



BRIEFING PAPER

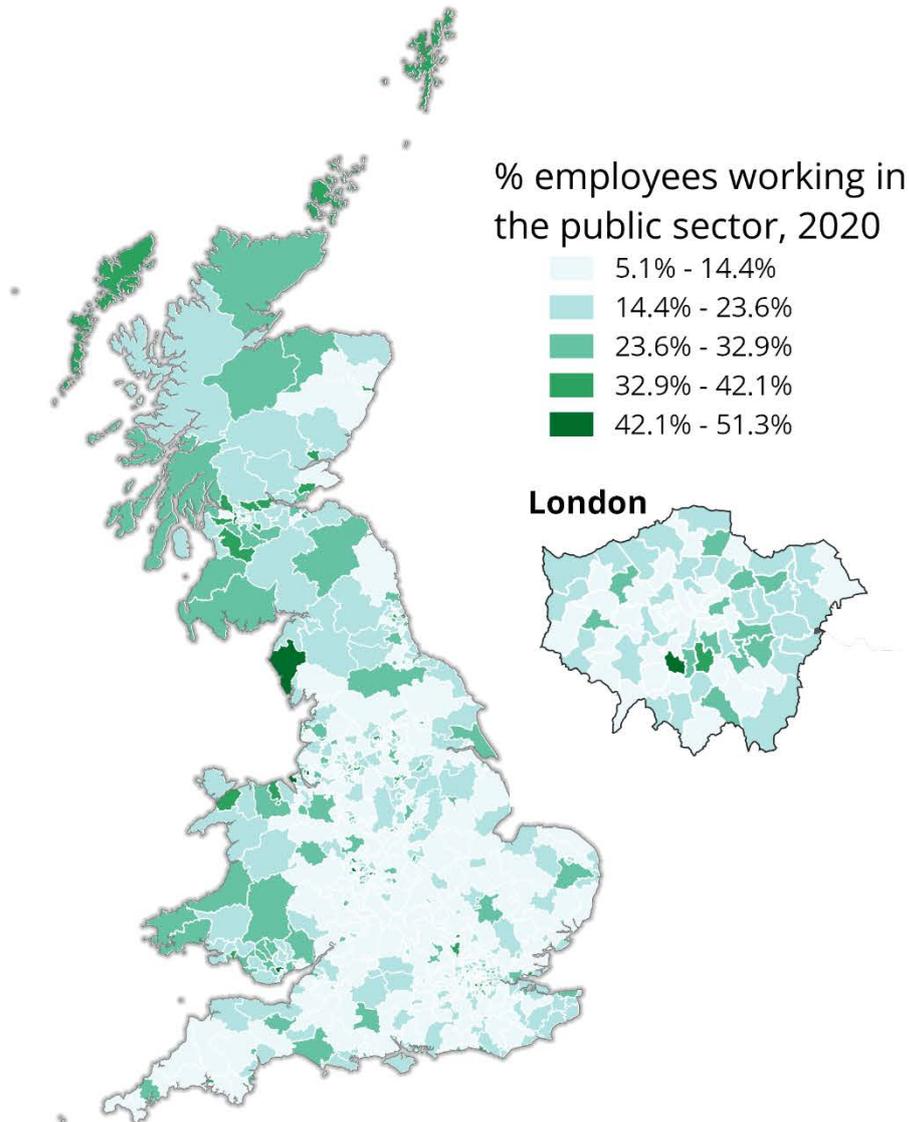
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Public sector employment by parliamentary constituency

