



# Private Sector Employment Indicator, Quarter 4 2013 (Nov 2013 to Jan 2014)

## 1. Introduction

As part of the [Departmental Business Plan](#) to support the Government's agenda to rebalance the economy across sectors and regions, the Department for Business, Innovation and Skills (BIS) developed an Indicator to monitor private sector employment growth in England. The indicator:

- forms part of the [performance framework](#) for assessing the impact of the Department's policies and reforms; and
- shows whether, over time, dependency on the private sector for employment is increasing and how this rebalancing varies by region<sup>1</sup>.

All estimates discussed in this statistical release are seasonally adjusted except where otherwise. Data for the Indicator are published quarterly.

### Major reclassifications

Since 2008 the public and private sector employment series have been affected by a number of major reclassifications where bodies employing large numbers of people have moved between the public and private sectors. The aim of the Private Sector Employment Indicator is to monitor the underlying growth in private sector employment excluding the effects of these major reclassifications. These major reclassifications are as follows:

- Royal Bank of Scotland plc and Lloyds Banking Group plc were reclassified from the private sector to public sector from 13 October 2008. However, the historical series in this release are not adjusted for this reclassification. They are therefore included in the public sector estimates from November 2008 onwards but not earlier periods.

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<sup>1</sup> BIS monitors the change in the Indicator and its components of Private Sector and Public Sector Employment for England and the two regional groupings of the Greater South East (London, South East and East) and the Rest of England (North, Midlands and West); data are also published for all English regions.

- Further education corporations and Sixth Form College Corporations in England were reclassified from the public sector to private sector from 31 March 2012. For analysis purposes, employment in further education colleges and sixth form college corporations are included in private sector employment for all periods.
- Royal Mail plc was reclassified from the public sector to private sector from October 2013. However, the historical series in this release are not revised to account for this change. Royal Mail plc is therefore included in the private sector estimates from November 2013 onwards but not earlier periods.

BIS will explore revisions to the historical series to exclude the effects of major reclassifications from future releases. If revisions arising from reclassifications are made, they will be published in the next planned publication.

## 2. Key Points

For November 2013 to January 2014:

- The proportion of the population aged from 16 to 64 or in employment and aged 65 who were working in the private sector (the Private sector Employment Indicator) in England was 60.2 per cent. The indicator was up 0.6 percentage points from August to October 2013 and up 1.2 percentage points from a year earlier.
- Nationally the increases in the Private Sector Employment Indicator in the latest quarter can almost be entirely explained by the reclassification from the public sector to the private sector of Royal Mail plc. Private sector employment increased by 175 thousand in England boosted by the transfer into the private sector of Royal Mail plc, while public sector employment was 90,000 lower than at August to October 2013.
- Subnationally the Private Sector Employment Indicator for the Greater South East increased by 1.7 percentage points from last year to 63.2 per cent. This was underpinned by significant increases in the South East up 2.3 percentage points from a year earlier to 64.3 per cent and the East of England up 1.8 percentage points from last year to 63.3 per cent. The Indicator for the Rest of England was 57.8 per cent, an increase of 0.7 percentage points from the same quarter in 2012.
- In six of the nine English regions, the Private Sector Employment Indicator was above the Quarter 1 (February – April) 2008 levels. The Indicator either increased or remained stable in all English regions on the previous quarter.

**Table 1: Private Sector Employment Indicator: level and change by region, Quarter 4 2013, seasonally adjusted**

<b>Private Sector Employment Indicator, England and English regions, 2013Q4</b>			
	<b>Share (%)</b>	<b>Quarterly change(ppts)</b>	<b>Annual change(ppts)</b>
England	60.2	0.6	<b>1.2</b>
Greater South East	63.2	0.5	<b>1.7</b>
Rest of England	57.8	0.5	0.7
North East	53.1	0.4	1.3
North West	55.9	0.1	0.0
Yorkshire & the Humber	57.9	0.6	<b>2.0</b>
East Midlands	59.4	0.0	0.7
West Midlands	56.8	0.3	-0.7
East of England	63.3	0.0	<b>1.8</b>
London	62.2	0.6	1.2
South East	64.3	0.9	<b>2.3</b>
South West	62.6	1.8	1.6

Source : BIS , Private Sector Employment Indicator

### Notes

1. Since yearly data remove seasonal effect, in Table 1, the significant changes are based on a 95% confidence level on non seasonally adjusted data. Significant changes are highlighted in bold font.
2. Greater South East includes London, South East and East of England.
3. The Rest of England includes North East, North West, Yorkshire and the Humber, East Midlands, West Midlands and South West.

## 3. England and Sub-National Indicator

The Indicator in England showed an estimated increase of 1.2 percentage points to 60.2 per cent on the same quarter a year ago, mainly as a result of rising private sector employment (+517,000); declining public sector employment (-174,000), unemployment (-150,000) and inactivity (-3,000). The number of people in private sector employment reached an estimated 20.8 million, the highest recorded level of employment since the series for England began in 2008.

