

Public Sector Employment

Updated: March 2012

Introduction

This brief provides an overview of public sector employment levels in the different nations of the UK, as well as a comparison with the overall UK figures. It does so in terms of both headcount and rate, and analyses how these have changed since 2008. It also provides an analysis of levels of public sector employment for each local authority area in Wales, and provides estimates of the general government sector forecast job losses as a result of spending cuts, based on those provided at the UK level by the Office for Budget Responsibility.

Public sector employment in the UK

Table 1 shows the **number of people employed in the public sector** in each of the nations of the UK, on an annual basis, from 2008 to 2011.

From table 1 it can be seen that in relation to the headcount of public sector employment:

- Between 2008 and 2011, Wales experienced an overall reduction of 4.5%, only Scotland saw a higher reduction (7.0%). Northern Ireland has seen the lowest reduction (2.2%).
- Wales has seen the scale of reductions increase every year. Between 2010 and 2011 there was a 2.9% reduction in Wales, although this was less than the reductions in England (4.2%) and Scotland (7.0%).

Table 1: Public sector employment, 2008 to 2011

	Wales	Scotland	Northern Ireland	England	UK
Headcount (Thousands)					
2008 ^(a)	352	642	228	5,077	6,334
2009	350	631	230	5,061	6,315
2010	346	622	227	5,060	6,298
2011	336	597	223	4,863	6,058
Percent change on previous year					
2008 ^(a)
2009	-0.6	-1.7	0.9	-0.3	-0.3
2010	-1.1	-1.4	-1.3	-0.0	-0.3
2011	-2.9	-4.0	-1.8	-3.9	-3.8
Percent change 2008 to 2011					
	-4.5	-7.0	-2.2	-4.2	-4.4

Source: Research Service calculations from ONS, **Regional Analysis of public sector employment 2011**, (Table 2) [accessed 21 March 2012]

Estimates are based on where people are employed.

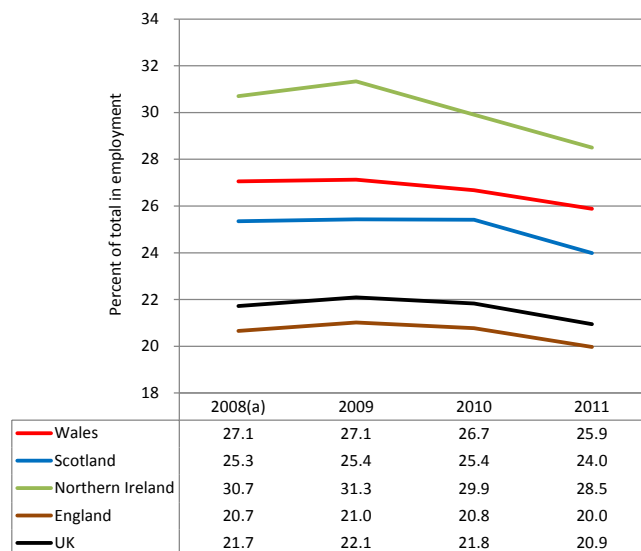
Data shown are annual figures, and relate to Q2 (June) for each year.

Approximately 40,000 public sector employees that could not be assigned to a region are included in UK total.

(a) to ensure comparability with following years, Q4 rather than Q2 is used for 2008 as Bradford and Bingley classified to public sector from 26 September 2008. Royal Bank of Scotland Group and Lloyds Banking Group classified to public sector from 13 October 2008. Northern Rock classified to the public sector from 9 October 2007.

Figure 1 shows the public sector employment rate; i.e. the percentage of the total in employment (over the age of 16) who are employed in the public sector.

Figure 1: Public sector employment rate, 2008 to 2011



Source: Research Service calculations from ONS, **Regional Analysis of public sector employment 2011**, (Table 3) [accessed 21 March 2012]

Estimates are based on where people are employed.

