

Public Sector Employment

Updated: May 2013

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. The figures in this research note will be slightly different to those in the March 2012 version, as the ONS revises figures at UK level when inaccuracies are identified, which lead to changes to figures for the UK nations and English regions.¹

The analysis of public sector employment in UK nations excludes further education colleges and sixth form college corporations in England as these have been reclassified to the private sector from 1 April 2012. The Office for National Statistics has constructed a dataset which removes people employed in these organisations from figures before April 2012 to give an indication of the level of public sector employment if further education colleges and sixth form college corporations in England had been classified to the private sector throughout. **This has**

¹ Office for National Statistics, [Public Sector Employment, Q4 2012 – Background Notes](#) [accessed 12 April 2013]

been used to give a picture of actual changes in the level of employment rather than jobs which have changed sector as a result of reclassification. However, whichever dataset is used the English figures will not be directly comparable to those for the other UK nations as England has a different definition of the public sector, due to these reclassifications.

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 2012.

Table 1: Public sector employment, 2008 to 2012

	Wales	Scotland	Northern Ireland	England	UK
<i>Headcount (Thousands)</i>					
2008 ^(a)	355	647	228	4,895	6,148
2009	353	636	230	4,868	6,117
2010	349	628	227	4,865	6,101
2011	338	602	222	4,710	5,901
2012	334	585	218	4,602	5,767
<i>Percent change on previous year</i>					
2008 ^(a)
2009	-0.6	-1.7	0.9	-0.6	-0.5
2010	-1.1	-1.3	-1.3	-0.1	-0.3
2011	-3.2	-4.1	-2.2	-3.2	-3.3
2012	-1.2	-2.8	-1.8	-2.3	-2.3
<i>Percent change 2008 to 2012</i>					
	-5.9	-9.6	-4.4	-6.0	-6.2

Source: Research Service calculations from ONS, [Regional Analysis of Public Sector Employment, 2012](#), (Table 1a) [accessed 12 April 2013]

Estimates are based on where people are employed.

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

Approximately 30,000 public sector employees that could not be assigned to a region are included in UK total.

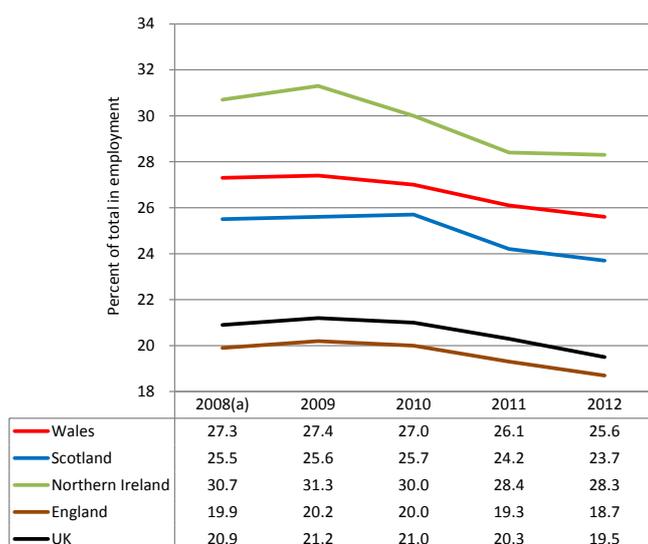
- (a) To ensure comparability with following years, Q4 rather than Q2 is used for 2008 as Bradford and Bingley classified to public sector from 26 September 2008. Royal Bank of Scotland Group and Lloyds Banking Group classified to public sector from 13 October 2008. Northern Rock classified to the public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

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

- **Between 2008 and 2012, Wales experienced an overall reduction of 5.9% in public sector employment.** Of the nations of the UK, only Northern Ireland saw a lower reduction (4.4%). Scotland has seen the highest reduction (9.6%).
- There has been a decrease in public sector employment in Wales in each year from 2008 to 2012. The largest percentage decrease took place between 2010 and 2011, this was 3.2%.

