

# **Gershon But Not Forgotten**

**A short study into the effects of the Gershon Report  
and Gordon Brown's hidden civil servants**

**Wednesday 21<sup>st</sup> March 2007**

**“There will be reductions in civil servants in the next spending period, and that will be in thousands not hundreds.”**

**(Gordon Brown, Evidence to the Treasury Select Committee, 13th December 2006)**

## Introduction

This report entitled 'Gershon But Not Forgotten' studies the progress of the July 2004 Gershon Report in the light of fresh evidence acquired through Parliamentary Questions, National Statistic Office and National Audit Office studies. The Government, and in particular the Chancellor Gordon Brown, have consistently claimed that they are on course to meet the targets set out by the Efficiency Review, is this actually the case?

## Background

On 14 July 2004 HM Treasury published what has become known as the 'Gershon Report'<sup>1</sup>. The report was a framework for the analysis of potential efficiency savings that would improve many aspects of public sector management.

The objective of the report was to highlight areas of over expenditure and inefficiency and determine solutions to release major resources from these areas and move them into front line services. In short, the idea was to bring the operating costs of the public sector more in line with the private sector.

What followed was a Government announcement that there would be 104,000 job losses in the public sector and savings of £15 billion a year. The announcement came as Gordon Brown revealed he was going to make "big redundancies" to show he had the strength to make "tough decisions".<sup>2</sup>

As this report was being compiled the National Audit Office, the public spending watchdog, said barely a quarter of the £13.3 billion of savings the Government claims to have met through the Gershon programme had definitely been achieved and that the Government's claims carry a "significant risk of inaccuracy.

The National Audit Office (NAO) report also cast doubt that the reported gains were "genuine and sustainable".<sup>3</sup>

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<sup>1</sup> (*Releasing Resources to the Front Line – Independent Review of Public Sector Efficiency*).

<sup>2</sup> Gordon Brown <http://news.bbc.co.uk>, Thursday, 18 March, 2004

<sup>3</sup> Politics.co.uk website

## The Reality

This report sets out the truth behind the spin, that temporary staff are being brought in to do the work that previously was being done by staff axed as part of the Gershon Efficiency Review.

Gordon Brown stated "[the changes had been made] to move resources from back office, by technological change, to the front line caring services, particularly in the NHS".<sup>4</sup>

The reality of this is that "resources" i.e. staff are being axed and temporary and agency staff are being brought in to their jobs.

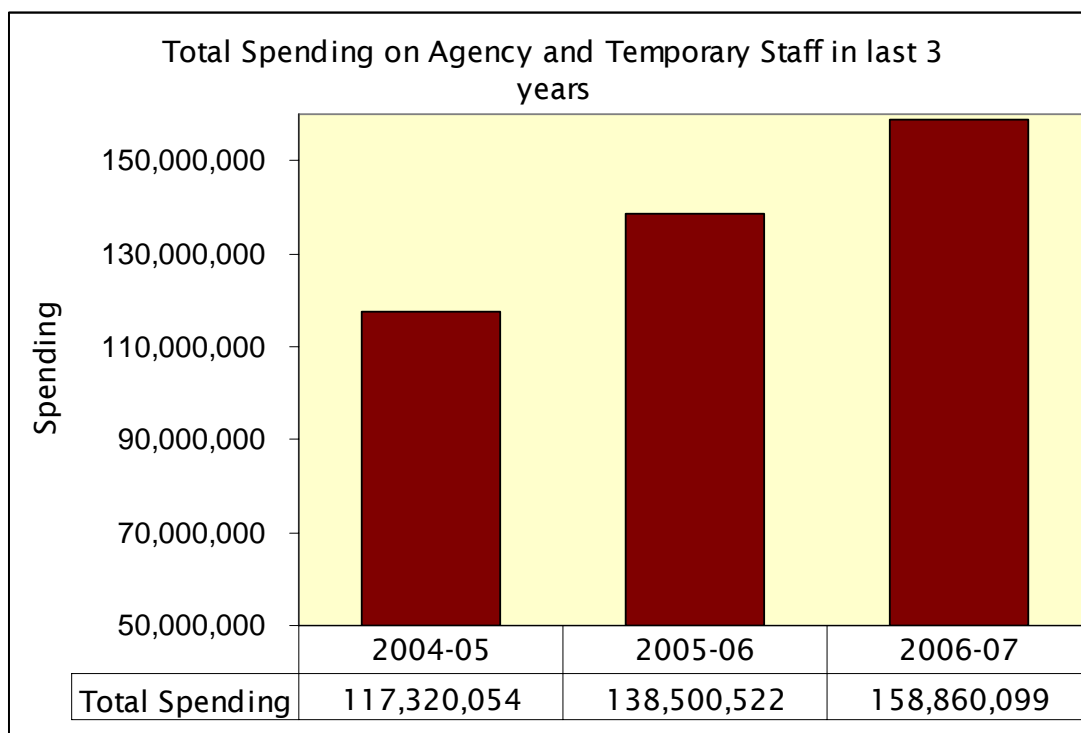
The cost of temporary staff to Government departments in 2004/5 and 2005/6 is outlined in the following table along with projections for the year 2006/7:

