



Department
for Work &
Pensions

Department for Work and Pensions Mid Year Report to Parliament

April to September 2013

Robert Devereux, Permanent Secretary
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Executive Summary

The aim of the Department for Work and Pensions is to help people lift themselves out of poverty and stay out of poverty, through work, saving and support. Every day, people in the Department are transforming the lives of people up and down the country. On top of reforms introduced earlier in this Parliament, in 2013-14 the Department has begun to deliver safely some of the most significant reforms in a generation, and continue to make a major contribution to deficit reduction. All of these achievements rest on the continuing professionalism and commitment of the Department's staff.

Further progress by the Department includes:

- Delivering **critical public services to millions of claimants** by: hitting or exceeding all key operational planning assumptions at the mid-year; driving up the use of new on-line services; and promoting a 'once and done' culture for a quicker, better and more efficient service. For example, the proportion of new claims to Jobseeker's Allowance submitted on-line stood at 83.6 per cent in December 2013 compared to 45.5 per cent in December 2012, and Universal Jobmatch was the eighth most searched item on Google in the United Kingdom in 2013.
- Implementing **extremely ambitious reforms to the welfare system** designed to encourage claimants to take more personal responsibility and to bring the Department's services into the digital age. The Benefit Cap is fully in place, a reformed system of Child Maintenance is open to all new applicants, Housing Benefit has been reformed to tackle rising costs and the Department's largest programmes of working age benefit reform - Universal Credit and the Personal Independence Payment - have started to roll out gradually and securely. During 2013, the Department has also successfully devolved budgets for the Social Fund and Council Tax Benefit to local government, and laid the foundations for a fundamental simplification of the State Pensions system, which will underpin the progress in promoting automatic enrolment into a workplace pension, with over 2.5 million people now signed up.
- **Contributing to deficit reduction and improving value for money:** welfare spending is now falling as a share of Gross Domestic Product: by 2016-17, spending on out of work benefits will be reduced to 2008-09 levels. The Department has also made significant reductions in its running costs this year alone saving £1.9 billion compared with 2009-10.
- **Engaging all our people** through investing in leadership across the organisation to achieve a high performing organisation. Employee engagement within the Department, as measured by our annual people survey, has risen for the second year running and is now 10 percentage points higher than in 2011. The recent performance of the labour market gives just one example of the Department's exceptional efforts in action, with more people in work than ever before and the largest annual fall in claimant count unemployment for 15 years.

The Department will continue to build its capability for the challenges that lie ahead, and manage the inevitable risks and challenges of reforms on this scale.

Departmental Performance

The Department continues to make progress against its six Coalition Priorities. The following sections provide an overview of the key achievements realised for each Coalition Priority alongside the latest data on the Department's Input and Impact Indicators, which provide a longer term measure of the Department's success in changing key outcomes.

Priority 1: Social Justice:

Tackling the causes of poverty and making Social Justice a reality

Social Justice is at the heart of the Department's efforts to tackle poverty and its principles run through activities across the Department.

Key Achievements

- In April 2013, the Department published a progress report on the Government's April 2012 Social Justice Strategy "Social Justice: transforming lives", setting out how the causes of social issues, including poverty, addiction, domestic violence and gangs, are being tackled. The report highlighted a number of findings, including that disadvantages in areas such as education, employment, social support or housing often overlap so must be tackled together.
- The Department's £30 million Innovation Fund is funding ten three-year social investment projects to support disadvantaged young people. To the end of March 2013, 6,000 young people have received support and 1,800 positive outcomes have been achieved, such as help into education, training and employment.
- The Department will invest up to a further £38 million in Credit Unions to April 2015 as part of efforts to increase access to affordable financial products to people on low incomes.
- The Troubled Families Programme, a cross-government programme led by the Department for Communities and Local Government, is designed to turn around the lives of 120,000 troubled families. The Department for Work and Pensions aims to contribute 15,300 job outcomes, delivered through (i) contracted provision, (ii) placing 152 staff on secondment to 94 Local Authorities and (iii) frontline services, while continuing to support the identification of troubled families through a data sharing arrangement with 152 upper tier English Local Authorities. At the end of September 2013 19,100 individuals had a Troubled Families marker set on the Department's Labour Market System. Of these 2,400 individuals had started a period of employment¹ having previously claimed benefits since 1 April 2012.²
- The Department continues to lead further projects for those who need additional support such as: the 'Day One' initiative to support prison leavers, which mandates them to the Work Programme and the "Recovery Works" Work Programme pilot which offers employment help for people with drug and/or alcohol issues who are undertaking structured recovery-oriented treatment.

¹ Job starts are sourced from HMRC P45 data which underreports lower paid employment and self employment

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/260312/job-starts-troubled-families.pdf

Priority 2: Encourage work and make work pay

The Department plays an essential role in supporting people into employment and its actions have contributed to keeping unemployment lower than in previous downturns, in a recession that was tougher than before. The latest statistics show that:

- In September to November 2013, the number of people in work passed 30.15 million, a new record level. This is a rise of 1.3 million since February to April 2010;
- The number of people unemployed is down by 173,000 since February to April 2010 to 2.32 million people; and
- 1.25 million people were claiming Jobseeker's Allowance in December 2013, down 247,800 since May 2010. Of this, the number of people aged 18-24 claiming in December 2013 was 315,000, down 114,000 since May 2010.

There is more to do. A key priority for the Department since April 2013 has been to deliver the Universal Credit programme and agree revised plans for expanding the current pathfinder, alongside developing an enhanced IT system that uses the latest in technological advances.³ The Department has also responded to the National Audit Office's report on the early implementation of Universal Credit, and accepted key recommendations from the Public Accounts Committee to improve financial management of the programme.

Key Achievements

- A key part of the new, fairer, welfare system is Universal Credit, which marks a cultural change in the way that claimants are encouraged and incentivised to look for work more intensely. The Department is introducing Universal Credit in a safe and controlled way. A Pathfinder was introduced in April 2013 and by November 2013 seven locations were delivering Universal Credit. The service will expand to Harrogate, Bath and Shotton by spring 2014. The plan is that the Universal Credit service will be fully available in each part of Great Britain during 2016. The first evaluation of Universal Credit,⁴ published in December 2013, showed that the experience of claiming a benefit was more positive for claimants under Universal Credit than Jobseeker's Allowance. Of those who had previously claimed Jobseeker's Allowance, around two-thirds agreed that Universal Credit provided a better financial incentive to work.
- The Claimant Commitment, a key component of Universal Credit, sets out what jobseekers must do in order to receive state support and provides clear information about the consequences of failing to meet those requirements. Since October 2013, the Claimant Commitment has been introduced to about 100 Jobcentres a month and to date over half the Jobcentres in the country are now running this regime.
- Eleven in-work progression pilots are also up and running – testing ways to help claimants on low income increase their work hours and income, in order to reduce dependency on benefits. A number of further trials are currently being developed for 2014 delivery. The Department is also trialling a new Intensive Activity Programme to help claimants prepare for work at the very start of their claim.