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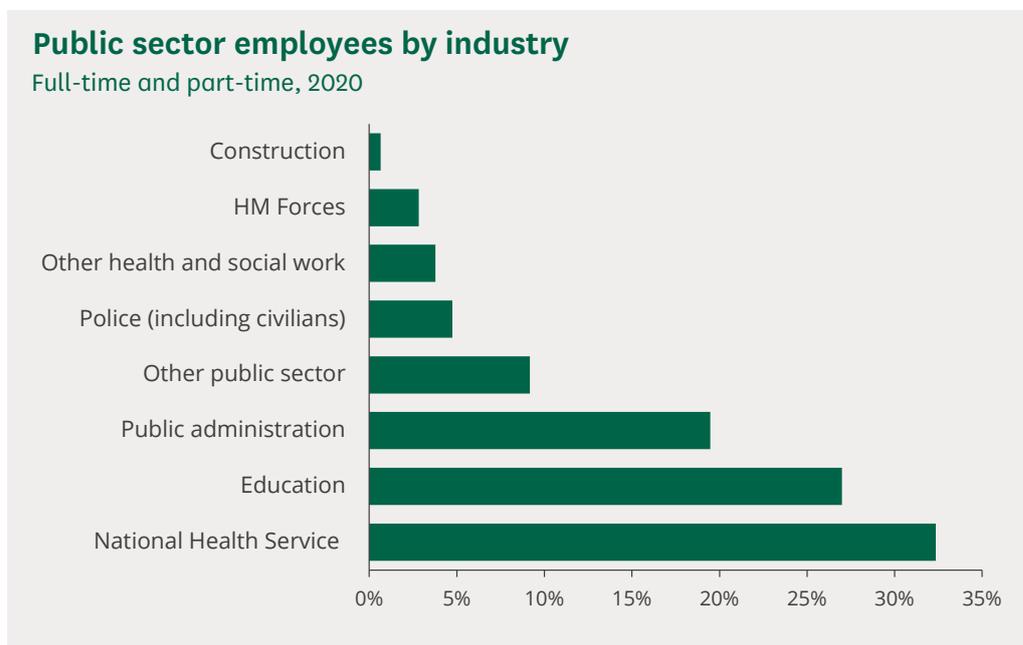
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1. Current Outlook

In June 2020 there were **5.5 million** public sector workers in the UK, representing **16.7%** of all people in employment.

1.1 Industry

In 2020, 32% of public sector workers worked for the NHS, 27% worked in education, and 19% worked in public administration. This breakdown has remained relatively constant since 2010, though the NHS overtook education as the industry with the highest proportion of public sector workers in 2016. Since 2010, HM forces have employed 3%, and the police have employed 4-5% of public sector workers.



Source: ONS, [Public sector employment: June 2020](#), September 2020

2. National trends

In 2020, there were 5.5 million people working in the public sector, 115,000 (0.7%) more than in 2019. In 2020 there were 1.9 million fewer public sector workers than a post-war peak in 1979.¹

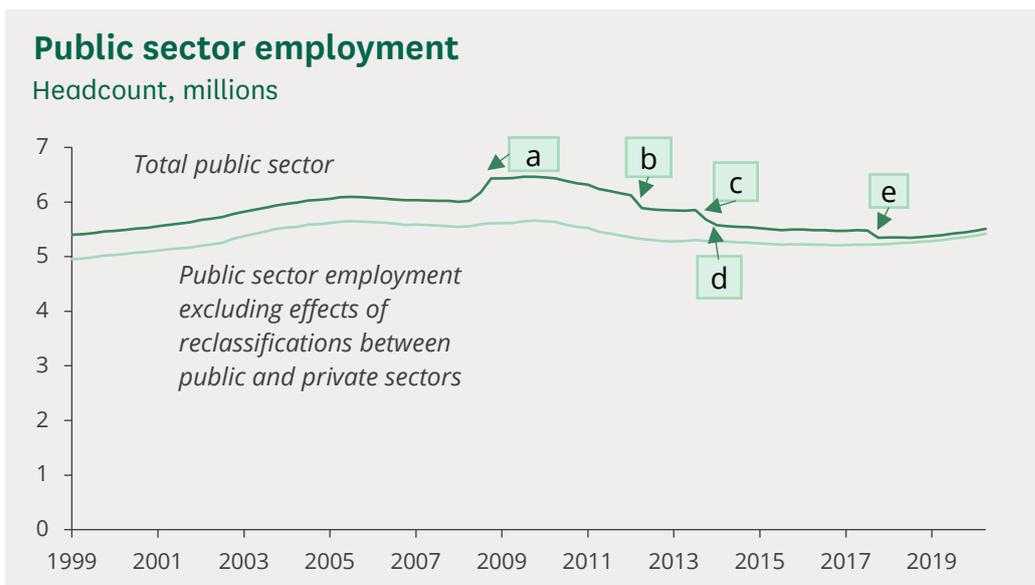
In comparison, the total number of people in employment in the UK reached a record high in June 2020 (32.9 million people). Total employment has increased by 7.8 million since 1979.

