



BRIEFING PAPER

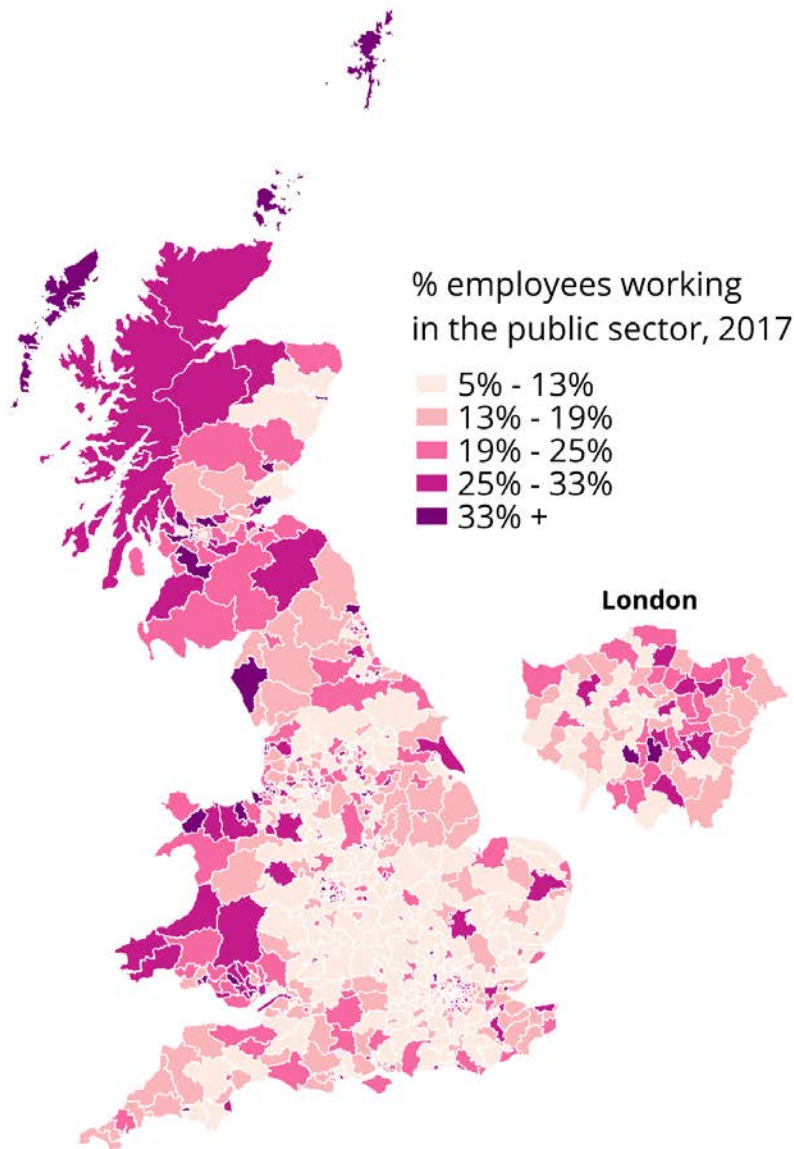
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Public sector employment by parliamentary constituency

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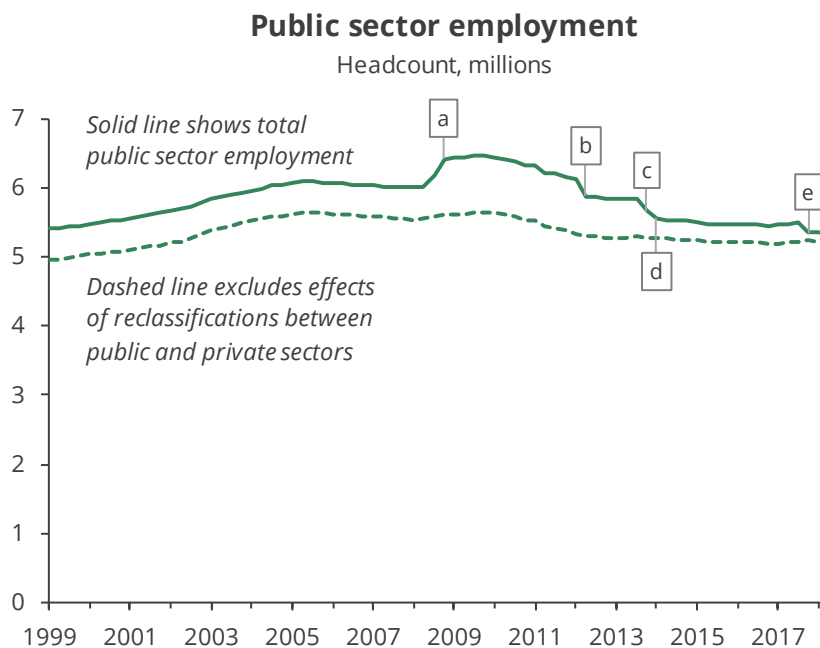
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1. National trends