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 2012



Source: Research Service calculations from ONS, **Regional Analysis of Public Sector Employment**, 2012, (Table 2a) [accessed 6 March 2013]

Estimates are based on where people are employed.

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

Approximately 30,000 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 was 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 that in relation to the public sector employment rate:

- **Between 2008 and 2012, Wales saw an overall reduction of 1.7 percentage points.** There were greater reductions in both Northern Ireland, (2.4 percentage points), and Scotland (1.8 percentage points), but lower in England (1.2 percentage points).
- **The largest percentage point change in the public sector employment rate in Wales was between 2010 and 2011, when there was a 0.9 percentage point decrease.** The public sector employment rate decreased by 0.5 percentage points between 2011 and 2012. However, at UK level, the largest percentage point decrease was between 2011 and 2012, when there was a 0.8 percentage point decrease.

Employment by sector classification

Figure 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 2012. It shows that:

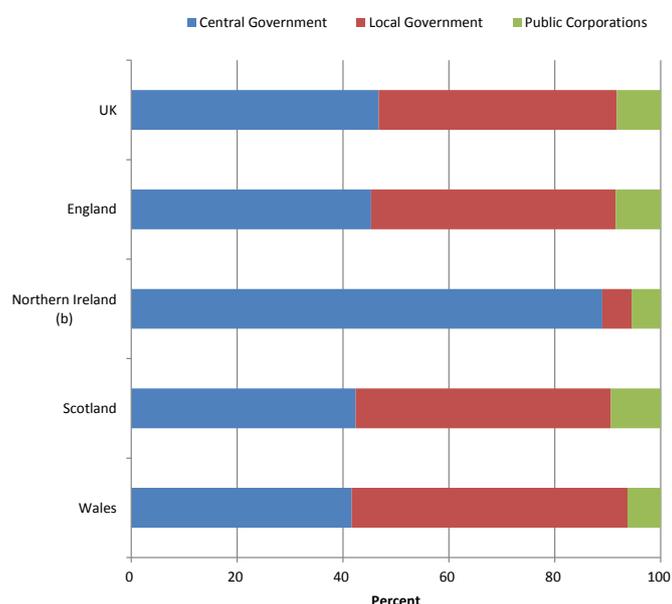
- Wales has the lowest percentage of public sector employees employed in central government of all the UK nations, and the highest percentage of public sector employees working in local government.

In comparison to 2008, **as a percentage of all public sector employment:**

- Central government employment in all nations has increased. England has seen the greatest increase (4.8 percentage points) and Northern Ireland the smallest increase (0.4 percentage points).

- Local government employment has decreased in England (3.2 percentage points) and Scotland (0.3 percentage points). However, it has seen a slight increase in Northern Ireland (0.2 percentage points) and Wales (0.4 percentage points).
- Employment in public corporations has decreased in all nations. Scotland has seen the greatest reduction (2 percentage points), and Northern Ireland the smallest (0.6 percentage points).

Figure 2: Public sector employment by sector classification, 2012



Source: Research Service calculations from ONS, **Regional Analysis of Public Sector Employment, 2012**, (Tables 3a, 4a and 6)

Estimates are based on where people are employed.

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

Approximately 30,000 public sector employees that could not be assigned to a region are included in UK total.

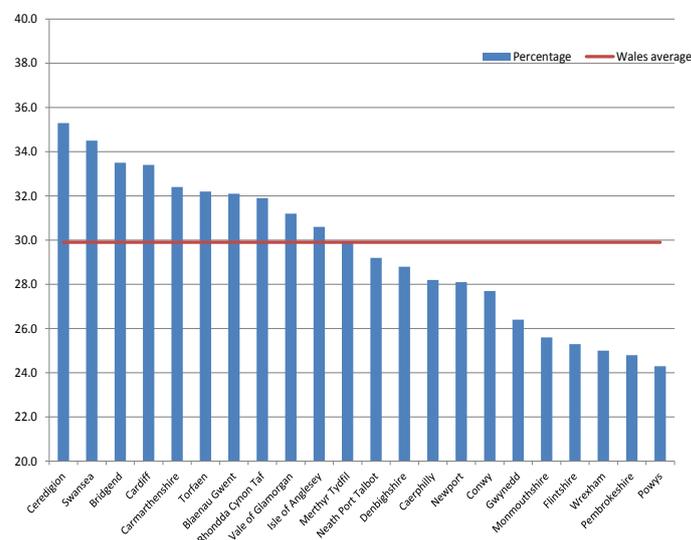
(a) To ensure comparability with following years, Q4 rather than Q2 is used for 2008. This has been done because Bradford and Bingley was classified to the public sector from 26 September 2008 and Royal Bank of Scotland Group and Lloyds Banking Group classified to the public sector from 13 October 2008.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

