

# Public Sector as Pioneer:

shorter working weeks as the new gold standard



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# Section 1: Pioneering shorter working weeks within public sector organisations

## Why the public sector?

Workers in the public sector often experience high levels of mental health problems relative to those in other lines of employment. A report by the BMJ (2017) found that public sector workers (15%) were more likely than those in the private sector (9%) to report poor mental health, and more likely to report anxiety at work on several occasions over the past month (53% versus 43%). The British Psychological Society reported that nearly half of its NHS-employed members had recently experienced depression (BPS, 2017).

A recent study by The Nuffield Foundation (2020) found that around 5% of teachers today are suffering long-lasting mental health problems, up from 1% in the 1990s, with a similar increase in prescribed antidepressant medication. This likely accounts for why employee retention in the sector is incredibly low, with the study further reporting that a third of new teaching recruits leave the job within the first five years (The Nuffield Foundation, 2020).

Beyond problems of recruitment and retention, Deloitte (2017) estimates that poor mental health in the public sector costs £1,794 – £2,174 per annum, per employee through presenteeism and absenteeism. In 2018/19 the government's own study concluded that stress, depression or anxiety accounted for 44% of all work-related ill health cases and 54% of all working days lost due to ill health. The main work factors cited by respondents as causing these work-related strains were workload pressures.

A report by Johnson et al. (2017) also linked the high degree of mental health problems among public sector workers to significant overwork, stress and burnout. These findings are repeated in a survey on public and voluntary sector stress by The Guardian, which found that 93% of respondents were stressed at work, some, all or most of the time. Of those who said they were stressed all of the time at work, almost all reported working beyond their contracted hours (Guardian, 2015). On average, respondents put in an extra seven hours a week (Guardian, 2015). This represents a growing problem. Double the amount of NHS staff left due to problems of work-life balance in 2015 compared with 2011 (Johnson et al., 2017).



# Which areas of the UK would a public sector shorter working week affect the most?

As Figure 1 below shows, public sector employment is concentrated in Scotland, the North of England and Wales, pointing to the potential regional effects of a 32-hour working week policy. Consider the so-called 'Red Wall' areas, including Barnsley, Bradford and Doncaster: around 20% of overall employment in these and surrounding areas exists in the public sector. Outside of London, the South East and West have relatively low rates of public sector employment (with some exceptions). A 32-hour working week in the public sector will therefore benefit those regions that have been worst hit by unemployment and deprived public services during the austerity decade and the Covid crisis.