The number of people employed in the public sector fell by 926,000 or 14.4% between 2010 and 2020, in part owing to organisations being reclassified from the public to the private sector (see box below). Excluding the effect of these reclassifications, public sector employment decreased by 215,000 or 3.8% in this period.

Recent falls in public sector employment contrast with the trend up to 2010. The number of people working in the public sector increased steadily from the end of the 1990s up to 2008 and, following the 2008 economic downturn, public sector employment levels increased further as the Government took Royal Bank of Scotland and Lloyds Banking Group into public ownership.

The increase in private sector employment over the past two decades means that public sector employment has declined as a proportion of total employment, from 20.0% in 1999 to 16.7% in 2020.

¹ Historical public sector employment data are obtained from the following sources: Central Statistics Office / Office for National Statistics, *Economic Trends*, No 85 (November 1960); No 268 (February 1976); No 313 (November 1979); No 571 (June 2001); ONS, *Labour Market trends*, No 7 (July 2004); ONS *Public sector employment* dataset and ONS *UK Labour Market* bulletin.



Notes

- (a) December 2008- Lloyds Banking Group and Royal Bank of Scotland moved to public sector
- (b) June 2012 - English further education colleges moved to private sector
- (c) Dec 2013 - Royal Mail moved to private sector
- (d) Mar 2014 - Lloyds Banking group moved back to private sector
- (e) Dec 2017 - English Housing Associations moved to private sector

Source: ONS, [Public sector employment: June 2020](#), September 2020

What is included in the public sector?

The public sector includes people working in central government, local government and public corporations.

- **Central government** includes all administrative departments of government, other central agencies and non-departmental public bodies, the National Health Service, HM Forces and academy schools. From 2013 it includes the Police Service of Scotland. Central government employment is therefore much wider than civil service employment alone (although some civil servants are classified to public corporations rather than central government).
- **Local government** covers public administration that is specific to some locality only. It includes local authorities as well as police forces in England and Wales.
- **Public corporations** are companies or quasi-corporations controlled by government that receive more than half their income from market sales of goods or services. Examples include London Underground Ltd or the Driver and Vehicle Standards Agency.²

Recent major reclassifications between the public and private sectors

- Royal Bank of Scotland Group plc is included in the public sector estimates from Q4 2008 onwards but not in earlier periods. Lloyds Banking Group plc and its subsidiaries are included in public sector estimates from Q4 2008 to Q4 2013 only.
- English further education colleges and English sixth form college corporations are included in public sector estimates from 1993 to Q1 2012, and to the private sector thereafter.
- Royal Mail plc is included in public sector estimates up to Q3 2013.
- English Housing Associations are included in public sector estimates from Q3 2008 to Q3 2017.

A more detailed list of major reclassifications since 1999 is provided in the notes page in the ONS [Public sector employment](#) bulletin data tables.