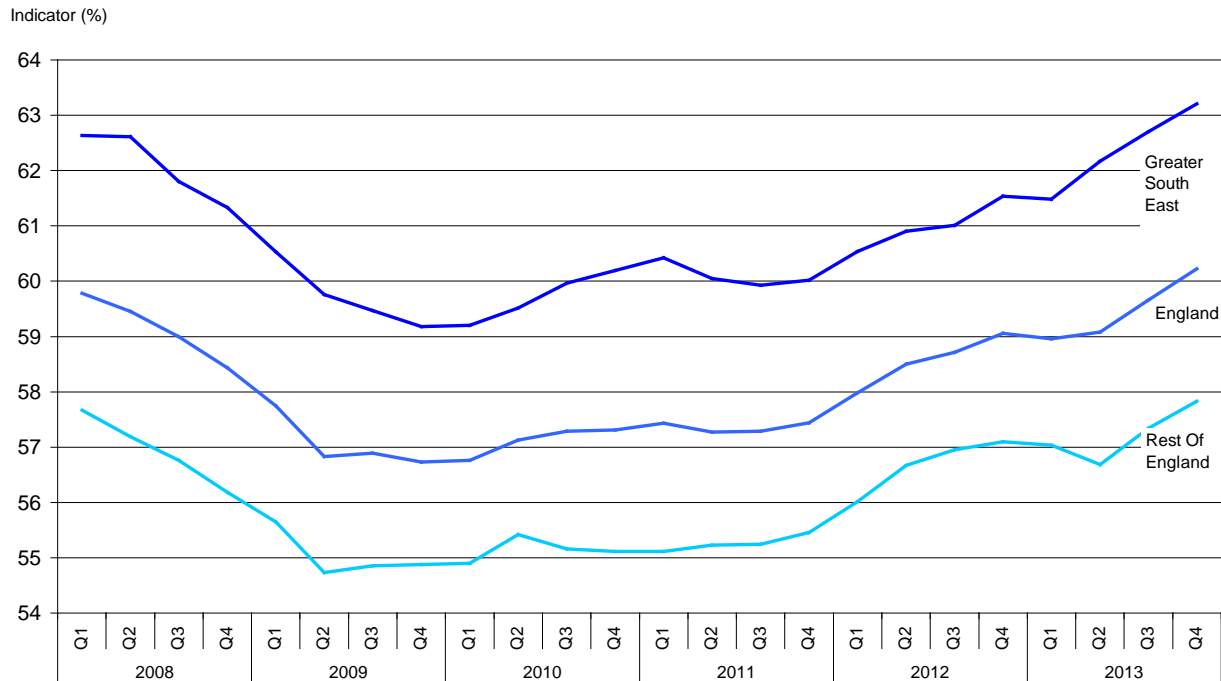
The Indicator in England was up 0.6 percentage points on the previous quarter. The increases in the Indicator in the latest quarter can almost entirely be explained by the reclassification of from the public to the private sector of Royal Mail plc from October 2013; for previous quarters it was classified to the public sector. Private sector employment increased by 175 thousand in England boosted by the transfer into the private sector of Royal Mail plc, while public sector employment was 90,000 lower than at August to October 2013.

The Indicator for the Greater South East reached an estimated 63.2 per cent, a rise of 1.7 percentage points on the same quarter a year ago. There were an estimated 11.3 million people employed in the Greater South East, of which the private sector employed 9.5 million. Increasing private sector employment (+342,000) outweighed the decline in public sector employment (-57,000). Unemployment (-88,000) and Inactivity (-58,000) also fell. The Indicator also showed a rise of 0.5 percentage points on the previous quarter.

The Indicator for the Rest of England increased to 57.8 per cent, an increase of 0.7 percentage points on the same period a year ago. Employment in the Rest of England stood at 13.9 million for November 2013 to January 2014, of which the Private sector employed an estimated 11.3 million people. Private sector employment rose (+175,000)

whilst public sector employment declined (-117,000). Over the same period unemployment fell (-61,000) but Inactivity rose (+54,000). In Quarter 4 (November 2013 to January 2014), it also showed an increase of 0.5 percentage points on the on the previous quarter.

**Figure 1 : Private Sector Employment Indicator, England, Greater South East and Rest of England, Quarter 1 2008 to Quarter 4 2013, seasonally adjusted**

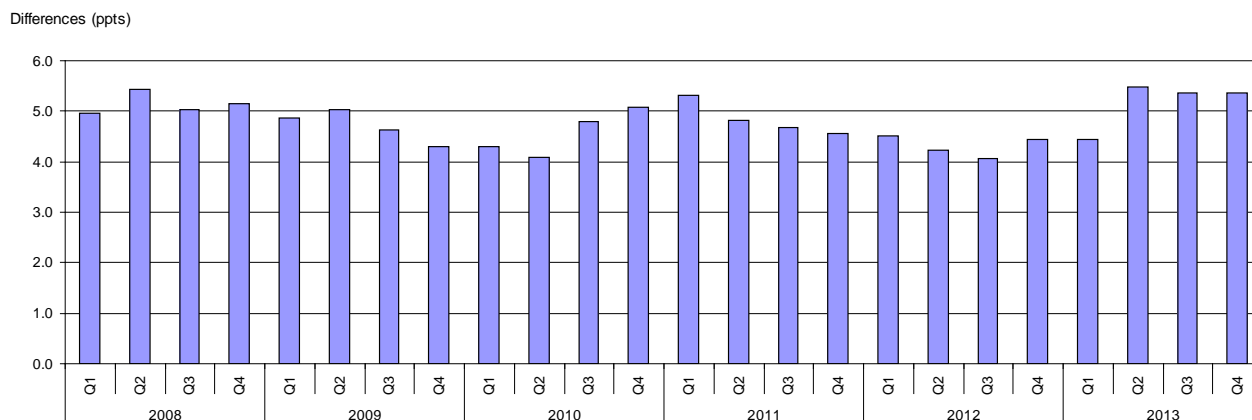


Source: BIS, Private Sector Employment Indicator

**Notes:**

1. Workplace based employment includes both part-time and full-time employment and self-employment. It excludes those working outside of the UK and some respondents who do not give a region of workplace.
2. Unemployment and inactivity are residence based.
3. Greater South East includes London, South East and East of England.
4. The Rest of England includes North East, North West, Yorkshire and the Humber, East Midlands, West Midlands and South West.

**Figure 2 : Private Sector Employment Indicator, differences between Greater South East and Rest of England, Quarter 1 2008 to Quarter 4 2013, seasonally adjusted**



Source: BIS, Private Sector Employment Indicator

#### Notes

1. A positive value indicates that the Greater South East value is greater than that of the Rest of England.
2. Workplace based employment includes both part-time and full-time employment and self-employment. It excludes those working outside of the UK and some respondents who do not give a region of workplace.
3. Unemployment and inactivity are residence based.
4. Greater South East includes London, South East and East of England.