1.1 Latest figures

In June 2018 there were **5.3 million** public sector workers in the UK representing **16.5%** of all people in employment.

The number of people employed in the public sector fell by 16.8% between 2010 and 2018, 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 6.8%:



Notes:

- (a) Dec 2008 - Lloyds Banking Group and Royal Bank of Scotland moved to public sector
- (b) Jun 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 2018

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, rising by 11.1% compared to a 9.1% increase in private sector employment over the same period. 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 number of public sector workers in 2018 is currently slightly lower than in 1999 (not taking into account the effect of reclassifications). 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 16.5% in 2018.

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.¹

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.

1.2 Longer term trends

In June 2018, there were fewer people working in the public sector than at any point in the past 70 years. The number of people working in the public sector in 2018 is 28% lower than its post-war peak of 7.5 million workers in 1979, and is 8% lower than in 1949.²

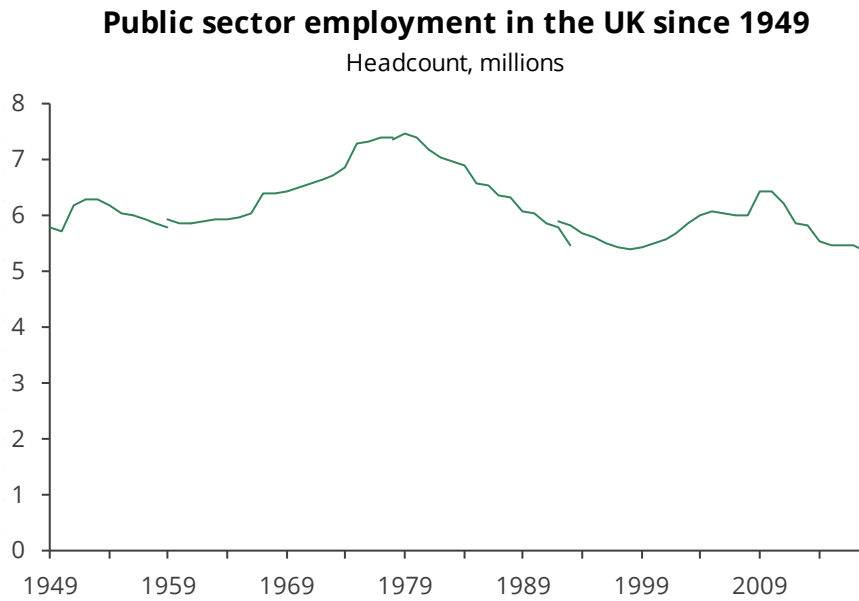
In comparison, the total number of people in employment in the UK reached a record high in 2018 (32.4 million people). Total employment has increased by 44% since 1949 and by 29% since 1979.

The share of the total workforce employed in the public sector has declined from 25.7% in 1949 to 16.5% in 2018.

These estimates are constructed from various data sources as a consistent series is not available. Figures do not take into account reclassifications between sectors. The charts show the trend over the post-war period:

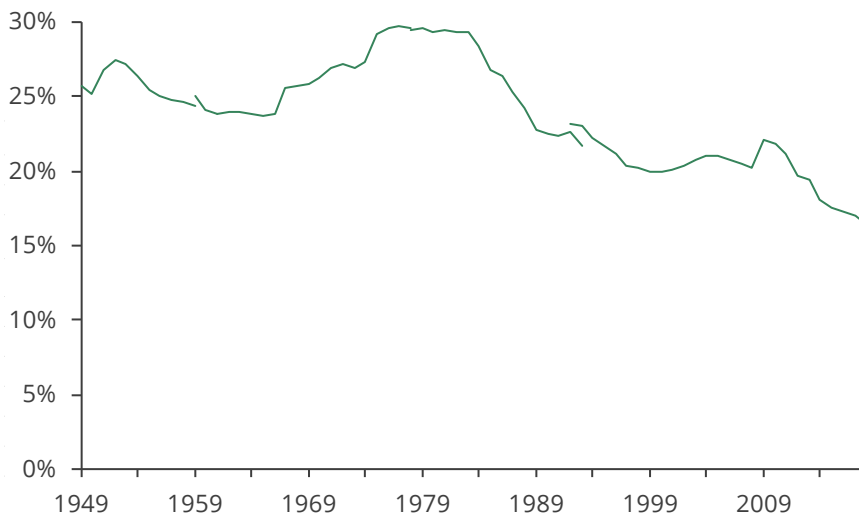
¹ ONS, [Public sector employment Quality and Methodology Information](#), 24 July 2018