³ <http://www.parliament.uk/documents/commons-vote-office/December%202013/5%20December/6-DWP-UniversalCredit.pdf>

⁴ <https://www.gov.uk/government/publications/universal-credit-pathfinder-evaluation-interim-results-from-the-universal-credit-claimant-survey-wave-1>

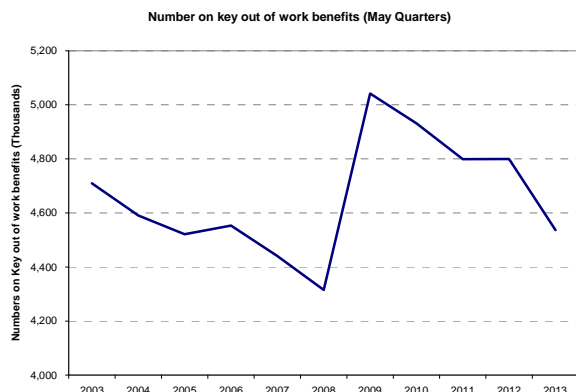
- The Benefit Cap provides a cap on the total amount of benefit that working-age people can receive so that households on out-of-work benefits no longer receive more in welfare payments than the average weekly wage for a working household. Launched in April 2013, it has now been successfully rolled out to all Local Authorities. Since its introduction almost 33,000 households have had their Housing Benefit capped.⁵ Jobcentre Plus has helped around 19,000 potentially capped claimants into work and 35,800 people have now accepted an offer of employment support.
- The Work Programme helps those most at risk of becoming long term unemployed get into sustained employment. Latest data show that:⁶
 - total referrals and attachments (acceptances) to the Work Programme to the end of September 2013 were 1.41 million and 1.36 million respectively;
 - 208,000 Job Outcome payments (made when individuals have been employed for 26 weeks) were made to providers;
 - up to September 2013, 1.39 million Sustainment Outcome payments had been made to 188,000 people. This compares to 960,000 Sustainment Outcome payments being made to over 149,000 participants at the end of June 2013; and
 - three quarters of the earliest intake of people on the Work Programme have now spent time not claiming benefits since joining the Work Programme.
- The Youth Contract provides a range of new opportunities for 18-24 year olds, as well as providing employers with wage incentives and apprenticeship grants to encourage them to recruit young people. It builds on support that is already available through Jobcentres and the Work Programme.
 - The first wage incentive statistical release in July 2013 showed that between April 2012 and June 2013, Jobcentre Plus and Work Programme providers had issued 21,460 claim forms (essentially job starts) to employers when young people started work and employers had subsequently received payments for employing 4,690 young people.
 - The Youth Contract also provides for an extra 250,000 work experience or sector based work academy places over three years from April 2012, ensuring that there is an offer of a work experience place for every 18 to 24 year-old who wants one. The last statistical release in August 2013 shows that over 113,000 young people have started work experience and over 30,000 have started a sector-based work academy.
- Around 2,000 new businesses are being set up each month through New Enterprise Allowance, offering unemployed people a route back to work through self-employment. The scheme will be extended into 2015-16 as announced in the Autumn Statement 2013.
- Following a limited introductory phase in March 2011, national reassessment of Incapacity Benefit claimants began in April 2011. For all Incapacity Benefit claims referred for reassessment by November 2012, 872,100 claimants had either completed the reassessment process (or were off benefit by May 2013). Of these, 614,000 of the Incapacity Benefit claimants who completed the reassessment process between March 2011 and May 2013 were eligible for Employment and Support Allowance.

⁵ <https://www.gov.uk/government/collections/benefit-cap-statistics#benefit-cap-statistics>

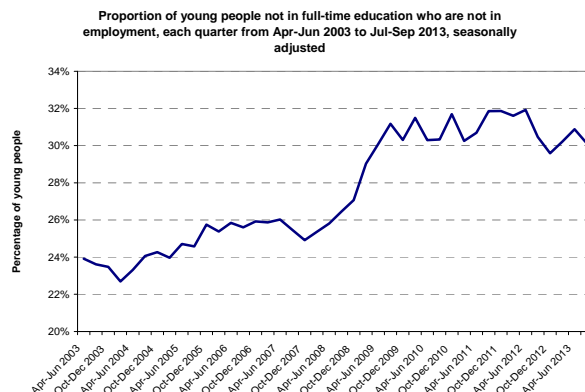
⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/267438/background-information-note-dec13.pdf

Priority 2 Impact Indicators

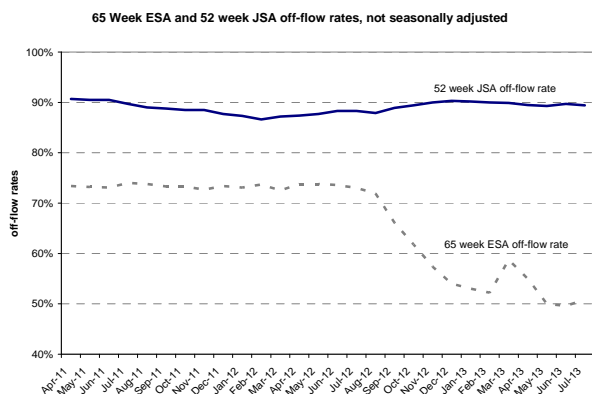
The number of people on a key out of work benefit in May 2013 was 4.5 million, down from 4.93 million in May 2010.



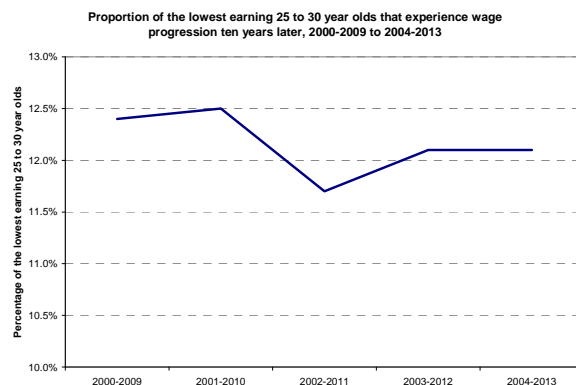
The proportion of 18-24 year olds not in full time education who are not in employment between July-September 2013 was 30.1 per cent. The trend in this indicator is broadly flat with no statistically significant changes since 2009-10.



Off-flow rates vary naturally over time, and can be impacted by policy changes as well as the economic climate. The rate of people moving from Jobseeker's Allowance before 52 weeks has remained stable since 2010-11 despite the recession and associated economic conditions. The rate for Employment and Support Allowance declined steadily in 2012-13 as a result of policy changes enacted by the Department. Some of these changes are still being implemented so further fluctuations are expected until Incapacity Benefit Reassessment is completed.⁷



The proportion of lowest earning 25-30 year olds that experienced wage progression between 2004 and 2013 was 12.1 per cent. There has been no statistically significant change since the indicator was introduced in 2009.



⁷ The chart shows month by month off-flow rates for JSA and ESA. As the data is not seasonally adjusted, fluctuations owing to the time of year have not been smoothed out. Consequently, any comparisons should be of a general nature. Over the time period covered by the data, the Department has enacted welfare reform changes that have changed the composition of both of these benefits. The Department has also stopped some employment programmes and introduced new programmes.

Priority 3: Disability: Enabling disabled people to fulfil their potential

The Department believes that work is one of the best ways to increase independence as well as being the primary route out of poverty for those who are able to work. This is particularly relevant for disabled adults who are more likely to live in persistent poverty than non-disabled adults.