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Figure 1 shows that in relation to the public sector employment rate:

- Between 2008 and 2011, Wales saw an overall reduction of 1.2 percentage points. There were greater reductions in both Northern Ireland, (2.2 percentage points), and Scotland (1.3 percentage points), but lower in England (0.7 percentage points).
- For all UK nations the majority of the reduction occurred between 2010 and 2011. Although in Wales the fall of 0.8 percentage points was the equal lowest fall with England. Northern Ireland and Scotland were both down 1.4 percentage points.

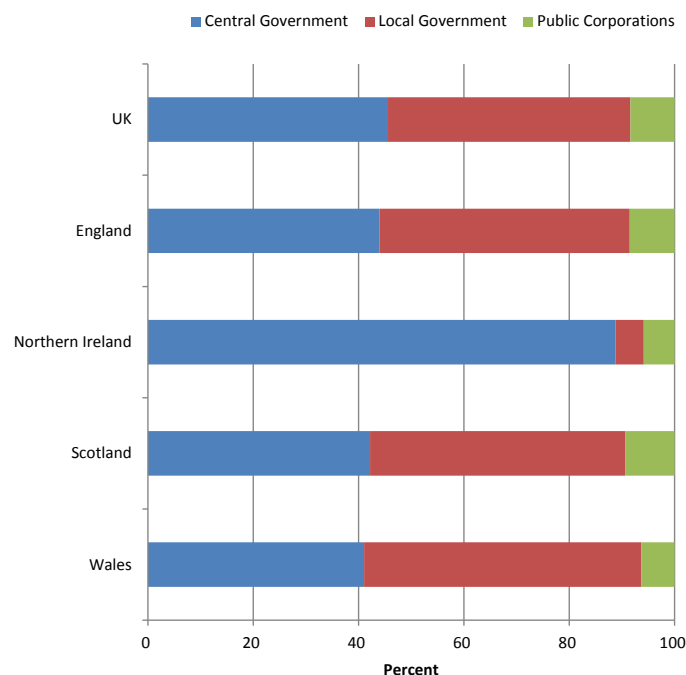
Employment by sector classification

Table 2 shows the percentage of public sector employees working in the various classes of the public sector (i.e. central government, local government, and public corporations), in 2011.

In comparison to 2008:

- Central government employment in all nations has increased. Scotland has seen the greatest increase (2 percentage points) and Northern Ireland the smallest increase (0.2 percentage points).
- Local government employment has decreased in all nations except Wales, which has seen an increase of 1 percentage point.
- Employment in public corporations has decreased in all nations. Scotland has seen the greatest reduction (1.5 percentage points), and Northern Ireland the smallest (0.3 percentage points).

Figure 2: Public sector employment by sector classification, 2011



Source: Research Service calculations from ONS, [Regional Analysis of public sector employment 2011](#), (Tables 4 to 7)

Estimates are based on where people are employed.

Data shown are annual figures, and relate to Q2 (June) for each year.

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Public sector employment by local authority area in Wales

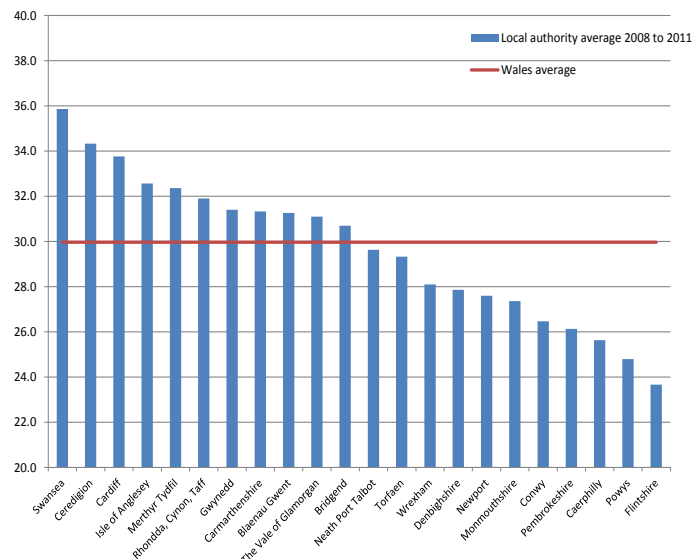
Figure 3 shows the average percentage of people employed in the public sector in each local authority in Wales between 2008 and 2010¹. It should be noted that this data is taken from the annual Labour Force Survey, and therefore **is not directly comparable with the annual averages for Wales presented in earlier sections of this factsheet.**² However, it is

