
John Pullinger CB CStat | National StatisticianImran Hussain MP
House of Commons
London
SW1A 0AA

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Dear Mr Hussain,

As National Statistician and Chief Executive of the UK Statistics Authority, I am replying to your Parliamentary Question asking how many jobs in (a) Bradford East constituency, (b) Bradford, (c) West Yorkshire and (d) the UK are paid below the living wage (**5819**).

The *Annual Survey of Hours and Earnings* (ASHE), carried out in April each year, is the most comprehensive source of earnings information in the United Kingdom.

In April 2014 (the latest period for which ASHE estimates are available) the living wage rates suggested by the Living Wage Foundation were £8.80 for employees who worked in London and £7.65 for employees who worked outside London.

Table 1 (below) shows the proportion of employee jobs with hourly earnings (excluding overtime) less than the living wage in the a) Bradford East constituency, (b) Bradford, (c) West Yorkshire and (d) the UK, in April 2014. As with any survey, estimates from ASHE are subject to a margin of uncertainty. Estimates of uncertainty have been included in the table, with a star system indicating the degree of uncertainty.¹

Proportions have been provided rather than numbers because, while the ASHE methodology is designed to give the best possible estimate of average earnings, it does not provide an accurate estimate of the *number* of employee jobs. We know that using the ASHE data to estimate numbers of jobs would result in figures that were lower than the true value, but it is not possible to say by how much. For this reason, ASHE is used to estimate only the *proportion* of employee jobs with earnings below the living wage rate.

¹ The coefficient of variation (CV) indicates the quality of an estimate; the smaller the CV, the higher the quality. The true value is likely to lie within +/- twice the CV. For example, for an estimate of 50% with a CV of 5%, we would expect the true population proportion to be within the range 45% to 55%. This is given by $50\% \pm (2 \times 0.05) \times 50$.

Key	Coefficient of Variation (CV) %	Statistical Robustness
	CV <=5	Estimates are considered precise
*	CV >5 and <=10	Estimates are considered reasonably precise
**	CV >10 and <=20	Estimates are considered acceptable

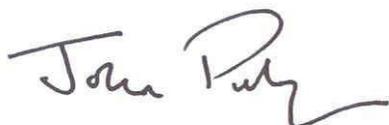
Table 1: Percentage of employee jobs with hourly pay (excluding overtime) less than the living wage, April 2014^{2,3,4,5}

Area	% of employee jobs in area	
Bradford East constituency	24.3	**
Bradford	23.5	*
West Yorkshire	22.3	
UK	21.7	

Source: Annual Survey of Hours and Earnings

You may wish to note that ASHE estimates for the proportion of employee jobs with earnings below the living wage rate for all local authorities and parliamentary constituencies in the UK in April 2014 have been published on the ONS website, at: <http://www.ons.gov.uk/ons/about-ons/business-transparency/freedom-of-information/what-can-i-request/published-ad-hoc-data/labour/february-2015/index.html> (reference numbers 003884 and 003889).

Yours sincerely



John Pullinger

² ASHE is based on a 1% sample of jobs taken from HM Revenue and Customs' *Pay As You Earn* (PAYE) records. Consequently, individuals with more than one job may appear in the sample more than once.

³ Employee jobs are defined as those held by employees and not the self-employed.

⁴ Hourly earnings are estimated from ASHE and are provided for employees on adult rates of pay, whose earnings for the survey pay period were not affected by absence.

⁵ Data are provisional.