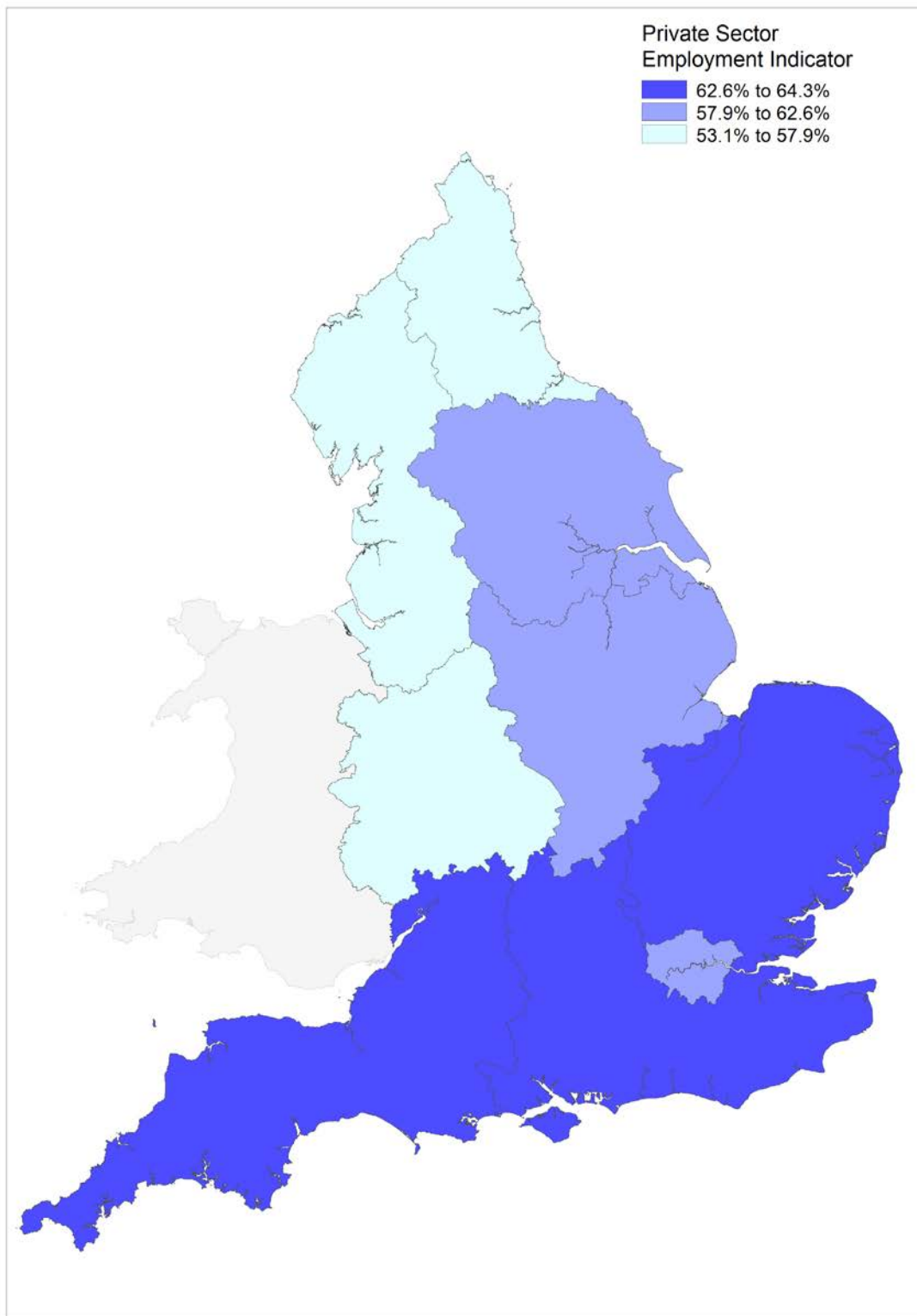
## 4. English Regions Indicator

From Quarter 3 2013 to Quarter 4 2013, the indicator increased or remained unchanged in all the English regions. The largest increase was in South West (1.8 percentage points), followed by South East (0.9 percentage points).

In the year to Quarter 4 2013, the Indicator increased in 8 of the 9 English regions. The largest increases were in South East (2.3 percentage points), followed by Yorkshire and the Humber (2.0 percentage points), and East of England (1.8 percentage points). The Indicator declined in West Midlands by 0.7 percentage points on the year earlier. However, this was not statistically significant.

In 2008, the Indicator experienced a decrease in all the quarters for all the English regions, mainly due to the impact of the 2008/2009 recession. In Quarter 4 2013, six of the nine English regions reached or surpassed their Quarter 1 2008 Indicator levels. The Indicator for England, the Rest of England, and the Greater South East were also above their Quarter 1 2008 levels.