<b>2004-05 Total</b>	<b>2005-06 Total</b>	<b>2006-7 Total</b>
£117,320,054	£138,500,522.11	£158,860,098.86

This rise in cost and number of temporary staff in the years since the Efficiency Review was undertaken demonstrates the extent of the Government's cover up in meeting its own targets.

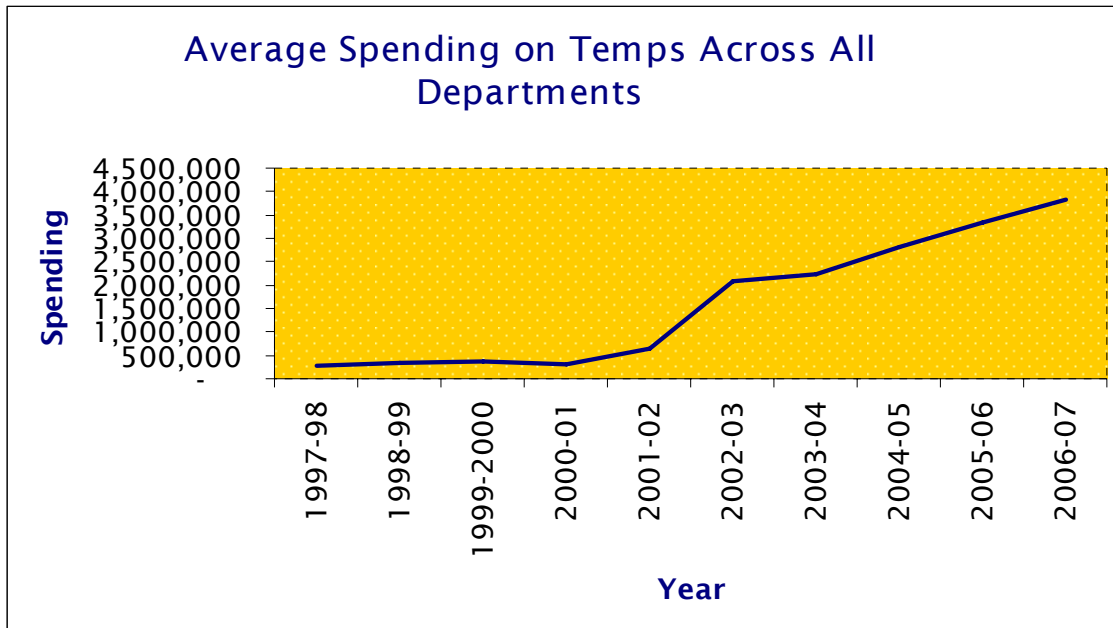
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<sup>4</sup> House of Commons (30 March 06)



The average spend on temporary/agency staff per department has increased by a staggering **1400%** in the last 9 years despite pledges to reduce spending by £15billion.

