

Introduction

5.1 This chapter sets out details of expenditure by those central government departments that are subject to Treasury administration costs controls, and of civil service staffing levels in all central government departments and the devolved administrations. The data cover a period of four years, starting in 2002–03, with plans going through to 2005–06. The data on administration costs are on a resource basis.

5.2 Data in this chapter do not fall within the scope of National Statistics.

Budget 2004 announcements

5.3 The 2004 Budget announced workforce reductions in some departments and plans for departmental restructuring. The Budget also announced that administration costs for all government departments would be capped, in 2006–07 and 2007–08, at or below 2005–06 nominal levels.

5.4 The Budget announcements on administration costs are not reflected in **Table 5.1** as the financial years to which the announcements relate (2006–07 and 2007–08) do not fall within the scope of this year's table. PESA 2005 will set out the plans for departments' administration costs in 2006–07 and 2007–08, which will have been agreed in the 2004 Spending Review. Future PESA publications will also reflect the reductions in civil service staff numbers that have been announced, the details of which are currently being worked through by departments.

Administration costs

5.5 The primary aim of administration costs control is to promote economical and efficient administration and service delivery in central government. Administration cost controls cover the costs of most central government administration. However, the controls do not cover the costs of some direct front line services and support activities that are directly associated with these. The controls do cover the direct delivery of services by some departments and their agencies where these are carried out by civil servants, for example, prison officers and personal advisers helping people into work. Administration costs are controlled during the year through accrual-based administration costs limits, which are notified to Parliament in the Supply Estimates. These limits are net of certain income which departments are allowed to offset against their gross administrative expenditure. Administration costs limits for 2004–05 are announced in the 2004–05 Supplementary Budgetary Information (Cm6133).

5.6 **Table 5.1** shows gross administrative expenditure from 2002–03 to 2005–06 for all central government departments for which administration costs controls are operated. There are no figures for the Ministry of Defence, which is not subject to administration costs control, nor for the devolved administrations, which operate their own controls. Gross administrative expenditure is measured after eliminating transactions between departments and offsetting VAT refunds on eligible contracted out services. The table shows final outturn for 2002–03, estimated outturn for 2003–04 and plans for 2004–05 and 2005–06.

5.7 Departments' paybill outturns are published in departmental reports, together with the related staff numbers.

Civil service staffing

5.8 Table 5.2 provides a summary of civil service staffing by department, starting with final outturn for 2002–03, estimated outturn for 2003–04 and plans for 2004–05 and 2005–06. The figures comprise all permanent staff and exclude temporary and casual staff. Numbers are measured in terms of “full time equivalent” staff with part-time staff recorded according to the proportion of a full week they are contracted to work. In most cases planned figures have been estimated to be consistent with current administration costs data.

5.9 Plans for the devolved administrations are indicative only as staff numbers will depend on decisions taken by the devolved executives. PESA now shows separate totals for the numbers of civil servants in central government departments, the devolved administrations (and their predecessor departments), and trading funds.

5.10 The figures in Table 5.2 include some groups of staff which were not included in PESA 2003, including:

- 12,000 magistrates courts staff who will transfer into the Department for Constitutional Affairs from 2005–06; and
- 1,250 (800 full-time equivalents) Office for National Statistics interviewers who were not previously categorised as civil servants.

Table 5.1 Gross administrative expenditure^{1,2,3} by department, 2002–03 to 2005–06

	accruals £ million			
	2002–03 outturn ⁽⁴⁾	2003–04 estimated outturn	2004–05 plans	2005–06 plans
Education and Skills	264	280	274	282
Health	331	334	302	321
Transport	590	628	255	286
Office of the Deputy Prime Minister	279	362	353	345
Home Office	3,472	4,079	4,093	4,436
Constitutional Affairs	761	949	899	980
Attorney General's Departments	366	448	386	417
Foreign and Commonwealth Office	932	1,041	904	930
International Development	99	212	227	244
Trade and Industry ⁽⁵⁾	609	653	540	570
Environment, Food and Rural Affairs	537	549	560	583
Culture, Media and Sport	36	49	48	51
Work and Pensions	5,778	6,350	6,015	6,111
Northern Ireland Office	216	171	185	202
Chancellor's Departments:	4,404	4,839	4,872	5,197
<i>Of which:</i>				
<i>Inland Revenue</i>	2,954	3,258	3,180	3,360
<i>Customs and Excise</i>	992	1,083	1,191	1,313
<i>Others</i>	458	498	502	524
Cabinet Office	689	764	811	830
Departmental totals	19,364	21,709	20,723	21,785
<i>Of which, estimated IT PFI capital⁽⁶⁾</i>	335	440	464	473
Total gross expenditure on civil departments' administration costs	19,029	21,269	20,259	21,312
<i>Of which administration costs payroll⁽⁷⁾</i>	<i>9,981</i>	<i>10,899</i>	<i>10,227</i>	<i>10,392</i>
Ministry of Defence civilian payroll	2,365	2,543	2,702	2,770
Total gross expenditure on civil departments' administration costs as a percentage of Total Managed Expenditure	4.5%	4.6%	4.2%	4.1%

(1) Administration costs cover the costs of all central government administration other than the costs of some direct front line services, and activities and support activities that are directly associated with these.