**Figure 3: Private Sector Employment Indicator, English regions, Quarter 4 2013**

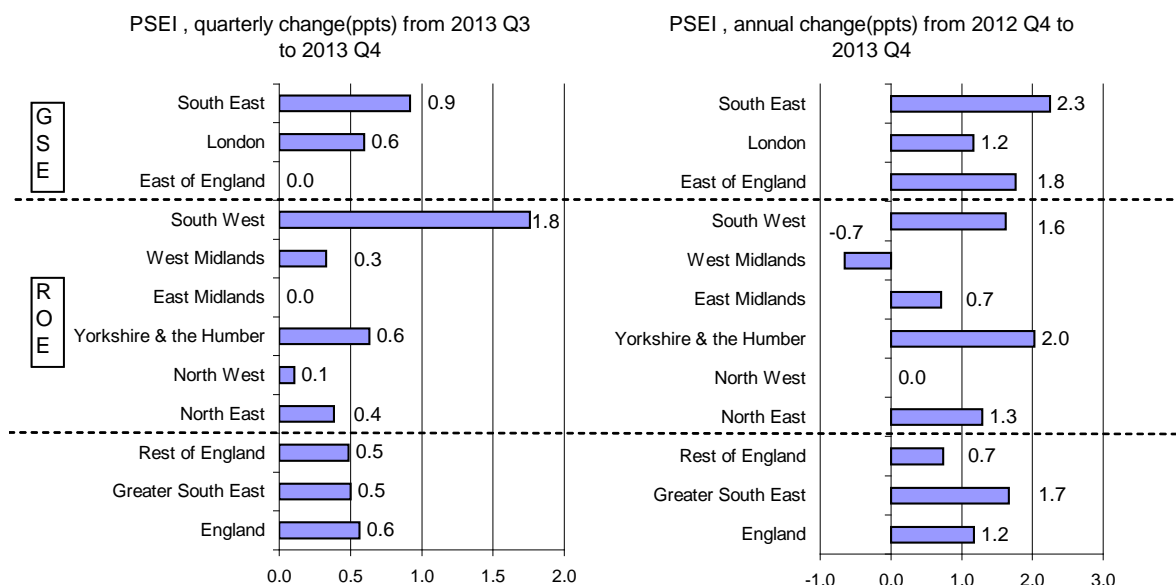


Source: BIS, Private Sector Employment Indicator

Comparing the Indicator for the Greater South East and its regions, London has been consistently below the Greater South East, the South East consistently above and the East of England generally followed the Greater South East trend. During 2012 there was convergence between the three regions, partly driven by rapid increases in the Indicator in London.

There have been some signs of convergence between the regions within the Rest of England, with the gap between the top performing region (South West) and worst performing (North East) narrowing. Over the length of the series, the South West and the East Midlands have had the highest Indicator values of regions in the Rest of England; in contrast the North East has had the lowest Indicator values. The Indicators for Yorkshire and the Humber, West Midlands and the North West have generally been closer to the Indicator for the Rest of England than the other regions in this area.

**Figure 4: Private Sector Employment Indicator Quarterly and Annual Changes, England and England regions, Quarter 4 2013, seasonally adjusted**



Source: BIS, Private Sector Employment Indicator

**Notes**

1. GSE = Greater South East; ROE = Rest of England
2. Workplace based employment includes both part-time and full-time employment and self-employment. It excludes those working outside of the UK and some respondents who do not give a region of workplace.
3. Unemployment and inactivity are residence based.
4. Greater South East includes London, South East and East of England.

## 5. Economic Context in Q4 2013

This section provides contextual information on economic performance over Quarter 4 2013 (November 2013 to January 2014) and in the preceding months to help the user to interpret the statistics.

Official statistics showed the value of the UK economy – Gross Domestic Product (GDP) – was estimated to have expanded between Quarter 3 2013 and Quarter 4 2013 by 0.7% when compared with Quarter 3 2013 and 2.7 per cent on the previous year.<sup>2</sup>

Official statistics indicate an improving outlook for the economy:

- The employment rate for those aged from 16 to 64 was 72.3 per cent for November 2013 to January 2014, up 0.2 percentage points from August to October 2013 and up 0.7 from a year earlier. The unemployment rate was 7.2 per cent for November 2013 to January 2014, down 0.2 percentage points from August to October 2013 and down 0.7 from a year earlier.<sup>3</sup>
- Estimates of retail sales for January 2014 showed growth. Compared with January 2013, estimates of the quantity bought in the retail industry showed strong growth in January 2014, increasing by 4.3 per cent.<sup>4</sup>
- Between January 2013 and January 2014, production output increased by 2.9 per cent and this is due to rises of 3.3% in manufacturing and 12.6% in water supply, sewerage & waste management output.<sup>5</sup>
- Construction output (all works) rose by 5.4 per cent January 2014 compared to January 2013. Similarly, new construction work has increased by 5.9 per cent and repair and maintenance by 4.5 per cent over the same period.<sup>6</sup>
- In January 2014, the Consumer Prices Index (CPI) was below the Bank of England target rate of 2.0 per cent. There was 1.9 per cent growth in the CPI in the year to January 2014, down from 2.0 per cent in December 2013.<sup>7</sup>

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<sup>2</sup> ONS national account tables Quarter 4 2013, <http://www.ons.gov.uk/ons/rel/naa2/quarterly-national-accounts/q4-2013/index.html>

<sup>3</sup> <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/index.html>

<sup>4</sup> <http://www.ons.gov.uk/ons/rel/rsi/retail-sales/index.html>

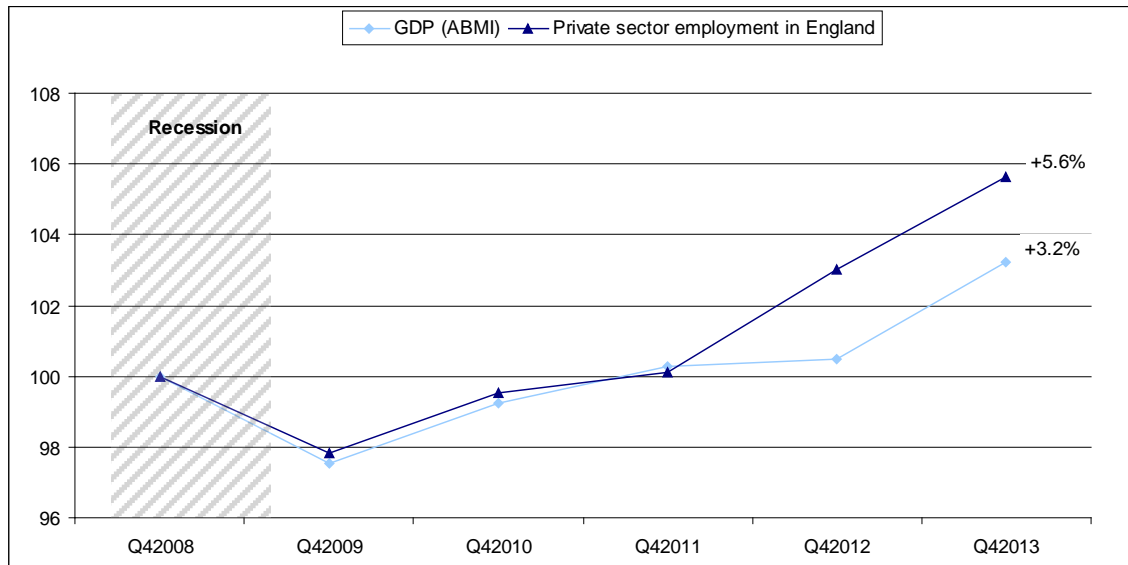
<sup>5</sup> <http://www.ons.gov.uk/ons/rel/iop/index-of-production/index.html>