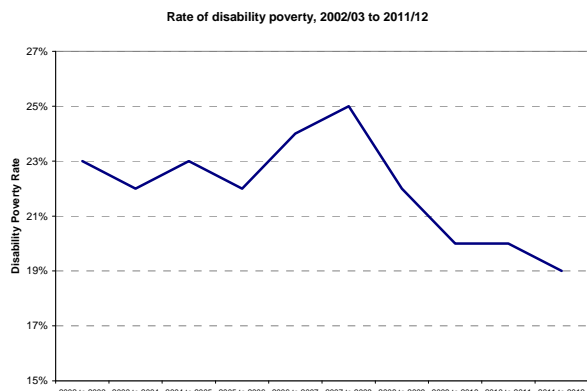
Key Achievements

- The Department is committed to helping those who can work into employment. In addition to mainstream employment programmes such as the Work Programme, specialist support is also available for disabled people through schemes such as Work Choice and Access to Work:
 - Work Choice started in October 2010. It provides tailored support to help disabled people who face the most complex barriers to employment. Contracted provision is delivered nationally by Prime Providers and by Remploy, through grant-in-aid funding. There were 5,710 Job Outcomes between April and September 2013 compared to 3,380 in the same period in 2012. Job Outcome performance in 2012-13 has doubled since 2010-11.
 - Access to Work provides practical advice and support to individuals and employers to help those with a disability or long-term physical or mental health condition to overcome barriers to work. In 2013, the scheme was extended to remove the cost share for small employers and a new fast track assessment process introduced to encourage greater take up.⁸
- The Personal Independence Payment is replacing Disability Living Allowance for people aged 16 to 64. The Personal Independence Payment is designed to be a more sustainable system that provides support to those who face the greatest challenges in everyday life. The Department began taking new Personal Independence Payment claims in April 2013 in a controlled start in the North West and nationally from June 2013. Since June 2013, no new claims for Disability Living Allowance have been taken from working age claimants. The Department announced in October 2013 a staged implementation of re-assessments for existing Disability Living Allowance claims that reach a natural review point, taking into account the readiness of the two contracted providers to deliver the required volume of assessments. A key priority for the remainder of 2013-14 will be close and continuing management of the delivery of services by our providers, to extend reassessments for review cases to all regions.
- In July 2013, the fourth element of the Government's Disability Strategy was published alongside the Fulfilling Potential: Making it Happen Action Plan.

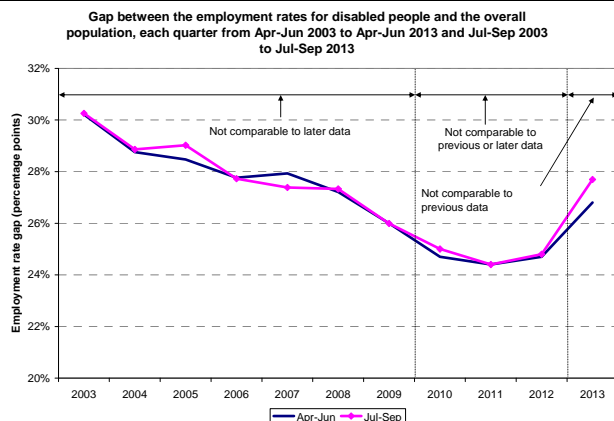
⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/223268/atw0712.pdf

Priority 3 Impact Indicators

The rate of disability poverty in 2011-12 was 19 per cent, down from 20 per cent in 2010-11 (an improvement but not a statistically significant one).



The gap between the employment rates for disabled people and the overall population between July-September 2013 was 27.7 percentage points. The gap has largely remained relatively stable since 2010-11.⁹



⁹ Owing to a change in the wording used for disability questions in the Office for National Statistics (ONS) Labour Force Survey, data points before and after 2010 and those from 2013 onwards are not directly comparable with each other. To view historical data for disabled economic activity see: <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/november-2013/table-a08.xls>

Priority 4: For Retirement: Providing a firm foundation, promoting saving for retirement and ensuring that saving for retirement pays

An ageing population combined with millions of people under-saving for retirement is one of the biggest long term challenges the country faces. The Department is introducing changes to the Private Pension system to encourage more retirement saving. In addition, the Department is simplifying the State Pension into a simple flat rate amount to provide clarity and confidence to better support retirement saving.

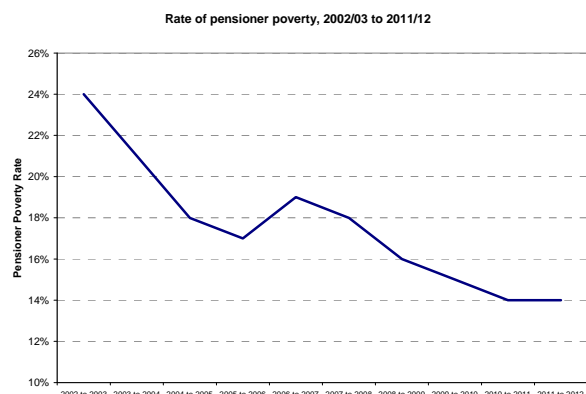
Key Achievements

- The Department is replacing the current, two-tier State Pension system with a simpler single-tier State Pension for future pensioners. The full rate of the new State Pension will be set above the basic level of means tested support, helping to provide a clear foundation for retirement saving. The Department introduced a Pensions Bill to Parliament in May 2013 to legislate for this fundamental reform. Subject to Parliamentary approval the new single-tier State Pension will be implemented in April 2016.
- The Pensions Bill also provides for the increase in State Pension age (to 67) to take place between 2026 and 2028, bringing this forward by eight years. The Bill sets out a review framework to consider future changes to State Pension age in a more regular and structured manner, based on the principle that people should spend a given proportion of their adult life drawing a State Pension. At Autumn Statement 2013, the Government announced that it believes that people should expect to spend, on average, up to one third of their adult life in receipt of the State Pension. This principle implies that the increase in State Pension age to 68 would come forward to the mid 2030s, and that State Pension age would increase further to 69 by the late 2040s. Review of State Pension age will be held once every Parliament, with the first review completing before May 2017, and will consider a range of relevant factors in addition to life expectancy.
- The Department is also driving forward a range of other changes to pensions, including encouraging more people to save for their retirement through a new duty on employers to automatically enrol eligible workers into a qualifying workplace pension scheme (automatic enrolment). Implementation of the reforms began in October 2012 and will run through to February 2018. Over this period, all employers will be 'staged' in by size, starting with the largest. It is estimated this will provide the opportunity for around 11 million people to save for their retirement – many for the first time. By the end of December 2013, over 2.5 million people had been automatically enrolled. At present just over 90 per cent of those automatically enrolled are continuing to save.¹⁰ The Department continues to raise awareness of automatic enrolment, for example through the October 2013 television and marketing campaign "Workplace Pensions - We're all in", which is supplemented by information on the gov.uk and the Pensions Regulator websites.
- Other private pensions initiatives include bringing forward reforms to protect people from being enrolled into pension schemes with high charges – as announced by the Minister of State for Pensions on 30 October 2013.

¹⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/227039/opt-out-research-large-employers-ad_hoc.pdf

Priority 4 Impact Indicators

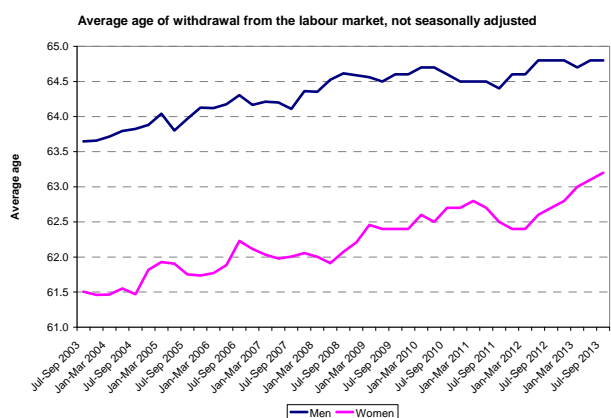
The rate of pensioner poverty in 2011-12 was 14 per cent, the same as in 2010-11. In general there has been a statistically significant decrease in the percentage of pensioners in relative poverty since 2002-03 and the latest figures (2011-12) show that relative poverty is close to a historic low.