Year	1997-98	2006-07
Average Spend on temp/agency staff per Dept	£272,891	£3,832,045

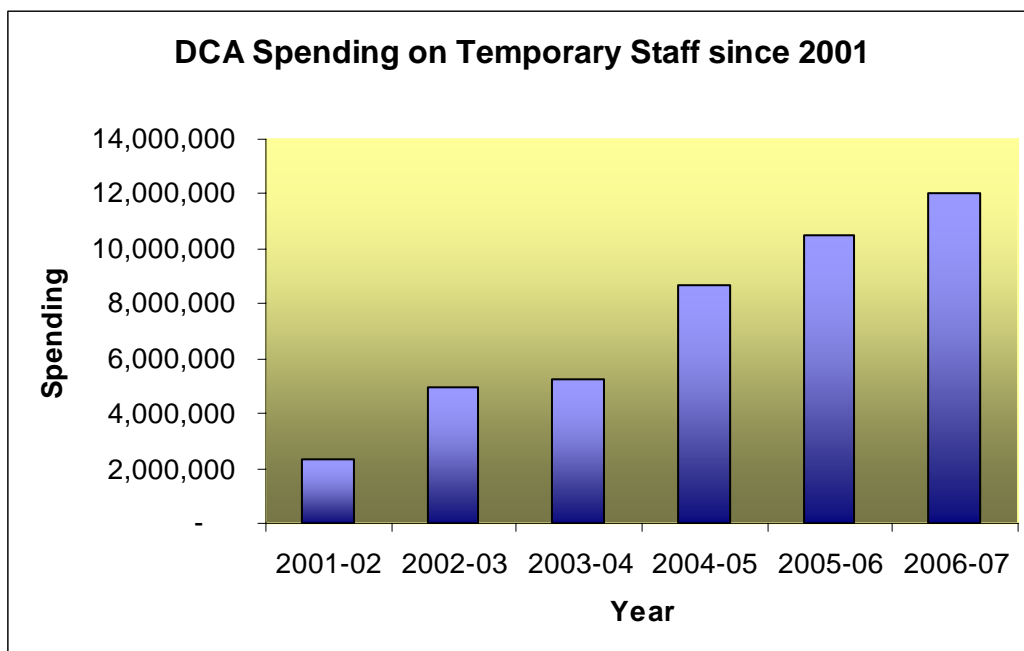


## Worst Offenders

The Department of Culture, Media and Sport are among the worst offenders. Since the Gershon Review of 2004, the department has more than doubled its spending on temporary employees from under half a million in 2004-05 to £1.1m in the last year. Likewise the Foreign Office is now spending twice as much on agency staff as it did in 2004-05.

The Department for Transport are spending almost 3 times what they were in 2002/3, a whopping £7.5million while the National Audit Office itself is now spending more than double the 2001/2 amount.

The cost of employing impermanent personnel in the Department of Constitutional Affairs (DCA) has soared in the last five years. Last year the department spent almost 5 times the 2001-02 total of £2.3m.



## Conclusion

"It really does nobody any good for the Conservatives to suggest that big change that is taking place and has to take place is not actually happening."<sup>5</sup>

Gordon Brown has regularly and constantly stated that he is on target to meet the Gershon Efficiency Savings through cuts to Civil Service staff. Any criticism of the current system has been swept aside and evidence ignored.

The fact is that spending on Agency staff has leapt to nearly £160m in 06/07, a staggering 1400% hike since 1997 and continues to rise at 15% per annum, despite pledges about improving efficiency by axing Government staff. The Chancellor is hiding behind temporary and agency staff. Gordon Brown claimed to have axed thousands of jobs, whilst 10,850 expensive temporary are being recruited.

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<sup>5</sup> Gordon Brown, BBC News Monday, 12 July, 2004

## Quotes from Grant Shapps MP

“The Chancellor makes a song and dance about cutting job numbers in the Civil Service and he talks at great length about how this helps him to meet the Gershon savings, but the truth is that no sooner have employees have been shown the front door, large numbers of temporary and agency staff are smuggled in via the back door.”

“This bears all the hallmarks of the Chancellor’s smoke and mirrors approach to public service reform. He has effectively created a situation whereby he’s able to claim that Civil Service jobs are being slashed, whilst at the same time allowing the head-count to stay at similar levels via the agency and temp re-employment route. This is simply a dishonest way to run the Government.”