

# Public sector productivity

^The large fall in public sector productivity since 2019, assessed at 7.5% by the ONS to last year, is a major cost to taxpayers and a major drag on economic performance.

The immediate task for the Chief Secretary to the Treasury and the Cabinet Office Minister for the civil service must be to arrest the big increase in management and administration. The more managers and senior staff they recruit or promote, the worse the productivity becomes. The easiest thing to do it to impose a ban on all new external recruitment into the civil service and the public administration, unless a special case is made out and approved by a Minister.

Natural run off occurs at around 6-7% a year as people retire, find other jobs elsewhere or change their work life balance. As a post is vacated one of the many managers needs to decide if the post can be eliminated, or amalgamated with another. If not then a new appointment is made from within the civil service or public body, and some other post removed.

Ministers and top management would also have to make clear that to raise productivity the work done by these extra people either has to be abolished by better process or carried out more effectively. They must not contract more work out to the private sector. They should review their use of private contracts on a regular basis, asking each time the contract comes up for review if this is the best way to do the work or if now they know how to do it more of it could be done in house to raise productivity. There is a tendency to have a bigger overhead of managers who then buy in more work from outside to keep their own headcounts down a bit. There has been a big grade inflation as the civil service has expanded, implying more buy in of the work from outside .

We may need more doctors, nurses, teachers, police and other front line personnel. There are plans underway to do so. Some of this requires extra back up staff so they can do their jobs well. That should be allowed where it is needed for growth of output. If we need more doctors and nurses to put through more treatments, or more teachers for more pupils then that will not depress productivity to have sensible support staff numbers.

What is strange is the fall in productivity and the big increase in clerical staff has taken place against a background of large expenditures on new computer systems and big breakthroughs with artificial intelligence, faster and better data processing., more remote working and conference calls to cut down travel time , better software for everything from booking systems to accounts. So why hasn't this led to a big productivity gains in the public services that have a high administrative content?