² ONS, [Public sector employment Quality and Methodology Information](#), 24 July 2018

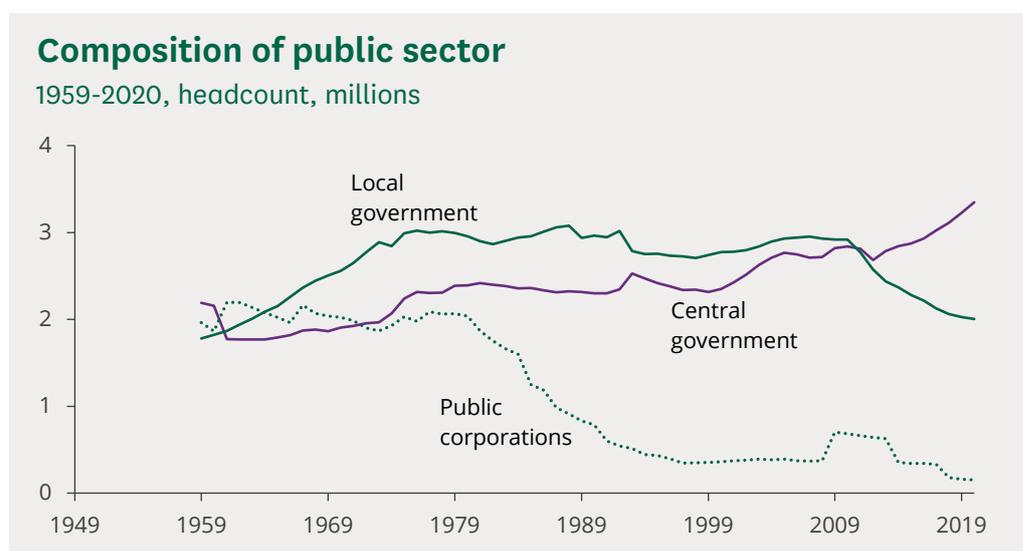
3. Central and local government

In 2020, there were 3.4 million people working in central government, and 2 million people working in local government.

Central government employment is currently at its highest level in the post-war period. Increases in central government has been due to increases in NHS, the Civil Service and local authority schools becoming academies.

Employment in **local government** exceeded central government employment throughout the period 1961 to 2011 but fell sharply after 2010. Local government employment fell by 913,000 between 2010 and 2020 to 2.0 million, a 31.3% decrease. The number of people working in local government in 2020 is similar to levels seen in the early 1960s.

There have been striking changes in the number of workers employed in **public corporations** over the past sixty years as bodies have been taken into or moved out of public ownership. Around a third of all public sector workers were employed in public corporations in 1959, but the number was greatly reduced in the 1980s and 1990s as many public companies were privatised by the then Conservative government. In 2020, just under 3% of public sector workers (153,000 people) were employed in public corporations.



