who work on an irregular basis due to personal choice, availability of work or to fit in around their main employment.'¹

¹ http://www.ons.gov.uk/ons/dcp171776_396885.pdf

I am copying this to the Shadow Chancellor, Rt. Hon. Ed Balls MP, the Shadow Secretary of State for Work and Pensions, Rachel Reeves MP, and the National Statistician, John Pullinger.

Yours sincerely,

A handwritten signature in black ink that reads "Andrew Dilnot". The signature is written in a cursive, slightly slanted style.

Sir Andrew Dilnot CBE