<sup>6</sup> <http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/index.html>

<sup>7</sup> <http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/index.html>



**Figure 5: Index showing Private Sector Employment in England and UK Gross Domestic Product, Quarter 4 2008 to Quarter 4 2013**

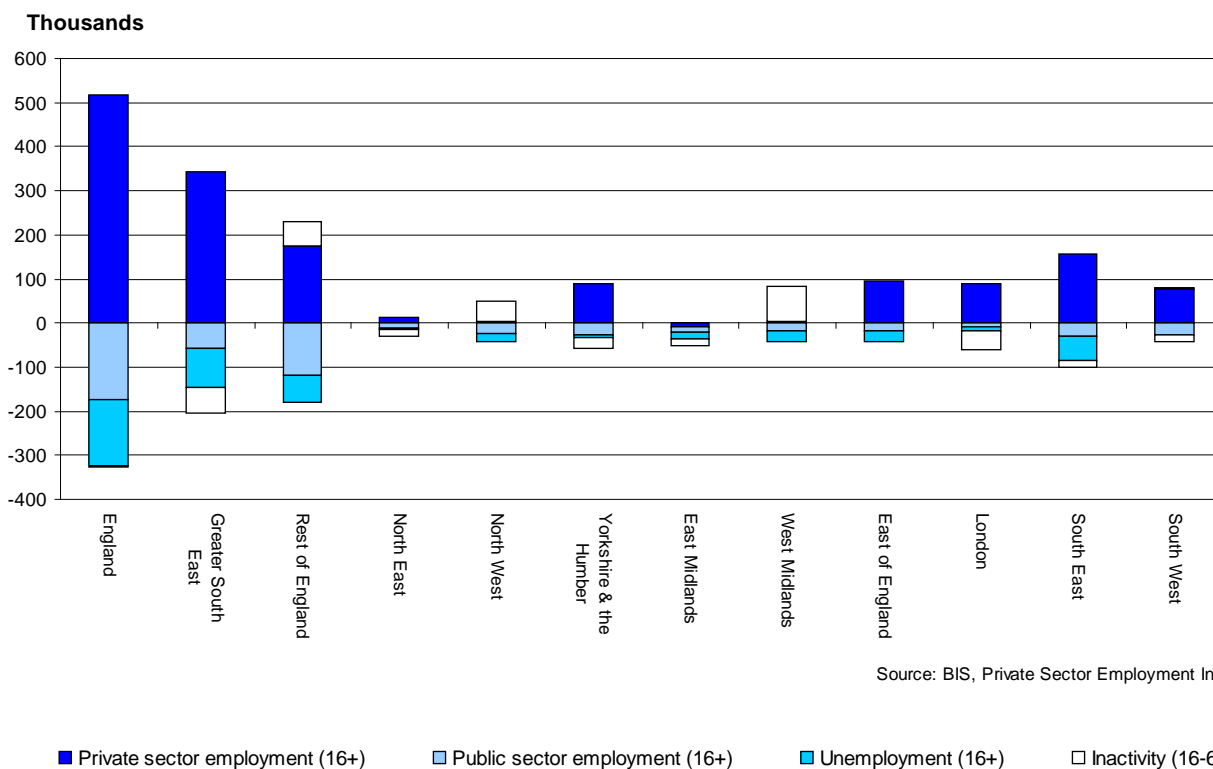


Sources: Quarterly ABMI GDP series, ONS and Private Sector Employment Indicator, BIS

**Notes**

1. Data are indexed to Quarter 4 2008.
2. The time periods of the two data series are slightly different: GDP data are based on calendar quarters, while employment data relates to the following periods: Quarter 1 (Feb to April), Quarter 2 (May to July), Quarter 3 (Aug to Oct) and Quarter 4 (Nov to Jan).
3. GDP data are for the UK rather than England. However, England accounts for the majority of the UK's economy – ONS' Regional Accounts indicate that England accounted for 84.8 per cent of the UK's Gross Value Added in 2012.
4. ONS GDP chained volume measure ABMI series.

**Figure 6: Annual Changes in Employment, Unemployment and Inactivity by regions, Quarter 4 2013, not seasonally adjusted**



**Notes**

1. Changes are relative to the same quarter in the previous year.
2. Workplace based employment includes both part-time and full-time employment and self-employment. It excludes those working outside of the UK and some respondents who do not give a region of workplace.
3. Unemployment and inactivity are residence based.
4. Greater South East includes London, South East and East of England.
5. The Rest of England includes North East, North West, Yorkshire and the Humber, East Midlands, West Midlands and South West.