² 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.



Proportion of workers in the public sector, 1949-2018

As a percentage of total employment



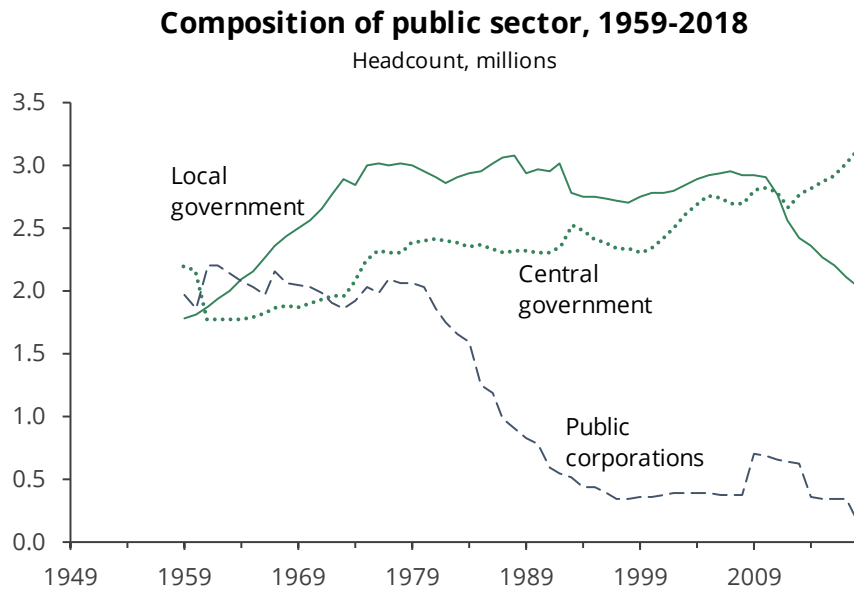
Composition of the public sector

The composition of the public sector workforce has also evolved over the post-war period in terms of the proportion of public sector workers employed in central government, local government or public corporations.

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 2018, just over 3% of public sector workers (184,000 people) were employed in public corporations.

6 Public sector employment by parliamentary constituency

Central government employment is currently at its highest level in the post-war period, at 3.11 million in 2018. Employment in **local government** exceeded central government employment throughout the period 1961 to 2011, but fell sharply after 2010. Local government employment fell by 863,000 between 2010 and 2018 to 2.0 million, a 30% decrease. The number of people working in local government in 2018 is similar to levels seen in the early 1960s.



2. Employment by region

Northern Ireland had the highest share of workers employed in the public sector out of all UK countries and regions at June 2018 (25.3%).

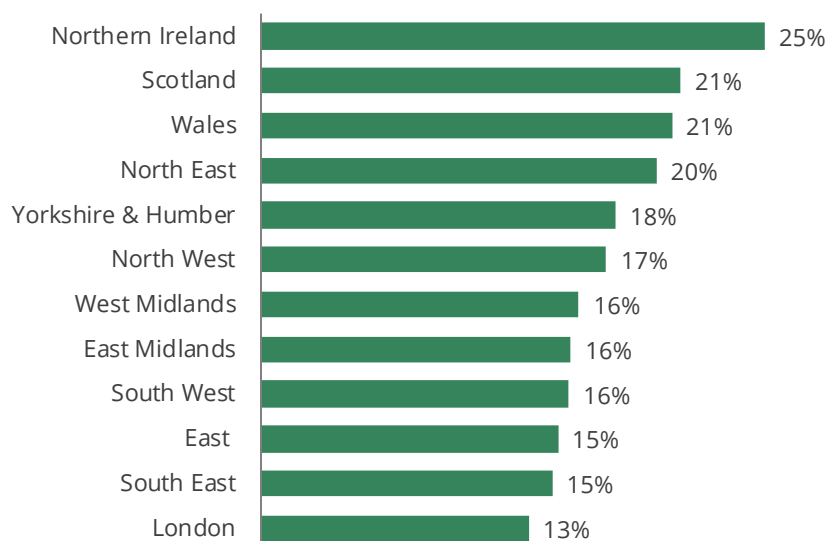
London had the lowest share of workers employed in the public sector (13.5%). However, because the total number of people working in London is higher than for other regions, London still had the highest number of public sector workers of any region (722,000).