¹ Public sector employees as a percentage of the total in employment aged 16 years or over. 2010 is the latest available data from this source.

² The earlier annual averages sourced from the ONS [Regional Analysis of public sector employment 2011](#) represent statistics from Quarter 2 of the relevant year and are sourced from the Quarterly Public sector Employment Survey. The local authority figures are, in contrast, sourced from the annual Labour Force

useful in order to give an idea of the proportion of public sector employees by Welsh local authority area.

Figure 3: Average percentage of persons employed in the public sector by local authority, 2008 to 2010



Source: Stats Wales [003338] Employment in public and private sectors by Welsh local authority.

From figure 3 it can be seen that:

- Swansea, Ceredigion and Cardiff have the highest percentage of public sector employment, with over one third of the total in employment working in the public sector.
- Caerphilly, Powys and Flintshire have the lowest percentage of public sector employment, with one quarter or less of the total in employment working in the public sector.
- 12 local authorities have levels of public sector employment above the overall Welsh average.

General government employment

The Office for Budget Responsibility (OBR), in its Economic and Fiscal Outlook Reports, provides forecasts of general government employment (GGE).^{3,4}

Survey, and therefore do not match the annual averages of public sector employment for Wales. [accessed 21 March 2012]

³ General government equals the sum total of central and local government.

The latest forecast estimates that:

- Between 2011 and 2017, there will be a **reduction in GGE of around 730,000 across the UK.**⁵
- Based on the 2011 figures for UK employment in the general government sector,⁶ this **represents a reduction in GGE of around 13.2 per cent** between 2011 and 2017.

These forecasts are on a whole UK basis, and therefore **no similar figures are available in relation to Wales.** However, as above, based on the 2011 figures for Wales GGE, a similar 13.2 per cent reduction applied to Wales could result in:

- The **loss of around 41,400 jobs in the Welsh public sector** between 2011 and 2017.
- This represents a **3.2 per cent reduction in total employment in Wales.**

In their 2011 report *A Picture of Public Services in Wales*,⁷ the Wales Audit Office applied the OBR's method for calculating these figures, and arrived at an estimate of **around 21,000 job losses in the Welsh public sector.**⁸

⁴ The GGE forecasts are based on projections of the total government pay bill, and are very sensitive to small changes in spending plans. There are considerable uncertainties around the GGE forecasts implied by the Government's spending plans, as the overall change will depend on the choice between reducing pay bill/non-pay bill costs, and employing small numbers of high paid workers, or large numbers of low paid workers.

⁵ Office for Budget Responsibility, *Economic and Fiscal Outlook*, March 2012 (Box 3.5, page 75) [accessed 21 March 2012]

⁶ As detailed in ONS, *Regional Analysis of public sector employment 2011*, (Table 6)

⁷ Wales Audit Office, *A Picture of Public Services 2011*, 14 October 2011 [accessed 21 March 2012]

⁸ It should be noted that this estimate was arrived at on the basis of earlier OBR forecasts, which estimated a reduction in GGE of 320,000.

Further information

Information presented in this Factsheet has been sourced from:

- Office for National Statistics, **Regional Analysis of public sector employment 2011**
- Stats Wales [003338] Employment in public and private sectors by Welsh local authority
- Office for Budget Responsibility, **Economic and Fiscal Outlook**, March 2012

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