**Table 2: Employment, unemployment and inactivity, Non Seasonally Adjusted, Quarter 4 2013, thousands**

	Thousands, NSA												
	Indicator				Private sector employment (16+)			Public sector employment (16+)		Unemployment (16+)		Inactivity (16-64)	
	Share%	95% CI	Change <sup>1</sup>		Level	Change <sup>1</sup>	95% CI <sup>4</sup>	Level	Change <sup>1</sup>	Level	Change <sup>1</sup>	Level	Change <sup>1</sup>
England	60.3	0.4%	<b>1.2</b>	0.6%	20,821	<b>517</b>	201	4,389	-174	1,919	-150	7,422	-3
London, South East & East (GSE)	63.3	0.6%	<b>1.7</b>	0.9%	9,547	<b>342</b>	133	1,777	-57	762	-88	2,999	-58
Rest of England (NWM)	57.9	0.5%	0.7	0.8%	11,274	<b>175</b>	150	2,612	-117	1,157	-61	4,424	54
North East	53.3	1.8%	1.3	2.6%	893	12	43	244	-13	122	-2	417	-16
North West	55.8	1.1%	0.0	1.6%	2,536	3	73	621	-24	272	-17	1,112	47
Yorkshire & the Humber	57.8	1.2%	<b>2.0</b>	1.8%	2,030	<b>89</b>	62	480	-27	231	-6	770	-25
East Midlands	59.3	1.4%	0.7	2.0%	1,673	-9	57	353	-12	160	-15	636	-14
West Midlands	57.2	1.3%	-0.6	1.9%	2,011	2	66	459	-16	216	-24	827	80
East of England	63.6	1.2%	<b>1.8</b>	1.7%	2,290	<b>96</b>	62	409	-19	172	-23	732	-2
London	62.3	1.0%	<b>1.2</b>	1.5%	3,803	<b>89</b>	89	734	-9	352	-10	1,216	-41
South East	64.3	0.9%	<b>2.3</b>	1.4%	3,455	<b>157</b>	76	634	-30	238	-55	1,050	-15
South West	62.6	1.3%	1.6	1.9%	2,131	<b>78</b>	63	456	-25	155	2	661	-18

Sources: Labour Force Survey and returns from public sector organisations, ONS and Private Sector Employment Indicator, BIS

## Notes

1. Changes are relative to the same quarter in the previous year.
2. Significant changes are highlighted in bold and are based on a 95% confidence level.
3. Workplace based employment includes part-time and full-time employment and self-employment. It excludes those working outside of the UK and some respondents who do not give a region of workplace.
4. Unemployment and inactivity are residence based.
5. Greater South East includes London, South East and East of England.
6. The Rest of England includes North East, North West, Yorkshire and the Humber, East Midlands, West Midlands and South West.
7. Tables may not sum due to rounding.

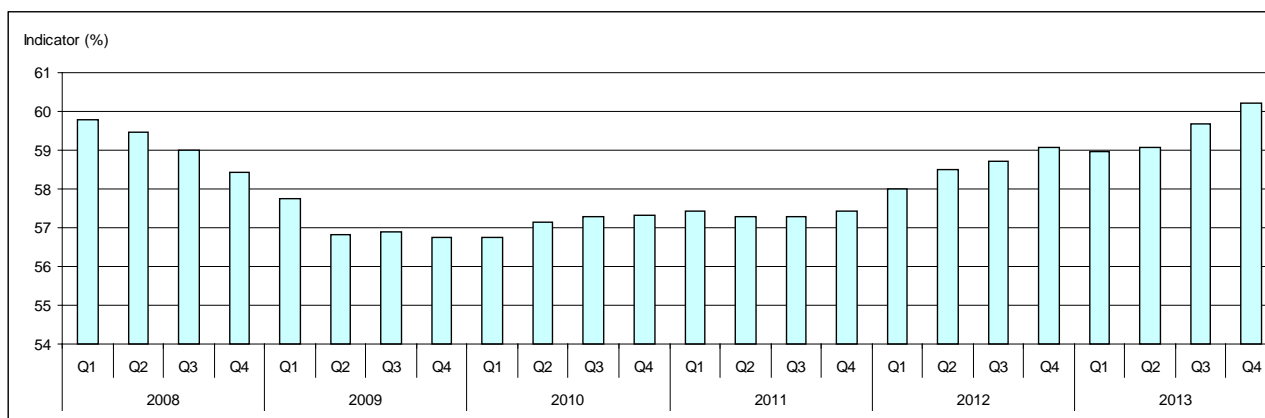
## 6. Historical Analysis

All areas experienced a decline in the Indicator between Quarter 3 2008 and Quarter 3 2009, mainly due to the impact of the 2008/09 recession. England and six of the nine regions began a sustained recovery in Quarter 3 2009, but this began later in Yorkshire and the Humber, the East Midlands and the West Midlands. The Indicator declined for five of the nine regions between Quarter 3 2010 and Quarter 3 2011 and then increased in all areas except the North East and South West between Quarter 3 2012 and Quarter 3 2013, with statistically significant changes in England, the Greater South east and 2 regions.

The following gives a brief overview of the series from Quarter 1 2010 to Quarter 4 2013. All the comparisons are based on quarterly changes.

**England** – The Indicator increased steadily between 2010 and 2013, with the exception of the period between May 2011 and July 2011 where the Indicator fell by 0.2 percentage points and between February 2013 and April 2013 when it fell by 0.1 percentage points. The decrease between May 2011 and July 2011 was due to a decrease in the Indicator for the West Midlands, South West and the Greater South East regions and the decrease between February 2013 and April 2013 was due to a decrease in four of the English regions.

**Figure 7: England, Quarter 1 2008 to Quarter 4 2013, seasonally adjusted**



Source: BIS, Private Sector Employment Indicator

**Greater South East** – The indicator increased steadily between 2010 and 2013, with the exception of the two quarters between May 2011 and October 2011 where the Indicator fell by a cumulative 0.5 percentage points, and the quarter between February and April 2013 where the Indicator fell by 0.1 percentage points. All regions in the Greater South East declined between May 2011 and July 2011, while the decrease was only in the East of England between August 2011 and October 2011.

**Rest of England** – The indicator increased steadily between 2010 and 2013, with the exception of the quarter between August 2010 and October 2010 where the Indicator fell 0.3 percentage points and the two quarters between February 2013 and July 2013 where the Indicator fell by a cumulative 0.4 percentage points. In the first of these periods only south west in this sub-national area experienced an increase and in the second period only Yorkshire and the Humber did so.

## 7. Background Note

### Official Statistics

This publication is produced by statisticians working in the Local Growth Analysis Team in the Department for Business, Innovation and Skills (BIS). These data are experimental official statistics working towards full compliance with the [Code of Practice for Official Statistics](#).