The number of employees in a pension scheme fell to 10.8 million in April 2012 from 12.2 million in April 2002. Automatic enrolment into a workplace pension with a minimum employer contribution has been introduced to reverse this decline. Automatic enrolment began in October 2012. Between October 2012 and April 2013 over 500,000 people had been automatically enrolled. Data for April 2013 will be published in April 2014.



The average age women stopped work increased to 63.2 years in July-September 2013 from 62.7 the previous year and from 62.4 in 2009-10. This is consistent with evidence that the increasing State Pension age has led to an increased number of older women in employment.¹¹ The average age men stopped work remained at 64.8 years in July-September 2013. Over the past 10 years, the indicators show that both men and women are working longer.



¹¹ <http://www.ifs.org.uk/wps/wp1303.pdf>

Priority 5: Families and Children: Recognising the importance of family in providing the foundation of every child's life

The outcomes for children are closely tied to their family circumstances. Worklessness and family breakdown can contribute towards poorer outcomes in later life.

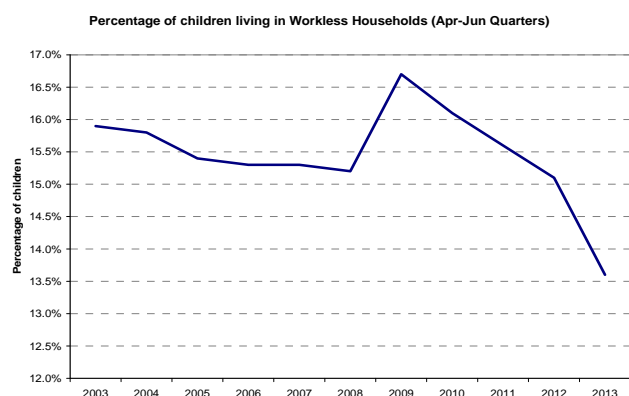
Key Achievements

- To support the Government's aspiration to support separated families, the Department is fundamentally reforming the Child Maintenance system. Up to £14 million is being invested in a range of measures to provide better support services. £6.5 million has already been awarded to seven voluntary and private sector organisations. A second procurement round of the Separated Families Innovation Fund came to a close early in December 2013 and has awarded a further £3.4 million to ten new projects which are planned to launch in March 2014.
- For those parents who are unable to make a family-based arrangement, the 2012 statutory Child Maintenance scheme will continue to provide support. The new 2012 scheme was opened to all new applicants in November 2013, following a pathfinder phase, and will eventually replace the current 1993 and 2003 schemes. Parents wishing to apply to the 2012 scheme are required to go through a mandatory Gateway, which aims to ensure that parents consider the full range of options available to them - such as family based arrangements - before making an application. Full 2012 scheme performance statistics are not yet available. Initial statistics published on 25 November 2013¹² for the months of August and September 2013 show the number of new applications received in August was 3,370 and in September was 3,970.

Priority 5 Impact Indicator

The Department is committed to supporting families to achieve financial independence through work and supporting children's life chances. Work remains the best route out poverty and the Department is committed to making work pay through reforms such as Universal Credit.

In April-June 2013, the proportion of children in workless households was 13.6 per cent, a statistically significant improvement of 1.4 percentage points from the same period in 2012. A feature of the labour market over this period has been welfare reforms such as Employment and Support Allowance and changes to conditionality for Lone Parents on Income Support. These reforms have moved people from groups more likely to be living in workless households closer to the labour market.



¹² <https://www.gov.uk/government/publications/2012-statutory-child-maintenance-scheme-aug-2013-to-sept-2013-experimental-statistics>

Priority 6: Control Costs: Improving services to the public by delivering value for money and reducing Fraud & Error

The Department continues to drive efficiencies across all areas of benefit administration and increase the effectiveness and capability of its staff, structures and services.

Key Achievements

- Departmental productivity has increased for eight years in a row - in each year the Department has not only maintained the productivity increases from the previous year, but delivered a further increase in addition to that. Departmental productivity improved by three per cent in 2012-13 from 2011-12, twelve per cent in 2011-12 from 2010-11 and ten per cent in 2010-11 from 2009-10. This builds on productivity increases equivalent to five per cent per annum from 2005-06 to 2009-10. In comparison, Office for National Statistics data show that total public service productivity has been largely flat between 2005 and 2010.¹³
- Since April 2013, the Department has focused on mapping the journey that customers take when accessing its services. Introducing more 'once and done' services and improving communications to customers reduces repeat and avoidable calls, thereby improving overall performance and generating efficiencies.
- The first change to the jobseeker's journey is an enhanced Jobseeker's Allowance process implemented nationally in November 2013. The new process of closer working relationships between jobcentres and benefit processing centres includes greater use of technologies such as SMS (Short Message Service) text messaging and scanning of evidence within jobcentres to share information with benefit centres more quickly. It also includes processes to improve the gathering of information in order to reduce progress chasing calls and the number of face to face Financial Adviser interviews.
- The Department is working closely with the Cabinet Secretary on the review of performance and next steps in tackling Fraud and Error. This will include stronger new measures to tackle fraud and error announced in the Autumn Statement, including:
 - increased use of 'Life certificates' for pensioners living overseas to verify entitlement;
 - 'Bulk-matching' with Real Time Information (RTI) to make use of the RTI feed to cross-match Her Majesty's Revenue and Customs (HMRC) and Departmental records to identify fraud and overpayments; and
 - the implementation of a Single Fraud Investigation Service, a single, integrated service administered by the Department, HMRC and Local Authorities to investigate fraud across the whole of the welfare system.These measures are intended to reduce the level of fraud and error as a percentage of benefit expenditure. The estimate for overpayments has remained between 2.0 per cent and 2.2 per cent of expenditure and underpayments between 0.8 per cent and 0.9 per cent since 2006-07.
- The Department is committed to increasing the amount of debt recovered while reducing the cost of doing so. Building on the record recovery of £409 million of debt

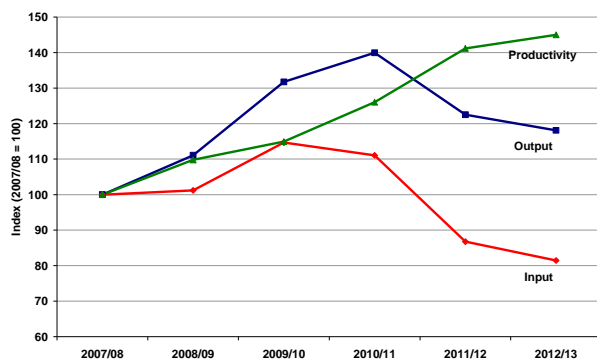
¹³ Departmental productivity figures are calculated in a consistent way with those published by the Office for National Statistics for total UK public service.

(of which £358 million was benefit overpayment recoveries) in 2012-13, between April and September 2013 the Department recovered £207.5 million of debt (of which £180.4 million was benefit overpayment recoveries).

