Dear Mr Moy

Freedom of Information Act 2000: Public Spending

Thank you for your letter of 21 October 2015, which you agreed should be treated as a Freedom of Information enquiry.

We have interpreted your request as for the “figures and calculations” behind the claim that “£15 billion worth of cuts to tax credits would pay for around 200,000 nurses and 70,000 doctors; around 325,000 teachers; and is equivalent to the entire Home Office budget”, as per your letter. I can confirm that HM Treasury does hold information within the scope of your request.

The statement is intended to provide an indication of the scale of £15 billion in terms of public sector spending.

The approximate cost of employing around 325,000 teachers is calculated using an estimate of the average pay bill per full time equivalent across the teachers workforce as of 2014-15, using data provided by the Department for Education. The value used in the calculation was £45,500. When multiplied by 325,000 this equates to a value of £14.8 billion. It may be helpful to understand that pay bill incorporates direct wages and salaries, pension contributions and national insurance contributions and therefore provides a more complete indication of the total costs of employing an individual than a measure of average salary.

The approximate cost of employing around 200,000 nurses and 70,000 doctors is calculated using an estimate of the average pay bill per full time equivalent for these workers as of 2014-15, which has been provided by the Department for Health. The calculation is thus:

- average pay bill for doctors (£96,000) x 70,000 = £6.72bn
- average pay bill for nurses (£42,000) x 200,000 = £8.4bn

£6.72bn + £8.4bn = £15.12bn

For further information on the calculations behind these figures you may wish to contact the respective departments.
I can confirm that Home Office spending in 2014-15 was £13.5 billion. This is equivalent to their departmental contribution to Total Managed Expenditure (TME). This comprises resource DEL excluding depreciation, capital DEL plus resource and capital departmental AME. This information was published in Table 1.12 of the Public Expenditure Statistical Analyses 2015 (Cm9122):


If you have any queries about this letter, please contact us. Please quote the reference number above in any future communications.

Adam Goodwin
Information Rights Unit
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If you are not happy with this reply, you may request a review by writing to HM Treasury, Information Rights Unit, 3/Red, 1 Horse Guards Road, London SW1A 2HQ or by emailing us at the address below. Any review request must be made within 2 months of the date of this letter.

Email: foierequests@hmtreasury.gsi.gov.uk

It would assist our review if you set out which aspects of the reply concern you and why you are dissatisfied.

If you are not content with the outcome of the review, you may apply directly to the Information Commissioner for a decision. Generally, the Commissioner will not make a decision unless you have exhausted the complaints procedure provided by HM Treasury.

The Information Commissioner can be contacted at: The Information Commissioner’s Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.