### Seasonal adjustment

All estimates discussed in this statistical release are seasonally adjusted except where otherwise stated. Like many economic indicators, the Indicator is affected by factors that tend to occur at around the same time every year; for example school leavers entering the labour market in July and whether Easter falls in March or April. In order to compare movements other than annual changes in the Indicator, such as since the previous quarter, the data are seasonally adjusted to remove the effects of seasonal factors and the arrangement of the calendar. Seasonal adjustment is performed quarterly and will be reviewed yearly, using the standard and widely used software X-12-ARIMA.

### Revisions Policy

It is BIS' policy to be open and transparent with users about the reasons for revisions and how they are handled.

Revisions will be mainly due to changes in methodologies and source data. The Indicators are derived from surveys and administrative data sources. Changes to the underlying methods will cause revisions. These include changes in statistical methods, definitions, classifications and geographic coverage.

If revisions arising from changes to methodologies and source data are found to be insignificant, they will be published in the next planned publication. However, if these revisions are expected to have a large impact, then they will be introduced and published more quickly. A note will be added to the release to explain the revision and its impact.

Although robust procedures are in place to minimise errors in producing the statistics, errors may occasionally occur. When errors are found after the publication, their impact will be assessed. If these changes are significant, a correction notice will be issued as soon as practicable, while minor corrections will be included in the next planned release. In all cases a full explanation will be included as part of the next release.

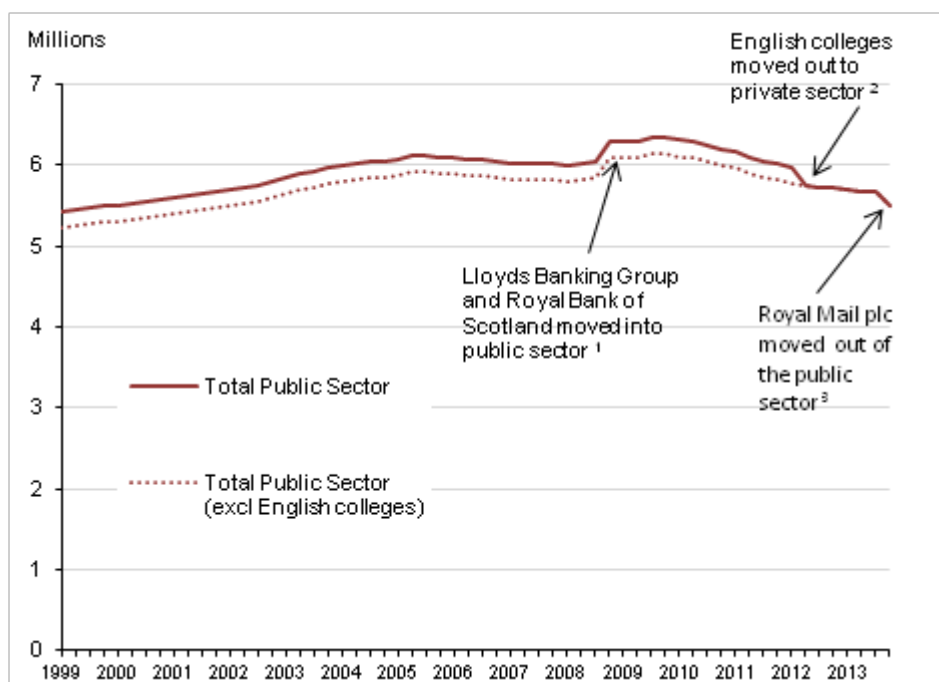
### Latest revisions

The Public Sector employment estimates used to compile the Indicator estimates have been revised in order to incorporate more accurate data in line with ONS' revision policy. PSE data for Quarter 3 2013 and for all earlier quarters back to Quarter 1 2008 have been revised. The change has resulted in a small increase (+9,391) in Public Sector employment and a corresponding decrease in Private Sector employment, for Quarter 2 2013 split across all regions. However, the revision has not affected the Indicator values for the majority of areas, with the North West (+0.1 ppt), Yorkshire and the Humber (+0.1 ppt), South West (-0.1 ppt) and London (+0.1 ppt) the only affected areas in Quarter 3 2013.

## Reclassifications

The reclassification of large bodies between public and private sectors may cause a discontinuity in the time series e.g. the Royal Mail plc being re-classified in 2013. Notes for such reclassifications will be published alongside the data. Below is a summary of the reclassifications from Q1 1999 to Q4 2013.

### Public Sector Employment by Sector Classification, Q1 1999 to Q4 2013, seasonally adjusted



Source: Quarterly Public Sector Employment Survey - Office for National Statistics

#### Notes:

1. Royal Bank of Scotland Group plc and Lloyds Banking Group plc are classified to the public sector from 13 October 2008. They are therefore included in the public sector estimates from 2008 Q4 onwards but not earlier periods.
2. English further education colleges and English sixth form college corporations classified to public sector from 1993 to 31 March 2012. They are therefore included in public sector estimates from 1993 to Q1 2012, but not in subsequent quarters. More information on this decision can be found in the [Reclassification of Further Education Corporations and Sixth Form Colleges in England](#) article published on 31 May 2012. For analysis purposes, employment in further education colleges and sixth form college corporations are included in private sector employment for all periods in this statistical release.
3. Royal Mail plc was reclassified from the public sector to the private sector from October 2013.

## Methodology

### Private Sector Employment Indicator Calculation

The Indicator is formulated as follows:

$$\text{Private sector employment (Aged 16+)} * 100$$

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$$\text{Private and public sector employment(Aged 16+) + Unemployment(Aged 16+) + Inactivity (Aged 16-64)}$$

### Limitations of the methodology used

Though effort and care have been applied when developing an appropriate Indicator, the method has limitations arising from underlying data sources and the definition used:

- Falling public sector employment is one of the factors that may cause a rise in the Indicator, and therefore an increasing Indicator does not necessarily reflect improved labour market conditions in all cases. Users should read the figures for the Indicator together with underlying components. The statistical release will explain the underlying causes for a change in the Indicator, highlighting any caveats.
- Whether a change is significant is determined by the magnitude of the change and the underlying sampling variances. The latter is also affected by the sample size. An area like England tends to have a large sample, leading to a relatively small sample variation compared to regions like North England. So a small change is more likely to be identified as significant compared to a region with a small sample size.