(b) The figures for Northern Ireland are substantially different to the other UK nations. This is because local government in Northern Ireland performs fewer functions than local government in the other UK nations, for example they do not have responsibility for education or housing. As a result it employs far fewer people than local government in the other UK nations.

Public sector employment by local authority area in Wales

Figure 3 shows the percentage of people employed in the public sector in each local authority in Wales in 2012². It should be noted that this data is taken from the annual Labour Force Survey (LFS), and therefore **is not directly comparable with the annual averages for Wales presented in earlier sections of this factsheet**.³ However, it is useful in order to give an idea of the proportion of public sector employees by Welsh local authority area.

Figure 3: Percentage of persons employed in the public sector by local authority in 2012



Source: Stats Wales, **Employment in public and private sectors by Welsh local authority**

² Public sector employees as a percentage of the total in employment aged 16 years or over. 2012 is the latest available data from this source.

³ The earlier annual averages sourced from the ONS **Regional Analysis of Public Sector Employment, 2012** 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 Survey, and therefore do not match the annual averages of public sector employment for Wales. [accessed 9 April 2013]

From figure 3 it can be seen that:

- **Ceredigion, Swansea and Bridgend** have the highest percentage of public sector employment, with over one third of the total in employment working in the public sector.
- **Powys, Pembrokeshire and Wrexham** have the lowest percentage of public sector employment, with less than one quarter of the total in employment working in the public sector.
- 10 local authorities have levels of public sector employment above the overall Welsh average.

Table 2 shows the change in people employed in the public sector in each of the Welsh local authorities between 2008 and 2012. **It should be noted that in comparison with employer-based estimates, the LFS data used to calculate local authority level tends to over-estimate the level of public sector employment. Therefore, the primary use of this data is to look at what is happening at local authority level rather than at an All-Wales level.**

Table 2: Changes in public sector employment in Welsh local authorities, 2008 to 2012

Local Authority	2008	2010	2012	Change between 2008 and 2012 (per cent)	Change between 2010 and 2012 (per cent)
Isle of Anglesey	8,500	9,900	9,300	9.4	-6.1
Gwynedd	16,400	16,400	14,100	-14.0	-14.0
Conwy	11,300	13,300	13,100	15.9	-1.5
Denbighshire	10,400	12,000	12,000	15.4	0.0
Flintshire	17,400	17,500	17,800	2.3	1.7
Wrexham	17,600	17,600	15,700	-10.8	-10.8
Powys	15,400	14,800	15,100	-1.9	2.0
Ceredigion	11,000	12,300	11,100	0.9	-9.8
Pembrokeshire	12,900	11,400	12,500	-3.1	9.6
Carmarthenshire	25,200	23,600	25,200	0.0	6.8
Swansea	34,200	34,100	33,500	-2.0	-1.8
Neath Port Talbot	16,300	16,700	16,500	1.2	-1.2
Bridgend	17,100	18,700	19,700	15.2	5.3
Vale of Glamorgan	17,900	17,800	17,300	-3.4	-2.8
Cardiff	50,800	59,200	51,900	2.2	-12.3
Rhondda Cynon Taf	30,900	31,800	29,800	-3.6	-6.3
Merthyr Tydfil	7,400	7,500	6,700	-9.5	-10.7
Caerphilly	17,700	17,300	20,500	15.8	18.5
Blaenau Gwent	8,000	8,300	8,200	2.5	-1.2
Torfaen	9,700	11,500	11,600	19.6	0.9
Monmouthshire	11,800	10,400	10,600	-10.2	1.9
Newport	17,500	16,700	17,600	0.6	5.4
Wales	385,300	399,100	389,900	1.2	-2.3