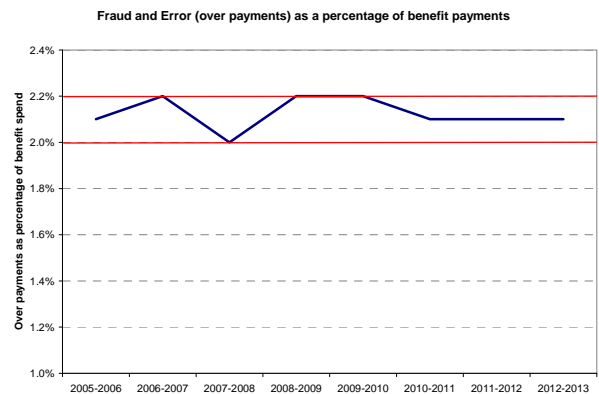
- From 28 October 2013, the Department introduced improvements to the appeals processes for all Department for Work and Pensions administered benefits and child maintenance cases. The changes aim to make the benefit system fairer, quicker and simpler for all involved with more disputed decisions resolved early on, without the need for unnecessary appeals to go through Her Majesty's Courts and Tribunals Service.
- The Department has also introduced a number of measures to restrict access to benefits for migrants to ensure that only those who come to the UK to work, and who have a realistic chance of finding work, are able to access the benefit system. These measures include a strengthened Habitual Residence Test, a three month residence condition for Jobseeker's Allowance and time-limited access to Jobseeker's Allowance. Further measures will be introduced in 2014 to tighten the criteria further.
- The Jobseeker's Allowance Online Service, which enables claimants to make new Jobseeker's Allowance claims online, has existed since 2009 and has been an important part of the Department's preparation for Universal Credit, which will be claimed online as well. The proportion of new Jobseeker's Allowance claims submitted online in December 2013 was 83.6 per cent compared to 55.2 per cent in March 2013 and 19.6 per cent in March 2012.

Priority 6 Impact Indicators

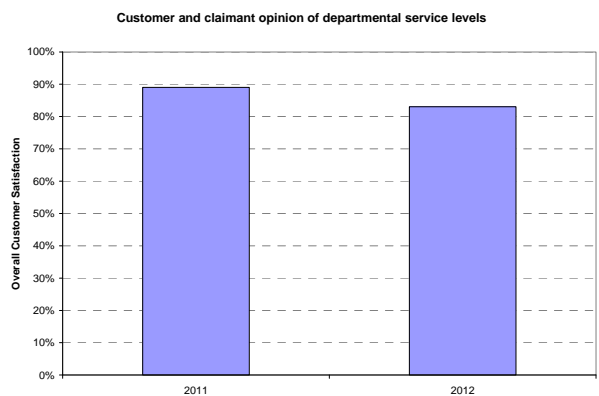
Departmental in-year productivity improved by 3 per cent in 2012-13, 12 per cent in 2011-12 and 10 per cent in 2010-11.



Fraud and Error overpayments as a percentage of benefit expenditure were 2.1 per cent in 2012-13.



The percentage of customers and claimants, who reported to be fairly or very satisfied with Departmental service levels, was 83 per cent in 2012, compared to 89 per cent in 2011. No single factor is behind the decline in satisfaction. Claimants' perception of the attitudes and professionalism of staff remains high.



Financial Performance

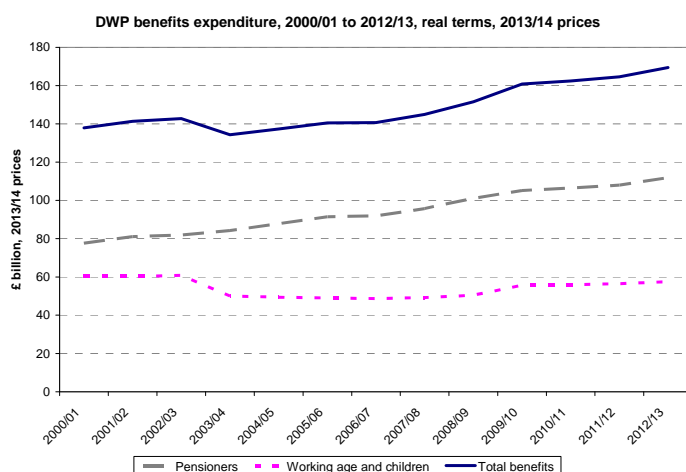
Overview

The Department's financial settlement at Main Estimate 2013-14 was £171.9 billion. The large majority of this covers Annually Managed Expenditure (essentially benefit spend), which totalled £163.8 billion (this figure excludes tax credits). The Departmental Expenditure Limit, which includes administration costs such as staff costs, was £8.129 billion (£7.983 billion excluding depreciation).

	2010-11 Outturn	2011-12 Outturn	2012-13 Outturn	2013-14 Annual Plan	April - September Actuals
	(£m)	(£m)	(£m)	(£m)	(£m)
Core Department					
Operational Delivery	1,294	2,487	2,535	2,123	1,452
Child Maintenance Group	-	-	330	503	232
Financial Assistance Scheme	45	73	109	93	75
European Social Fund	-	15	122	6	-
Employment Programmes	1,814	876	802	736	504
Support for Local Authorities	585	546	529	619	238
Other Programmes	197	183	89	32	36
Department operating costs	2,835	1,453	1,454	1,284	593
Unallocated provision	-	-	-	1,218	0
National Insurance Fund	1,093	821	706	611	306
Consolidated Fund Extra Receipts	-	-	-	-	-
Arms Length Bodies	(£m)	(£m)	(£m)	(£m)	(£m)
Child Maintenance & Enforcement Commission (Net)	391	484	155	-	-
Executive Non-Departmental Public Bodies (Net)	391	375	366	374	165
Health and Safety Executive (Net)	203	175	162	157	71
Totals	(£m)	(£m)	(£m)	(£m)	(£m)
Total Resource DEL (Departmental Expenditure Limits)	8,848	7,488	7,360	7,757	3,674
Total Resource AME (Annually Managed Expenditure)	146,544	154,478	160,761	163,738	80,992
Total Resource Budget (AME and DEL)	155,392	161,966	168,121	171,495	84,665
Total Capital DEL (Departmental Expenditure Limits)	323	280	375	372	80
Total Capital AME (Annual Managed Expenditure)	177	35	27	46	-
Total Capital Budget (AME and DEL)	500	315	402	418	80
Total Departmental Spending	155,291	162,154	168,278	171,698	84,745
<i>Total departmental spending is resource and capital less depreciation</i>					

Resource Annually Managed Expenditure

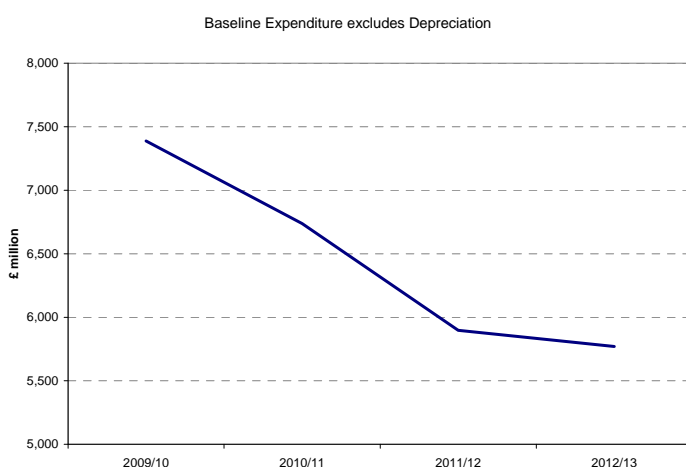
Annually Managed Expenditure has risen year on year in the last decade. Increases are mainly due to the rising cost of pensioner benefits as a result of an ageing population and also the annual uprating of benefits. The welfare reforms introduced by the Department have reduced the rate at which Annually Managed Expenditure has increased. Savings are driven by changes to working age benefits (the fall in working age and children spending in 2003-04 corresponds to Child Benefit administration moving from the Department to Her Majesty's Revenue and Customs).



