

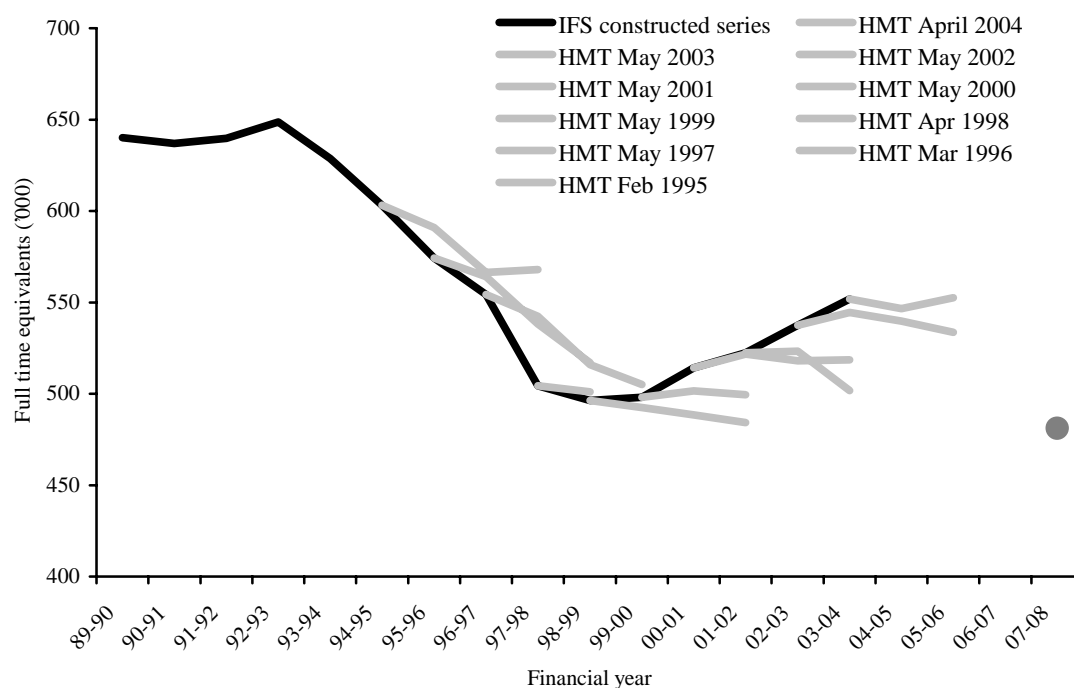
Calculations behind the figures on civil service numbers and administration spending

Figure 1 takes the projections for civil service numbers from table 5.2 of HM Treasury's April 2004 Public Expenditure Statistical Analysis (PESA).¹ These are adjusted for inconsistencies to the series caused by the inclusion (from 2003–04) of 800 ONS interviewers and from 2005–06 12,000 magistrates staff.

Figures are taken from the corresponding table in older editions of the PESA. Direct comparison of these series is not possible due to changes in classification. Hence we adjust the previous out-turns and projections on the assumption that the projected growth in civil service numbers is directly comparable. This essentially assumes that the components added to or removed from the series grow at the same rate as those in the most recent series.

The figure clearly shows that growth in civil service numbers was lower than the projections made in February 1995, March 1999 and May 1997, was similar to expected in April 1998 and so far has exceeded expectations in the projections made since May 1999.

Figure 1. New target for civil service numbers alongside previous out-turns and projections. (Out-turns from 1989–90 to 2003–04, projections taken from each year since 1995).



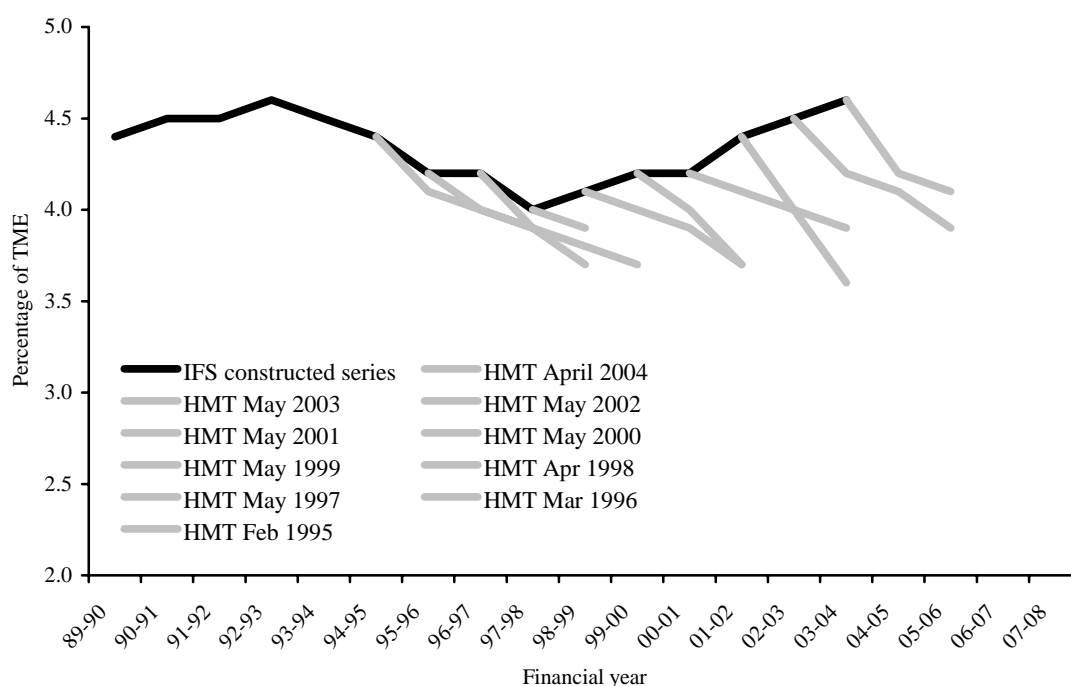
Source: HM Treasury; IFS calculations.

¹ See http://www.hm-treasury.gov.uk/Documents/Public_Spending_and_Services/Public_Spending_Data/pss_pss_pesaindex.cfm

Figure 2 takes the projections for administrative spending from table 5.1 of HM Treasury's April 2004 Public Expenditure Statistical Analysis (PESA).² Figures are also taken from the corresponding table in older editions of the PESA. These figures are then divided through by the latest estimates of Total Managed Expenditure in each year. Again direct comparison of these series is not possible due to changes in classification. Hence we adjust the previous out-turns and projections on the assumption that the projected growth in administrative expenditure (as a share of TME) is directly comparable. This essentially assumes that the components added to or removed from the series grow at the same rate as those left in the most recent series.

The figure clearly shows that every projection made since February 1995 has underestimated the growth in administrative spending as a share of TME. Indeed, the 6 projections made from April 1998 to May 2003 have expected administrative spending to fall as a share of TME when it has subsequently increased.

Figure 2. Previous out-turns and projections for administrative spending. (Out-turns from 1989–90 to 2003–04, projections taken from each year since 1995).



Source: HM Treasury; IFS calculations.

² See http://www.hm-treasury.gov.uk/Documents/Public_Spending_and_Services/Public_Spending_Data/pss_pss_pesaindex.cfm