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Letter to HM Treasury & Cabinet Office

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As you are probably aware, the Office for Budget Responsibility produces five-year projections for general government employment twice a year in our *Economic and Fiscal Outlooks*. These are of considerable interest to a number of our stakeholders, such as the Treasury Select Committee (TSC).

To date these projections have been derived in a 'top-down' way from assumptions we make about the growth of the total general government pay-bill and pay-bill per head. This approach is sensitive to relatively small changes in forecasts of government expenditure and it would clearly be preferable if the projections could be based on specific workforce plans, especially now that such plans are presumably more fully developed across the public sector and in the process of being implemented.

I am writing to ask whether and when the Treasury and/or the Cabinet Office intends to compile projections of the general government workforce and pay-bill (or of the workforce and pay-bill of major sub-categories of general government, such as the civil service or NHS), as part of your efforts to monitor implementation of the Government's fiscal consolidation programme.

As you will recall, the TSC concluded in their report on the March 2011 Budget: "The Government is the best source of workforce plans...we recommend that the Treasury does what it can to collect this information in a timely fashion, so that more is available before the next OBR forecast round". As a small organisation focused on macroeconomic and fiscal forecasting, it is alas impractical for us to assemble these 'bottom up' figures from the large number of relevant employers ourselves.

We would be very grateful to receive any such information you do collect, as soon as it is available. In addition to its inherent interest, it would also be of considerable use to us in forecasting expenditure on the major public sector pension schemes, which is partly determined by pay-bill growth.

Many thanks.

Yours sincerely

**Robert Chote**  
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