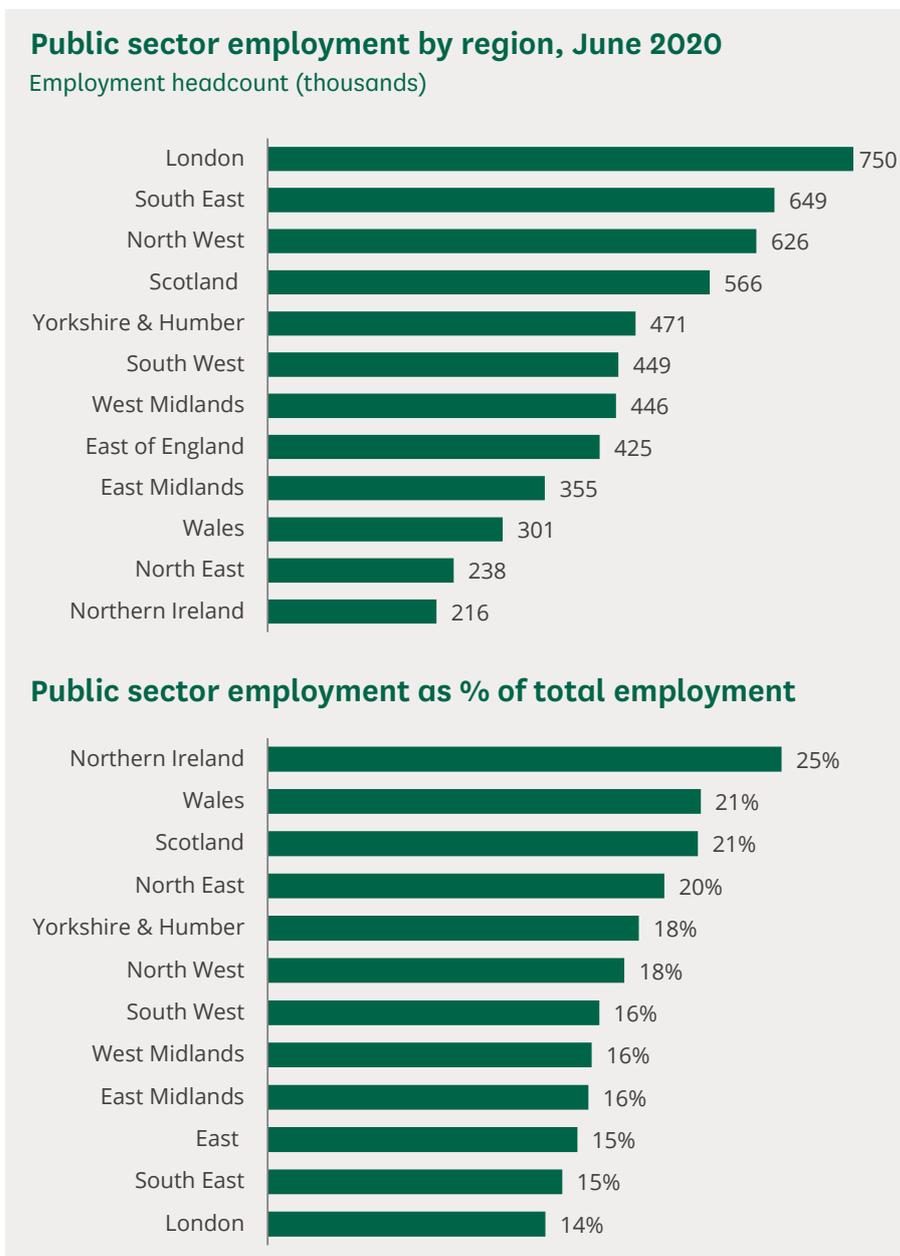
Source: ONS, [Public sector employment, UK: June 2020](#), September 2020

4. Employment by region

Northern Ireland had the highest share of workers employed in the public sector of all UK countries and regions in June 2020 (25%).

London had the lowest share of workers employed in the public sector (14%). However, because the total number of people working in London is higher than for other regions, London still had the highest number of public sector workers of any region (750,000).

These data are based on where people work, rather than where they live. Therefore, figures include workers who live outside the relevant region or country but who travel there to work.



