

# Public sector essay sample



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The national condition for education and the health care system is split up either one of the three employment categories. They are either the public sector, private sector, voluntary sector and non for profit sector. The two job roles which I have chosen to evaluate are Children's nurses and Primary School Teachers. Both these job roles are within the Statutory Sector which is funded by the government.

Children's nurses are often employed by the National Health Service (NHS) where as Primary School Teachers are employed by the local council.

However this may vary in several occasions as the majority of the nurses and Primary School Teachers today could be employed by other organisations for instance McMillan's which is voluntary sector organisation.

A large proportion of the health and education are funded by the government and people who work within these organisations are working in the Public Sector, which means they are working for the government. The public sectors take account of wide range of careers which includes nursing and teaching. Public sectors are also known as the Statutory Sector. The Statutory Sector tends to play a huge role in the economy of England; they are run and funded by the local authority and the local government.

According to Smithson the funding for the statutory sector comes directly from the local authority and the government in various forms of taxation which includes income tax, council tax which is paid by the business rates and the house holders and National Insurance. However these sources of income are paid to the local authority that may also make more profit by charging for the services for which they provide.

Statutory sectors consists of establishments which are set up by the Acts of Parliament; they are passed down laws by the parliament with the purpose to provide the needs of the community in which they are based, such as public schools and the health care system , and governing bodies who are responsible for this is the local government. In various occasions the services which are provided by the statutory sectors are free for the community in which they serve in rather than being a profit making venture.

As mentioned above the statutory sector plays a fundamental part of the economy in England although statutory sectors don't only run to generate profit but provide free service to the public. One key statutory service provided is the National Health Service (NHS)

On the other hand Private Sectors are profit-making providers; their aim is to generate profit from their provided products and services. Private sectors usually consists of commercial operators and private companies which are owned by individuals, private sectors services are run like businesses which include a wide range of services such as hospitals, catering accommodation and entertainment in many occasions it also includes self-employed practitioners . On the other hand the independent sector manages independently for national or the local government; however there are certain guidelines and legislation which they must comply with, voluntary sectors include charities which are non profit organisations.

### Funding

There are many relevant streams of funding available for the Public Sector, which covers many funding source, which include:

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- \* Funding from the central Government

- \* The National lottery

- \* Fund raising

- \* Taxation

Funding from central government

The NHS is funded by central government, however central government also gives money to the local authorities and the total amount which they give is considered by the department of health as the NHS choices is owned by it. This department also controls the NHS as well as England's 10 other Health Authorities (SHAs). The SHA also supervises the NHS movements and all the NHS trusts in its area.

However when it comes to funding a formula is used, this formula is called Standard Spending Assessment (SSA). This is formula is made use of in order to determine how much each authority should receive which is then distributed through the revenue support grant. The SSA also takes account of many things and is based on the size, age and the health of their resident population.

It also takes account of the number of single parent families, the number from people from ethnic minority backgrounds; they then split the funding in to three main categories which are services for children, residential care for older people and domiciliary care for older people. On the other hand NHS receive their money when the department of the Health allocate money to

the health authorities and also decide how much money should be spend on the NHS per year and they do this by using the formula.

Funding mechanism

Funding from the lottery

Funding from the lottery is given away in three categories which either award for, heritage funding or Nesta. Award for all is for local communities whilst heritage funds serve for local and national heritage sites and on the other hand Nesta is for exploring new and innovative ideas.

However the National Lottery is one of the main sources of funding which is sustained by a private company named Camelot, and it is run on license.

A Political Editor name Collin Brown had written an article on the Independent about the NHS lottery aid. Editor had mentioned that the health service was receiving a total of 300m from the lottery New Opportunities Funds. This money was given to use on families and children who are terminally ill, suffering from cancer. This money was also used to support hospices and to also give hospice respite breaks to people who were terminally ill. This information had hit the news as the original funding amount was 150m but it had doubled and therefore the extra cash had been used to support other schemes such as reducing strokes and heart diseases, it was also used on buying cancer care equipment.

Pay

Statutory Maternity pay (SMP)

In order to meet the requirement to receive maternity payment from the statutory sector, women must be employed by the same employer for up to 26 weeks into the 15th week before the baby is due otherwise they are not eligible. This type of payment received from the employer on a week to week basis.

### Statutory Sick pay (SMP)

Statutory Sick Pay is received when an employee cannot attend work if they are ill. Therefore they become entitled to statutory sick pay (SSP). Whether an employee receives SSP or not it is all down to the contract of their employment, however when the employee attends work after their days off it is necessary they provide a written statement.

### Pension

#### Public sector pensions

In the guardian it stated that the liberal Democrat Treasury Spokesman Vince Cable was the first to make the cuts on the public sector pensions. He has feels that public sector pensions are minimising countries finance as they are paying generous retirement income to nurses and social workers. However the previous week to before the speech the government decided to restrict the bill to the tax payer.

### Job role 1

#### A Children's Nurse

#### The NHS

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The National Health Service (NHS) came into operation on the 5 July 1948 through the National Health Act 1948. The NHS is a health care service which is provided by the statutory sector; the NHS health care system is funded by the government and it is also the world's largest publicly funded health service. The NHS and provides healthcare services to UK residents in the United Kingdom.

In the pre budget it's stated that the chancellor has been able to offer guaranteed to increase in spending on front line NHS and schools for two years from 2011. However he had also declared that there will also be sufficient funding in hospitals and schools over and above inflation. This is so the NHS could meet the guaranteed public service and entitlement which it has set out.

### The agenda for change

The major icon of the pay system on the NHS pay system is the Agenda for change which was established in 1948 and it now covers over one million NHS staff in the UK. Alternatively people employed by the NHS are paid directly from central government funds and the money comes through either from taxation (income tax, council tax), the lottery, fund raising activities or donations.

### Taxation

#### National Insurance and Income Tax

National insurance contributions are paid by those who are either an employee or self employed and is over the age of 16 and your earnings are

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more than a certain level. When you reach a state retirement age you can stop paying this contribution. This age is currently 65 for men and 60 for women, however recent reports show this may gradually change and increase over the period 2010 to 2020.

In recent reports it states that national insurance may go up 0.5% from what was previously planned and a 1% cap on public sector may rise. Alistair Darling in his pre-Budget speech has announced this may take effect between 2011 and 2013. On the other hand before the general election the Alistair Darling had also publicised a bank bonus tax.

Taxation is a form of collecting money to pay for the public services, such as the health and the education and it is one of the most important methods. Income tax is paid from an individual's earnings, the system which does this is called the Pay as You Earn (PAYE). People who earn more money pay more tax and those on low income pay no tax at all. Therefore with this you are only taxed on taxable income which includes rental income and income which is given to by a trust. It may also include your earnings from employment and certain pension schemes such as the state pensions. However the amount of tax a person may have to pay will depend on many aspects, but one key aspect is based on how much money a person makes and in some cases you may not have to pay tax.