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

Public sector employment by region, June 2018



Public sector employment as % of total employment



Notes: Based on region of workplace

Source: ONS, Public sector employment, June 2018

2.1 Change since 2010

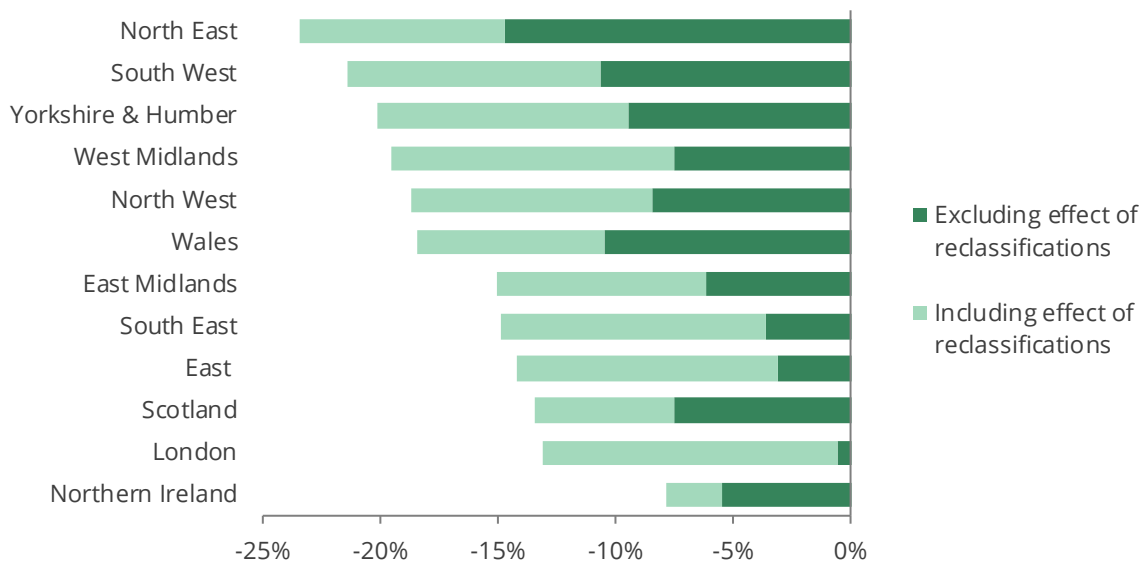
In all UK regions and countries there has been a fall in public sector employment since 2010, which is reflective of the trend nationally.

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. However, housing associations in Scotland and Northern Ireland are still counted as part of the public sector.

Not adjusting for reclassifications, public sector employment in the North East fell by 23% between 2010 and 2018 (a reduction of 70,000 employees). This was the largest percentage fall of any region. The smallest percentage fall was in Northern Ireland, where public sector employment levels are 8% lower than in 2010.

The reported decreases are smaller once we exclude the effect of major reclassifications, as can be seen from the dark green bars on the chart below. On this basis, the percentage fall in public sector employment was still largest in the North East (a 15% decrease). The smallest decrease was in London, where public sector employment was down 1% excluding the effects of reclassifications.

Percentage change in public sector employment 2010-2018



Notes: Based on region of workplace
 Source: ONS, Public sector employment, June 2018

3. Constituency data

The regional estimates in section 2 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 2017 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).

These estimates are based on a **survey** of businesses. The public sector figures include employees working in central government, local authorities and public corporations but do not include HM Forces. Seeing as the figures come from a survey, some of the difference between areas may simply be down 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) but this tends to overestimate the number of people working in the public sector. The survey collects information from individuals living in private households, rather than from businesses. Respondents who are in employment are asked if they work in the public or private sector. However, some respondents working in the private sector incorrectly classify themselves to the public sector: this may include some respondents providing contracted-out services to public bodies.

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