Notes: Based on region of workplace

Source: ONS, [Public sector employment, UK: June 2020](#), September 2020

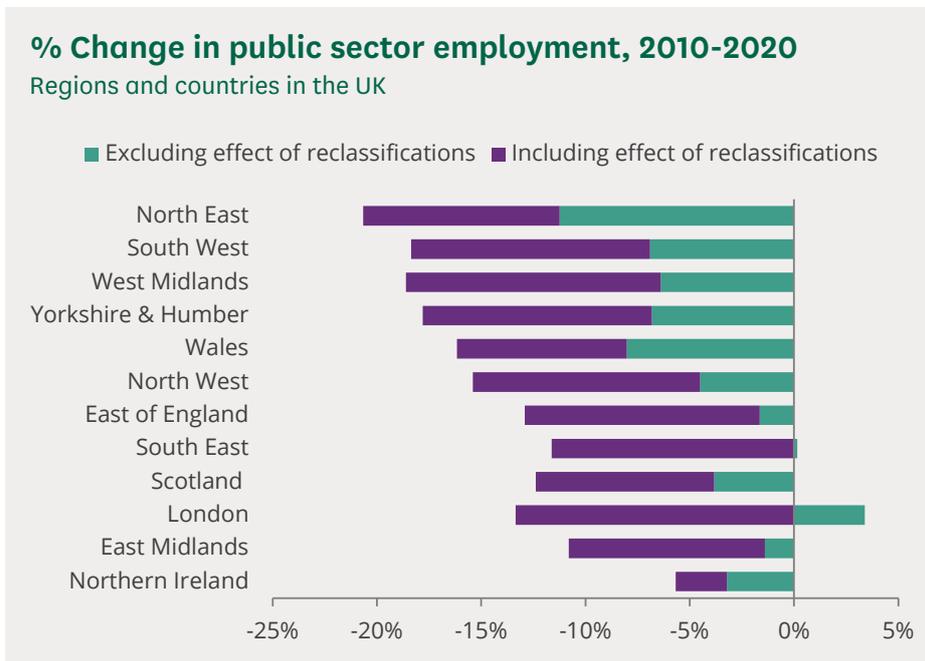
4.1 Change since 2010

In most UK regions and countries there has been a fall in public sector employment since 2010, which is reflective of the trend nationally.

This is partly due to organisations being reclassified between the public and private sector. Reclassifications will have a larger impact on some UK countries than on others: for example, housing associations in England and Wales were reclassified to the private sector in September 2017 and March 2018 respectively, thus reducing the public sector employment totals for those areas. Housing associations in Scotland and Northern Ireland are still counted as part of the public sector.

Not adjusting for reclassifications, in the North East, public sector employment fell by 21% between 2010 and 2020 (a reduction of 62,000 employees). This was the largest percentage fall of any region. The smallest percentage fall was in Northern Ireland, where public sector employment levels are 6% lower than in 2010.

The reported decreases are smaller once we exclude the effect of major reclassifications, as can be seen from the green bars on the chart below. On this basis, the percentage fall in public sector employment was still largest in the North East (a 11% decrease). In 2020, public sector employment excluding the effects of reclassifications in London rose above 2010 levels (an increase of 24,000, or 3%).



Notes: Based on region of workplace

Source: ONS, [Public sector employment, UK: June 2020](#), September 2020

5. Constituency data

The regional estimates in **section 4** of this paper are based on the Office for National Statistics' (ONS) [Public sector employment](#) bulletin. While this is the most reliable source of information on public sector employment levels, it does not provide data for smaller areas.

Instead, data on public sector employment by local area is available from the Business Register and Employment Survey (BRES). The latest available data for constituencies is at September 2019 and is shown in the **attached table**. These figures are not directly comparable with the regional and national estimates in sections 1 and 2 of this paper or with other data from the *Public sector employment* bulletin.

Notes on constituency data

The constituency data in the attached table are **workplace-based**, so show the number of employees working in each constituency rather than employees resident in the constituency. Consequently, there is wide variation in employee numbers between areas: employee numbers are likely to be higher in city-centre constituencies and lower in those areas where large numbers of residents' commute to work elsewhere. A high number and proportion of public sector employees in an area may reflect the presence of a large public sector employer (for example, if the constituency contains a large hospital).

The public sector figures include employees working in central government, local authorities and public corporations but do not include HM Forces. These estimates are based on a survey, so some of the difference between areas may be due to survey error rather than any genuine difference.

The table provides public sector employees as a percentage of all employees, rather than as a percentage of total employment. This is because a large number of self-employed workers (included in the total employment count) are not covered by BRES.

Other sources

Data on public sector employment is also collected through the ONS Annual Population Survey (APS). This is a survey of individuals rather than businesses, and some respondents incorrectly classify themselves. This tends to lead to an overestimation of the number of people working in the public sector.

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