

Introduction

5.1 This chapter sets out details of administrative expenditure by those central government departments that are subject to Administration Budgets. The data cover a period of five years, from 2003-2004 to 2007-08, and are on resource basis. Data in this chapter do not fall within the scope of National Statistics.

2004 Spending Review

5.2 In the 2004 Spending Review, additional resources were provided in the critical area of security. Administration Budgets for the Security and Intelligence Agencies and the Foreign and Commonwealth Office therefore increase over the period 2005-06 to 2007-08. For every other department, the 2004 Spending Review set Administration Budgets at or below the 2005-06 nominal level for 2006-07 and 2007-08.

Administration Budgets

5.3 Administration Budgets are set for most civil service departments. These budgets help to drive economy and efficiency in the running of Government itself. Around 50% of administration costs is accounted for by civil service pay. A further 40% is accounted for by procurement of goods and services (e.g. accommodation, equipment, travel) and the remainder by other items (e.g. capital charges on assets used by civil servants such as buildings and IT equipment).

5.4 **Table 5.1** shows, for Administration Budgets, final outturn for 2003-04, estimated outturn for 2004-05 and plans for 2005-06 to 2007-08. There are no figures for the Ministry of Defence, which is not subject to an Administration Budget, nor for the devolved administrations, which operate their own controls. Administration Budgets for 2005-06 were announced in Central Government Supply Estimates 2005-06, Supplementary Budgetary Information (Cm 6489).

5.5 For consistency with data published in the 2004 Spending Review, and with data published on Departmental Expenditure Limits elsewhere in PESA, figures in this chapter are on a different basis to equivalent data in PESA 2004. There are three main differences. Firstly, the Administration Budgets published in **Table 5.1** are net of all income that departments generate through their administrative expenditure, whereas figures in PESA 2004 were only net of income that forms part of other departments' administration costs. Secondly, this year's figures are after taking account of reclassifications implemented in line with the recommendation made by Sir Peter Gershon in his report *Releasing resource to the front line: Independent Review of Public Sector Efficiency*, July 2004. Finally, from PESA 2005 the adjustment for IT PFI capital has been discontinued as the Government has adopted a presumption against the use of PFI in future IT projects. **Table 5.1** also sets out departmental totals on the PESA 2004 basis, together with a reconciliation to the new figures.

Civil Service staffing

5.6 Previous PESA publications have included data on the average number of permanent full time equivalent staff employed in each financial year by UK Home Civil Service bodies (central government departments including the Northern Ireland Office, trading funds, the Scottish Executive and the Welsh Assembly) as well as by the Northern Ireland Civil Service.

5.7 As part of the Government's initiative to produce a single set of high quality statistics on the public sector workforce, the Office for National Statistics (ONS) will, from 2005, publish quarterly outturn data on the total number of permanent full time equivalent staff in the UK Home Civil Service. Summary outturn data on the number of staff employed by each organisation within the UK Home Civil Service, consistent with the ONS figures, will then be published by the Cabinet Office each quarter on the statistics page of its Civil Service website.¹

5.8 On 11 March 2005, the ONS published, to National Statistics standards, the first in the improved series of outturn data on staff in post – including latest figures as at 31 March 2004.² The next release of data, covering civil service staff in post as at 31 December 2004, will be published by the ONS on 26 May 2005 and the data will then be updated on a quarterly basis.

5.9 PESA data from 1998-99 to 2003-04 on a basis closely equivalent to the new quarterly workforce statistics are also available on the Civil Service website. These data cover permanent staff only, are financial year averages, report trading fund staff as part of the figure for their parent department and exclude the Northern Ireland Civil Service.

5.10 Estimated reductions in the Civil Service workforce between April 2004 and April 2008 were published in Table 2.2 of the 2004 Spending Review (Cm 6237) and departments will be reporting progress on these reductions in their 2005 departmental reports.

5.11 Plan data previously published in PESA for the devolved administrations were indicative only as staff numbers depend on decisions taken by the devolved executives. Data on the number of civil servants employed by the Scottish Executive and Welsh Assembly will be published on the Civil Service website.

¹ http://www.civilservice.gov.uk/management_information/statistical_information/statistics/index.asp

² Public Sector Employment, Office for National Statistics, March 2005

Table 5.1 Administration budgets by departments, 2003–04 to 2007–08

| | accruals £ million | | | | |
|--|--------------------|---------------------------------|------------------|------------------|------------------|
| | 2003–04 outturn | 2004–05 estimated outturn | 2005–06 plans | 2006–07 plans | 2007–08 plans |
| Education and Skills | 268 | 283 | 275 | 272 | 265 |
| Health | 326 | 328 | 303 | 279 | 277 |
| Transport | 351 | 215 | 242 | 240 | 235 |
| Office of the Deputy Prime Minister | 290 | 326 | 287 | 285 | 283 |
| Home Office | 654 | 692 | 733 | 672 | 672 |
| Constitutional Affairs | 252 | 566 | 476 | 476 | 476 |
| Law Officers' Departments | 90 | 108 | 110 | 110 | 110 |
| Foreign and Commonwealth Office | 746 | 742 | 798 | 827 | 833 |
| International Development | 197 | 232 | 239 | 235 | 232 |
| Trade and Industry | 443 | 447 | 454 | 418 | 408 |
| Environment, Food and Rural Affairs | 287 | 381 | 317 | 307 | 297 |
| Culture, Media and Sport | 39 | 51 | 49 | 48 | 47 |
| Work and Pensions | 6,021 | 6,085 | 6,019 | 5,886 | 5,828 |
| Northern Ireland Office | 81 | 99 | 95 | 97 | 91 |
| Chancellor's Departments | 4,396 | 4,834 | 4,980 | 4,987 | 4,972 |
| Cabinet Office | 706 | 823 | 825 | 907 | 952 |
| <i>Of which: Security and Intelligence Agencies</i> | 544 | 602 | 621 | 702 | 747 |
| Departmental totals | 15,147 | 16,212 | 16,204 | 16,046 | 15,979 |
| <i>Of which administration costs paybill⁽¹⁾</i> | 8,276 | 8,813 | 8,593 | 8,893 | 8,849 |
| Ministry of Defence civilian paybill | 2,461 | 2,762 | 2,873 | 2,920 | 2,974 |
| Administration Budgets as a percentage of Total Managed Expenditure | 3.3% | 3.3% | 3.1% | 2.9% | 2.8% |
| Reconciliation to PESA 2004 basis | | | | | |
| Income included above not from other Administration Budgets | 1,255 | 891 | 695 | | |
| Gross costs of front-line activities reclassified since PESA 2004 | 4,269 | 4,404 | 4,440 | | |
| IT PFI capital adjustment included in PESA 2004 | –440 | –464 | –473 | | |
| Other changes since PESA 2004 ⁽²⁾ | 1,037 | –785 | 446 | | |
| Departmental totals on a PESA 2004 basis | 21,269 | 20,259 | 21,312 | | |

(1) This covers the pay costs of civil servants falling within Administration Budgets. It includes superannuation charges and National Insurance contributions.

(2) Departments' figures for 2003-04 represent final outturn and are lower than the estimated outturn figures published in PESA 2004. Figures for 2004-05 represent estimated outturn and are higher than plans published in PESA 2004 because departments have drawn down administration End Year Flexibility (provision which they were allocated in previous years but did not spend). Plans for 2005-06 are lower than equivalent figures published in the 2004 Spending Review (Cm 6237).