(2) Gross of all receipts except for those receipts paid from within other departments' administration costs, which are netted off for consolidation purposes.

(3) Excludes administration costs of devolved administrations.

(4) Figures for 2002–03 represent final outturn and update estimated outturn figures published in PESA 2003.

(5) Excluding Export Credits Guarantee Department (ECGD) whose administration costs are met from trading income. However ECGD sets administration costs plans.

(6) These are charges that previously would have scored as capital but under PFI contracts are now funded from administration costs. The Government has now adopted a presumption against the use of PFI in future IT projects. PFI in the IT sector will be replaced by a set of procurement options appropriate for different types of IT projects.

(7) This covers the pay costs of Civil Servants and other staff (including casual staff) and includes superannuation charges and National Insurance Contributions. It excludes the staff of the devolved administrations, the armed forces and Ministry of Defence civilian staff.

Table 5.2 Staff of central government departments, devolved administrations and trading funds, 2002–03 to 2005–06⁽¹⁾⁽²⁾

	thousands (full-time equivalents)			
	2002–03 outturn ⁽³⁾	2003–04 estimated outturn	2004–05 plans	2005–06 plans
Central Government Departments				
Education and Skills ⁽⁴⁾	6.8	4.5	4.2	4.1
Office for Standards in Education ⁽⁴⁾	–	2.4	2.4	2.4
Health	3.7	3.7	2.6	2.6
Food Standards Agency	2.2	2.2	2.2	2.2
Transport	10.4	11.9	12.5	13.5
Office of the Deputy Prime Minister	4.5	4.8	4.8	4.7
Home Office ⁽⁵⁾	60.9	65.2	67.9	67.6
Charity Commission ⁽⁶⁾	–	0.6	0.6	0.6
Constitutional Affairs ⁽⁷⁾⁽⁸⁾	13.3	13.4	13.4	25.0
Attorney General's Departments	7.5	8.1	8.4	8.6
Defence	76.5	73.6	72.6	71.8
Foreign and Commonwealth Office	5.6	5.9	5.9	5.9
International Development	1.6	1.9	1.9	1.9
Trade and Industry	9.6	10.3	9.5	9.3
Export Credits Guarantee Department	0.4	0.4	0.4	0.4
Environment, Food, and Rural Affairs	12.5	13.0	12.7	11.9
Culture, Media and Sport	0.7	0.7	0.5	0.5
Work and Pensions	130.2	128.6	122.2	115.5
Northern Ireland Office	3.4	3.3	3.7	3.7
HM Customs and Excise	22.3	22.4	22.6	22.5
Inland Revenue ⁽⁹⁾	71.2	77.3	76.8	76.8
Chancellor's other departments ⁽¹⁰⁾	5.3	6.1	6.3	6.4
Cabinet Office and Privy Council Office	2.6	2.3	2.2	2.2
Security and Intelligence Services	8.9	8.9	9.4	9.7
Central Government Departments Total	460.1	471.5	465.7	469.8
Devolved Administrations⁽¹¹⁾				
Scotland	14.0	14.0	14.2	14.3
Wales	3.4	3.5	3.6	3.6
Northern Ireland	25.6	26.7	26.6	26.6
Devolved Administrations Total	43.0	44.2	44.4	44.5
Trading funds⁽¹²⁾	34.4	36.2	36.5	38.2
TOTAL⁽¹⁾⁽²⁾	537.5	551.9	546.6	552.5

(1) Unless otherwise indicated all the figures are financial year averages for permanent staff.

(2) Budget 2004 announced workforce reductions in some departments and plans for departmental restructuring. These changes are not reflected in Table 5.2.

(3) Figures for 2002–03 represent final outturn and update estimated outturn figures published in PESA 2003.

(4) Figures for Ofsted before 2003–04 are included in Education and Skills.

(5) Home Office figures include the Asset Recovery Agency.

(6) Figures for Charity Commission before 2003–04 are included in Home Office.

(7) From 2003 the work of the Scotland Office and Wales Office has been incorporated into the new Department for Constitutional Affairs.

(8) Constitutional Affairs figures for 2005–06 include around 12,000 Magistrates Courts staff transferring into Department for Constitutional Affairs. Previously, these staff would not have been classed as civil servants.

(9) Figures for Inland Revenue include Valuation Office staff (4,500 in 2004–05) not counted in PESA 2003.

(10) From 2003–04, figures for Chancellor's other departments include around 1,250 interviewers (800 full time equivalents) in Office for National Statistics not previously classed as civil servants.

(11) Plans for the devolved administrations are indicative only as staff numbers will depend on decisions taken by the devolved executives. Figures for years before the current devolved administrations were created reflect the staff numbers of predecessor organisations.

(12) The figures for trading funds now include around 2,100 staff in the Army Base Repair Organisation not counted in PESA 2003.