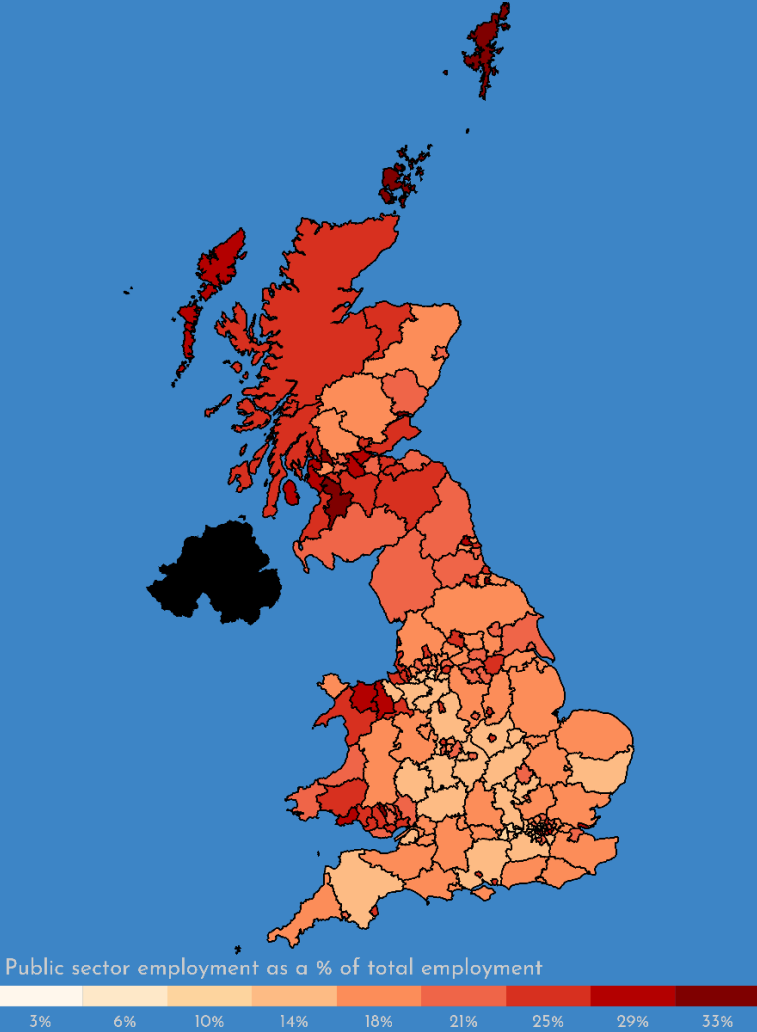


Figure 1: Public sector employment as a % of overall employment across local authorities in the UK. Source: ONS 2019 (ASHE), ONS 2020a.

How much would it cost the public purse?

~£9bn

= Just 6% of the public sector employment salary bill.

= Just 1% total government spending budget.

= Between 300,000 and 500,000 new jobs created

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The calculations use the following figures from the 2019 Annual Survey of Hours and Earnings tables:

1. There were 3,637,000 full-time public sector employees in 2019
2. The average full-time public sector employee had a basic work-week of 36.4 hours
3. The average full-time public sector employee had gross annual earnings of £35,233

Note that we are using basic working hours, i.e., working hours excluding overtime, alongside gross earnings, i.e., earnings including overtime. Thus, the exercise is predicated on a reduction of the normal working-week to 32 hours, as some public sector workers have to work overtime, including doctors, nurses, midwives, the police, the fire brigade, paramedics, and so on, and this will continue if a four-day week model is adopted.

Given these figures, the basic person-hours of full-time public sector employees in an average week in 2019 was 132,386,800 (i.e., 36.4 × 3,637,000).

### Gross cost with no productivity gains

To maintain the same basic person hours if the average full-time employee worked a 32 hour basic week rather than a 36.4 hour week, and assuming no increase in productivity, the public sector would require 4,137,088 employees (i.e., 132,386,800 ÷ 32). This would require **500,088** extra full-time employees, at a gross cost of **£17.6 billion**.









## Section 2: Pioneering new working weeks through relationships with the private sector

The public sector is a very important employer in large parts of the UK, employing 3,637,000 full-time public sector employees. Shorter working weeks in the public sector in areas of the country where public sector employment is particularly high could help push towards reduced working hours as a social norm -- i.e. *l'état exemplaire*. With the added headcount forecasted for implementation in Section 1, the number of jobs with better work-life balance would be increased to over four million. However, the public sector is also a crucial procurer of goods and services.

### The role of public sector procurement in shaping market outcomes

In areas with lower public sector employment, procurement based on select criteria could be utilised to encourage private sector contractors to adopt shorter working weeks as part of working agreements. Using tendering processes to give preference to firms that meet work-life balance targets - and in general, labour practices and hourly wages that go beyond the legal minimum - public sector organisations across the country could embed reduced working hours as a new standard across the economy.

The use of public procurement to achieve policy goals has a long history. In the UK, government contracting was used to provide work for disabled ex-servicemen after the First World War, and this was extended to the rest of the disabled population after the Second World War (McCrudden, 2007). The geographical distribution of procurement spending was also used to provide support to depressed regions in this country after the 1930s (Barnard, 2017), but in general the use of procurement policy to achieve social goals declined in importance from the 1980s onward.





