

Public sector four-day week

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Introduction

There are increasing demands coming from campaigners, unions and public sector workers to move to a four-day working week of just 32 hours, with no loss of pay. In this note we set out the value of working time lost if the whole of the public sector adopted this policy.

Key findings

- Moving to a 32 hour four-day working week will mean the loss of £30 billion of working time in the public sector.
- There is no evidence to support the theory that moving to a four-day working week will significantly improve productivity.
- Public sector productivity has only increased by 4.1 per cent in total in the twenty years up to 2019, before the pandemic.
- A 14.4 per cent increase in productivity in the public sector would be required to offset the loss of hours caused by a four-day week.
- The loss of working time caused by a four-day week will result in either poorer public services or a substantial increase in taxes or borrowing to pay for more staff to make up the shortfall.

Cost to taxpayers

There is growing momentum behind the view that the public sector should move to a four-day working week of 32 hours. There would be no loss of pay as a result of these reduced working hours and shorter working week¹.

Currently the average working week comprises five days and 36.6 hours.² The four-day working week proposed for the public sector would reduce working time by 12.6 per cent, but with no comparable reduction in cost to taxpayers.

In the financial year 2021-22, the total remuneration paid to all public sector workers was £235.5 billion.³ The cost of the working time lost in moving to a four-day week would be £29.6 billion annually.⁴ This is the equivalent of a 5p rise in the basic rate of income tax.⁵

There is little prospect that productivity in the public services could be raised by the 14.4 per cent necessary to compensate for these lost working hours. Public sector productivity only rose by 4.1 per cent in the 20 years from 1999 to 2019 (the last year not affected by covid), a meagre 0.2 per cent per annum.⁶ In short, the taxpayer will be paying out nearly £30 billion a year and with a limited likelihood of productivity rising enough to offset this.

The result of moving to a four-day week in the entire public sector will either be a considerable deterioration in the quality and range of services provided to the public, or a substantial increase in costs to the taxpayer as additional staff are employed to make up the shortfall.

¹ 4 Day Week Campaign, www.4dayweek.co.uk (accessed 24th May)

² Office for National Statistics, Average actual weekly hours of work for full-time workers (seasonally adjusted), 16 May 2023, www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/timeseries/ybuy/lms (accessed 23rd May 2023).

³ Office for National Statistics, GG: Total compensation of Employees, paid (D1), 31 January 2023, www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicspending/timeseries/nmxs/edp3/previous, (accessed 23rd May 2023).

⁴ In 2019 the Centre for Policy Studies estimated the cost of a four-day week to be between £17billion and £45 Billion, cps.org.uk/wp-content/uploads/2021/07/191105111553-FourDayWeek.pdf (accessed 24th May 2023)

⁵ HM Revenue & Customs, Direct effects of illustrative tax changes, 31 January 2023, www.gov.uk/government/statistics/direct-effects-of-illustrative-tax-changes, (accessed 23rd May 2023).

⁶ Office for National Statistics, Public service productivity: total, UK, 2020, 22 February 2022, www.ons.gov.uk/economy/economicoutputandproductivity/publicservicesproductivity/articles/publicservicesproductivityestimatestotalpublicservices/2020, (accessed 23rd May 2023).