The indicative budget allocation of Annually Managed Expenditure across different benefits in 2013-14 (as published in the Department 2013 Business Plan) is shown in Annex B.

Departmental Expenditure Limit (DEL)

The Department's administrative budget is reducing. The Department's baseline spend¹⁴ is £1.9 billion lower in 2013-14 than 2009-10, which represents a cumulative saving of £7.4 billion in real terms. By the end of 2013-14, the Department will have delivered a 34 per cent real-terms reduction in baseline expenditure since 2009-10.



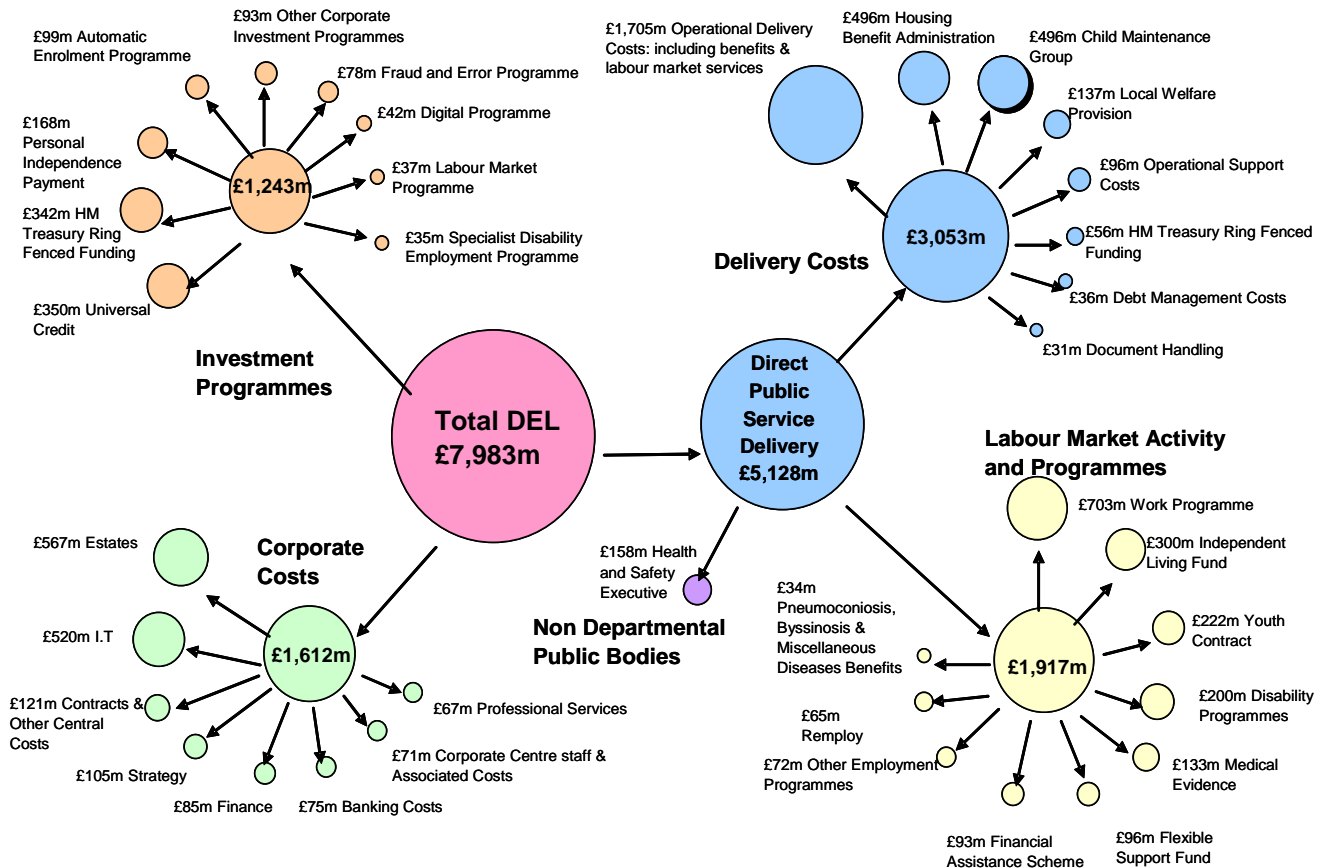
¹⁴ Baseline budgeting uses current spending levels as the 'baseline' for establishing future funding requirements and assumes future budgets will equal the current budget adjusted for inflation and any efficiencies. Baselines exclude non-recurrent costs so that fair comparisons can be made over time.

Reductions in the baseline spend of the Department have been achieved through organisational design, new ways of working and staff exits. There are approximately 32,000 fewer staff employed in September 2013 compared to March 2010 (see People section).

The indicative DEL budget allocation for 2013-14 is set out in the diagram below.

Indicative Budget Allocation

This chart sets out further detail on how the Department's settlement will be spent in the 2013/14 financial year across key programmes and activities.



Major Projects Authority Assessment

Delivering such significant change has required the Department to manage and implement a number of exceptionally large and complex reform programmes, including the following 12 Departmental programmes which are overseen by the Major Projects Authority (MPA) to help achieve firmer control of major projects:

- Universal Credit
- Personal Independence Payment Implementation
- Child Maintenance Group Change
- Automatic Enrolment Programme
- Fraud, Error and Debt
- Specialist Disability Employment Programme
- State Pension Reform – Single Tier
- Benefit Cap
- Central Payment System
- Incapacity Benefit Reassessment
- Work Programme
- Youth Contract

The Government's transparency policy, agreed by Cabinet, governs the publication of data relating to major projects delivery performance. It requires departments to publish the Major Project Authority's delivery confidence assessments for Government's major projects, accompanied by the Department's project narrative every 12 months - six months in arrears.

Information on the Department's performance in the delivery of the 12 Departmental programmes under the Major Project Authority for the period July-September 2012 is available in the Major Project Authority's Annual Report published in May 2013.¹⁵

The Department is not permitted to publish information more recently than that published in the Major Project Authority's Annual Report.¹⁶ The next Major Project Authority Annual Report will be published in May 2014 and will report on data for the period July-September 2013.¹⁷

¹⁵ <https://www.gov.uk/government/collections/major-projects-data>

¹⁶ Information on major project performance more recent than that published in the Annual Report and Accounts is not permitted to be released into the public domain. The transparency policy and exemptions guidance is published at <https://www.gov.uk/government/publications/major-projects-transparency-policy-and-exemptions-guidance>.

¹⁷ The next publication will be published on www.gov.uk.