Source: Research Service calculations from Stats Wales, **Employment in public and private sectors by Welsh local authority**

Table 2 shows that:

- The number of people employed in the public sector in 2012 is higher in 12 of the 22 Welsh local authorities than in 2008, lower in 9 and the same in 1 local authority. The largest percentage increases were in **Torfaen, Conwy and Caerphilly**. The largest percentage decreases were in **Gwynedd, Wrexham and Monmouthshire**.
- The number of people employed in the public sector has decreased in 12 local authorities between 2010 and 2012, increased in 9, and remained the same in 1 local authority. The largest percentage increases were in **Caerphilly, Pembrokeshire and Carmarthenshire**, while the largest percentage decreases were in **Gwynedd, Cardiff and Wrexham**.

General government employment forecasts

The Office for Budget Responsibility (OBR), in its Economic and Fiscal Outlook Reports, provides forecasts of general government employment (GGE).^{4,5}

The latest forecast estimates that:

- Between 2010-11 and 2017-18, there will be a **reduction in GGE of around 1 million across the UK** (this estimate excludes the reclassification of around 196,000 employees from the public to the private sector as a result of the changes to the further education sector outlined above).⁶
- Based on the 2011 figures for UK employment in the general government sector,⁷ this **represents a reduction in GGE of around 18.6 per cent** between 2011 and 2018.

These predictions **imply a reduction in GGE across the UK of approximately 36,000 per quarter from the fourth quarter of 2012 to the start of 2018**. The OBR states that, excluding the further education sector reclassification, **this compares to an actual quarterly fall in GGE of 34,000 from the first quarter of 2011 to the third quarter of 2012**.⁸

⁴ General government equals the sum total of central and local government. It does not include public sector employment in public corporations.

⁵ 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.

⁶ Office for Budget Responsibility, **Economic and Fiscal Outlook**, March 2013 (Box 3.5, page 76) [accessed 9 April 2013]

⁷ As detailed in ONS, **Regional Analysis of public sector employment 2011**, (Table 5a)

⁸ Office for Budget Responsibility, **Economic and Fiscal Outlook**, March 2013 (Box 3.5, page 76) [accessed 9 April 2013]

The OBR's forecast in November 2010 predicted that GGE would be reduced by around 330,000 between 2010-11 and 2014-15. **While initially the forecast reduction in GGE between 2010-11 and 2014-15 decreased to 310,000 in the OBR's March 2011 forecast, more recent forecasts have shown increasing reductions in predicted GGE to 2014-15. The latest forecasts from March 2013 project a fall in GGE of around 600,000 in GGE between 2010-11 and 2014-15** (excluding reclassifications in the further education sector).⁹

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 18.6 per cent reduction applied to Wales could result in:

- The **loss of around 58,800 jobs in the Welsh public sector** (excluding public corporations) between 2011 and 2018.
- This would represent a **4.5 per cent reduction in total employment in Wales**, assuming that employment levels in the private sector and public corporations remained the same.

⁹ This figure has been calculated by subtracting the 196,000 reclassified further education jobs from the predicted reduction of 800,000 public sector jobs between 2010-11 and 2014-15 outlined in Office for Budget Responsibility, **Economic and Fiscal Outlook Supplementary Economy Tables**, March 2013 (table 1.10) [accessed 9 April 2013]

Further information

Information presented in this Factsheet has been sourced from:

- Office for National Statistics, **Regional Analysis of Public Sector Employment, 2012**
- Stats Wales, **Employment in public and private sectors by Welsh local authority**
- Office for Budget Responsibility, **Economic and Fiscal Outlook**, March 2013

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