### Confidence interval method

Confidence intervals have been produced to allow significant changes in the Indicator to be identified. Normally a 95% confidence interval would be used, which means that in 19 out of 20 different samples we would expect the true (population) level or rate considered to be within the 95% confidence interval for the sample estimate. For more details, refer to the [user guide](#).

### Data sources

Data are published for England and each English region; however, changes in the Indicator are also monitored for two regional groups in England:

- Greater South East (London, South East and East)
- Rest of England (North, Midlands and West)

The two English groups have been selected to minimise the distortions due to high levels of commuting between London, South East and East.

<p><b>Data sources</b></p>	<p>The Indicator is compiled from a mix of administrative and survey data. The data time series start from Q1 2008.</p> <p>Public sector employment data are sourced from the administrative data that are used to compile the <a href="#">Public Sector Employment Statistics</a>. Estimates of private sector employment are derived as the difference between Labour Force Survey estimates of employment in the whole economy and the public sector estimates collected from public sector organisations. Both the private sector and public sector employment data are workplace based, providing a consistent basis for calculating the Indicator.</p> <p>Unemployment and inactivity data are sourced from the ONS quarterly Labour Force Survey.</p> <p>To ensure that the data, as closely as possible, covers the same population:</p> <ul style="list-style-type: none"> <li>• Employment and unemployment figures are derived for all aged 16+.</li> <li>• Inactivity is limited to those aged 16 to 64 to exclude people who are over 64 and are inactive.</li> </ul> <p>This coverage means that changes in employment, unemployment and inactivity can be affected by migration; movements of 15 year olds into the work force (mainly in education and classified as inactive) and movements of those aged over 64 from employment or unemployment into inactivity.</p> <p>Private sector employment used for this publication includes both part-time and full-time employment and self-employment.</p>															
<p><b>Reference Period</b></p>	<p>To ensure the periods to which the data relate are as closely aligned as possible, the data used in this publication align as summarised below and in Table 4.</p> <ul style="list-style-type: none"> <li>• Public Sector Employment (PSE) data are used for the months of March, June, September and December. Annual estimates use Quarter 2 estimates in accordance with the producer’s estimates.</li> <li>• Labour Force Survey (LFS) estimates for Total Workplace Employment, Unemployment and Inactivity are based on quarterly averages for the periods: February to April; May to July; August to October; and November to January. Annual estimates are based on 4 quarter averages.</li> </ul> <p><b>Table 3: Reference Period of Data Sources</b></p> <table border="1"> <thead> <tr> <th>Data Source</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>LFS</td> <td>Feb-Apr</td> <td>May-July</td> <td>Aug-Oct</td> <td>Nov- Jan (following year)</td> </tr> <tr> <td>PSE</td> <td>March</td> <td>June</td> <td>September</td> <td>December</td> </tr> </tbody> </table>	Data Source	Q1	Q2	Q3	Q4	LFS	Feb-Apr	May-July	Aug-Oct	Nov- Jan (following year)	PSE	March	June	September	December
Data Source	Q1	Q2	Q3	Q4												
LFS	Feb-Apr	May-July	Aug-Oct	Nov- Jan (following year)												
PSE	March	June	September	December												



<p><b>Limitations of the data used</b></p>	<p>Public Sector Employment statistics are mainly derived from a census of public sector organisations, so are not subject to sampling errors. However there is a potential small amount of non-response error. The Labour Force Survey is a household survey with sampling errors. Confidence intervals for the Indicators have been provided to enable significant changes to be identified given the methodology used to compile the data and the time period considered.</p> <p>More information on quality of the Public Sector Employment statistics and Labour Force Survey can be found at:</p> <p><a href="http://www.ons.gov.uk/ons/guide-method/method-quality/quality/quality-information/labour-market/index.html">http://www.ons.gov.uk/ons/guide-method/method-quality/quality/quality-information/labour-market/index.html</a></p> <p>There are some limitations that should be understood before the data are used.</p> <ul style="list-style-type: none"> <li>• Employment and Public Sector Employment data used to derive the Indicator are workplace based, whereas unemployment and inactivity data are residency based. Differences between regional workplace and residency based employment are more pronounced in some regions due to commuting and travel to work patterns. For example, many workers in London reside outside of London, giving rise to a high commuting flow between London and those regions. <b>Due to the different basis (workplace or residence), a loss of jobs in one region may lead to an increase in unemployment in another, as a person might reside in a different region from where they worked.</b></li> <li>• Regional Workplace Employment is derived by ONS from the LFS and directly supplied to BIS each quarter. Private Workplace Employment is derived as the difference between Total Workplace Employment and Public Sector Employment. <b>Workplace based employment excludes those working outside the UK and some respondents who do not give a workplace address.</b></li> <li>• Data can be affected by reclassifications of businesses from the public to the private sector. For example, the Royal Bank of Scotland and Lloyds Banking group were reclassified in October 2008 from the private to the public sector. This gave a small increase in the public sector employment compared to the period prior to the reclassification. These changes caused discontinuities in the time series. When large reclassifications occur these are highlighted in the footnotes accompanying the data.</li> </ul>
<p><b>Alternative data sources available</b></p>	<ul style="list-style-type: none"> <li>• Business Register Employment Survey, which provides annual estimates of regional private and public sector employment. This data are not suitable for regular monitoring as they are only available annually.</li> <li>• The Labour Market Statistics release provides quarterly estimates of employment in both the private and the public sectors, but this information is not available for UK countries or English regions.</li> </ul>

## About this publication

The publication is available through the BIS statistics website and the Publication Hub. Statistical First Releases, data tables and supporting documentation for the Indicator can be found on the BIS website: <https://www.gov.uk/government/collections/private-sector-employment-indicator>

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