People

Leadership and Staff Engagement

Employee engagement is considered to be the product of a healthy organisation that links strong psychological wellbeing with a high performance agenda. The Civil Service People Survey's engagement index is based on a "say-stay-strive" framework that reflects the emotional and intellectual commitment the Civil Service expects from its employees. Departmental staff engagement in the 2013 People Survey was 54 per cent, up 6 percentage points from 2012 and 10 percentage points from 44 per cent in 2011.

People Survey Measures (Core Department excludes ALBs)		2013	2012	2011
Engagement Index (%)		54	48	44
Theme Scores (%)	Leadership and managing change	39	29	22
	My Work	71	62	57
	My Line Manager	71	64	60
	Organisational Objectives and Purpose	84	78	73

To improve leadership and employee engagement further, the Department continues to spearhead talent as a pivotal business transformation activity, by for example supporting nominations to cross government high potential schemes and running its 'Future, Engage, Deliver' programme in-house. The Department has also commenced Round 5 of the 'DWP Story' engaging with a core group of over 4,000 front line leaders and is making good progress in developing its Capability Plan and the action planning following completion of the Civil Service Annual Skills Review.

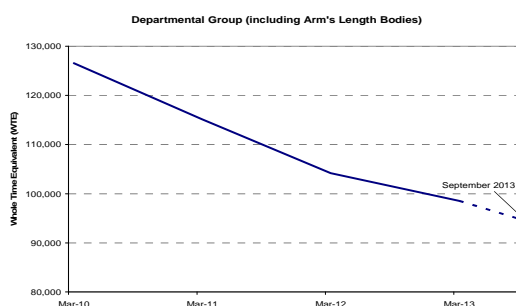
Diversity and Equality

The Department continues to embrace diversity and promote equality of opportunity by embedding best practice in its day to day interaction with staff, customers and partners.

Staff diversity (Core Department excludes ALBs)		30 September 2013	31 March 2013
Workforce Diversity	Ethnic Minority (%)	11.3	11.2
	Women (%)	68.6	68.3
	Disabled (%)	6.5	6.5
Diversity of Senior Civil Servants only	Ethnic Minority (%)	6.6	5.2
	Women (%)	40.3	39.6
	Disabled (%)	3.8	4.2

Staff Information

The Department Group had 94,632 Whole Time Equivalent (WTE) payroll staff in post on 30 September 2013, a reduction of 31,923 WTEs since 31 March 2010. The number of Senior Civil Servants in post on 30 September 2013 was 226¹⁸ a reduction of 55 people from 31 March 2010.¹⁹



¹⁸ Equates to 220 whole time equivalents

¹⁹ 2013 includes Senior Civil Servants previously in the Child Maintenance and Enforcement Commission, 2010 numbers do not.

A number of Voluntary Exit schemes were launched in September 2013, as a result it is expected c1,900 staff (equating to c1,600 WTE) will leave the core Department on 28 March 2014. A second phase of Voluntary Exit schemes was announced in December 2013.

The rolling twelve month turnover rate for the Department was 4.4 per cent on 31 March 2013 and 4.8 per cent on 30 September 2013.

Staff in post ²⁰ Whole Time Equivalents (WTEs)		30 September 2013	31 March 2013
Payroll Staff (WTE)	Core Department (excludes ALBs)	89,120	92,530
	Arm's Length Bodies (ALBs)	5,512	6,019
	Departmental Group	94,632	98,549
Non Payroll Staff ²¹ (WTE)	Core Department (excludes ALBs)	81	121
	Arm's Length Bodies (ALBs)	160	276
	Departmental Group	241	397

Recruitment and attendance

The Department continues to follow the guidance on the Civil Service external recruitment freeze. Of the 557 WTE recruited between April and September 2013, approximately 260 WTE were temporary payroll employees recruited to cover peak leave.

The Department continues to manage attendance robustly. There has been a slight improvement in staff sickness absence at the 2013-14 mid year point with an average of 7.2 days compared to 7.4 days on 31 March 2013 and 8.5 days on 31 March 2010. The reduction in sickness absence from March to September 2013 equates to an efficiency saving of £1.4 million in sick pay costs, the equivalent of 80 extra full time employees.

Workforce Dynamics	April-September 2013	2012-13
Recruitment Exceptions (total number recruited)	557	3,089
Average Working Days Lost: Actual (1) 31 March 2013 and (2) 30 Sept 2013	(2) 7.2 days	(1) 7.4 days

Non Payroll Staff Information

The core Department spent £5.8 million on consultancy between April and September 2013 and £12.4 million on temporary staff.

Departmental Group Non Payroll Staff Costs ²²		April-September 2013	2012-13
Consultancy (£m)	Core Department (excludes ALBs)	5.8	10.6
	Arm's Length Bodies (ALBs)	1.1	3.4
	Departmental Group	6.9	14.0
Temporary Staff ²³ (£m)	Core Department (excludes ALBs)	12.4	34.9
	Arm's Length Bodies (ALBs)	2.2	4.1
	Departmental Group	14.6	39.0

²⁰ All figures for staff in post are shown at a point in time on a whole time equivalent basis and payroll staff numbers reflect the current Office for National Statistics definition for civil service staff.

²¹ Non payroll includes temporary staff, interim staff and consultants

²² Non payroll includes temporary staff (defined as temporary agency workers, interim managers and specialist contractors) and consultants across a wide range of specialist subjects

²³ Relates only to non-payroll temporary staff (260 temporary staff referred to in staff recruitment and attendance section are payroll staff)

Annex A: Business Plan Actions & Indicators

Structural Reform Plan Actions

As at 31 December 2013 the Department has completed: 10 of the 11 Structural Reform Plan actions due for completion between 1 April and 25 June 2013 (as set out in the 2012 Departmental Business Plan²⁴); and, 21 of the 25 Structural Reform Plan actions due for completion by March 2014 (as set out in the 2013 Departmental Business Plan).

1. WORKING AGE			3. DISABILITY		
1.1i Universal Credit (UC) Secondary Legislation		C	3.1i Introduce Personal Independence Payments (PIP)		C
1.1ii Run UC pathfinder		C	3.1ii Re-assess DLA change cases for PIP	S	
1.1iii Test approaches for in work conditionality under UC	S		3.1iii Re-assess all remaining DLA Cases		
1.1iv Progressively roll out UC nationally	S		3.1iv Review of PIP assessment & publish findings		
1.2i Reassessment of Incapacity Benefit recipients	S		3.2i Publish disability strategy	S	
1.3i Complete phased roll out of Benefit Cap		C	3.2ii Publish periodic updates on strategy	S	
1.3ii Publish evaluation of the Benefit Cap	S		3.3i Deliver initiatives on improving disability employment	S	
1.4i Sickness Absence Review recommendations	S		3.4i Establish network of Disabled Peoples Organisations		C
1.5i Post Work Programme support		C	3.4ii Administer Facilitation Fund for network	S	
1.5ii 40,000 start ups via New Enterprise Allowance	S		3.5i Review programme of user care packages	S	
1.5iii Evaluate young person day one support pilot	S		3.6i Evaluate Right to Control and publish final report		C
1.5iv Test health related support for ESA WRAG		C	4. RETIREMENT		
1.6i Youth Contract - deliver 160,000 Wage Incentives	S		4.1i Secure legislation announcing changes to pensions	S	
1.6ii Youth Contract - 100,000 work experiences a year	S		4.2i Increase State Pension age for women to 65	S	
1.7i Cities agenda - agree with core English cities	S		4.3i Register employers of more than 50 with TPR	S	
1.7ii Cities agenda - further tranche of English cities	S		4.3ii Raise awareness about automatic enrolment	S	
1.8i Work Programme - publish data 24 months outcomes		C	4.3iii Increase workplace pension savers by 6-9 million	S	
1.8ii Work Programme - publish data on benefit savings		C	4.3iv Evaluate Workplace Pensions Reform		C
1.8iii Publish evaluation of the Work Programme	S		5. FAMILIES AND CHILDREN		
2. TACKLING THE CAUSES OF POVERTY			5.1i Open 2012 child maintenance scheme to all		C
2.1i Publish second Social Justice Report			5.1ii Introduce gateway to child maintenance scheme		C
2.2i Increase access to affordable financial products	S		5.1iii Complete child maintenance reforms	S	
2.3i Publish final evaluation report	S		5.2i Implement support aimed at helping separated parents	S	
2.4i Administer ten social investment projects	S		5.3i Publish response on measurement of child poverty		
2.4ii Evaluate the delivery of the Innovation Fund	S		6. CONTROLLING COSTS		
2.5i Introduce employment support to families		C	6.1i Put common benefit enquires on line	S	
2.6i Evaluate "Day One" initiative to prison leavers	S		6.1ii Jobseeker's Allowance (JSA) on-line to 80%		C
Key: C = Completed S = Started			6.2i Improve 84% of health and safety regulations	S	
			6.2ii Minimise legislative barriers to work students		C
			6.2iii Introduce binding code for Local authorities		C
			6.3i Further pilots for Single Fraud Investigation Service	S	
			6.3ii Stage one of Integrated Risk & Intelligence Service		C
			6.4i Complete improvements to appeals process		C
			6.4ii Introduce time limits to respond to an appeal	S	
			6.5i Strengthen the Habitual Residence Test		C
			6.5ii Create a statutory presumption for new JSA claims		C

Business Plan Input and Impact Indicators and Other Data Sets

Input Indicators	Latest published data	Previous comparable data
Overall Department for Work and Pensions productivity measure, (% increase compared with previous year)	3 (Final figure for 12-13)	12 (Final figure for 11-12)
Impact Indicators	Latest published data	Previous Comparable data
Rate of people moving from key out of work benefits ²⁵	(1) Not yet published	(1) 89.4 (Oct-Dec 11)
(1) JSA (%),	(1) 89.4 (Jul-Sept 12)	(1) 88.1 (Jul-Sept 11)
(2) ESA (%)	(1) 89.5 (Apr- Jun 12)	(1) 87.4 (Apr-Jun 11)

²⁴ <http://transparency.number10.gov.uk/business-plan/16>

²⁵ The data are the percentage moving from JSA by 52 weeks and from ESA by 65 weeks. Data are not seasonally adjusted so year on year comparisons only are suitable. Percentages are the mean percentages for each on-flow cohort quarter

	(1) 90.1 (Jan-Mar 12)	(1) 87.2 (Jan-Mar 11)
	(2) Not yet published	(2) 53.0 (Oct-Dec 11)
	(2) Not yet published	(2) 61.6 (Jul-Sept 11)
	(2) 50.5 (Apr-Jun 12)	(2) 72.9 (Apr-Jun 11)
	(2) 54.1 (Jan-Mar 12)	(2) 73.6 (Jan-Mar 11)
Number of people on key out of work benefits ²⁶ , (millions)		4.6 (Nov 12)
	Not yet published	4.7 (Aug 12)
	4.5 (May 13)	4.8 (May 12)
	4.6 (Feb 13)	4.9 (Feb 12)
Proportion of children living in workless households ²⁷ (%)	Not yet published	14.2 (Oct-Dec 12)
	13.6 (Apr-Jun 13)	15.1 (Apr-Jun 12)
Proportion of young people not in full time education who are not in employment, (%)		30.2 (Jan-Mar 13)
	Not yet published	29.6 (Oct-Dec 12)
	30.1 (Jul-Sept 13)	30.5 (Jul-Sept 12)
	30.9 (Apr-Jun 13)	31.9 (Apr-Jun 12)
Proportion of the lowest earning 25-30 year olds that experience wage progression ten years later, (%)	12.1 (2004-13)	12.1 (2003-2012)
Rate of disability poverty, (%)	19 (2011-12)	20 (2010-11)
Gap between the employment rates for disabled people and the overall population ²⁸ (percentage points)	Not yet published	24.7 (Oct-Dec 12)
	27.7 (Jul-Sept 2013)	24.8 (Jul-Sept 12)
	26.8 (Apr-Jun 13)	24.7 (Apr-Jun 12)
	24.4 (Jan-Mar 13)	24.1 (Jan-Mar 12)
Fraud and Error in the benefit system, as a percentage of expenditure (%)	(1) 2.1 (2012-13 Results)	(1) 2.1 (2011-12 Results)
(1) Overpayments and		
(2) Underpayments	(2) 0.9 (2012-13 Results)	(2) 0.8 (2011-12 Results)
Rate of pensioner poverty (%)	14 (2011-12)	14 (2010-11)
Number of employees in a pension scheme sponsored by their employer, (millions)	10.8 (April 2012)	11.0 (April 2011)
Average age people stop working ²⁹ , (years) (Men/Women)	Not yet published	64.8/62.8 (Oct-Dec 12)
	64.8/63.2 (Jul-Sep 13)	64.8/62.7 (Jul-Sept 12)
	64.8/63.1 (Apr-Jun 13)	64.8/62.6 (Apr-Jun 12)
	64.7/63.0 (Jan-Mar 13)	64.6/62.4 (Jan-Mar 12)
Customer and claimant opinion of Departmental service levels, (%)	83 (2012)	89 (2011)
Other Data Sets	Data published 2013-14	Data published 2012-13
Proportion of customers for whom providers have achieved a Job Outcome payment at 12 months on the Work Programme (%) ³⁰	11.7 (Sept 12 Cohort)	13.3 (Mar 12 Cohort)
	12.3 (Aug 12 Cohort)	9.9 (Dec 11 Cohort)
	12.5 (Jul 12 Cohort)	9.6 (Sept 11 Cohort)
	13.0 (Jun12 Cohort)	8.5 (June 11 Cohort)
Number of Incapacity Benefit recipients reassessed and those moving from Incapacity Benefit to Employment and Support Allowance nationally	872,100/614,000 (to Nov 12)	724,900/496,800 (to Aug 12)
Proportion of new Jobseeker's Allowance applications submitted online (%) (JSA)	83.6 (Dec 13)	45.5 (Dec 12)
	84.2 (Sept 13)	39.0 (Sept 12)
	73.5 (Jun 13)	29.5 (Jun 12)
	55.2 (Mar 13)	19.6 (Mar 12)
The proportion of households that are workless ³¹ (%)	Not yet published	17.3 (Oct-Dec 12)
	17.1 (Apr-Jun 13)	17.9 (Apr-Jun 12)

Technical Annex (Transparency Indicators)

Technical notes for the Business Plan Indicators and complete Measurement Annexes are available at: <https://www.gov.uk/government/publications/dwp-business-plan-transparency-measures>.

²⁶ Data are not seasonally adjusted so year on year comparison only

²⁷ Data are not seasonally adjusted so year on year comparison only.

²⁸ Data are not seasonally adjusted, year on year comparison only.

²⁹ Data are rounded to the nearest 0.1 year; and is subject to sampling variation and is not seasonally adjusted so year on year comparisons only

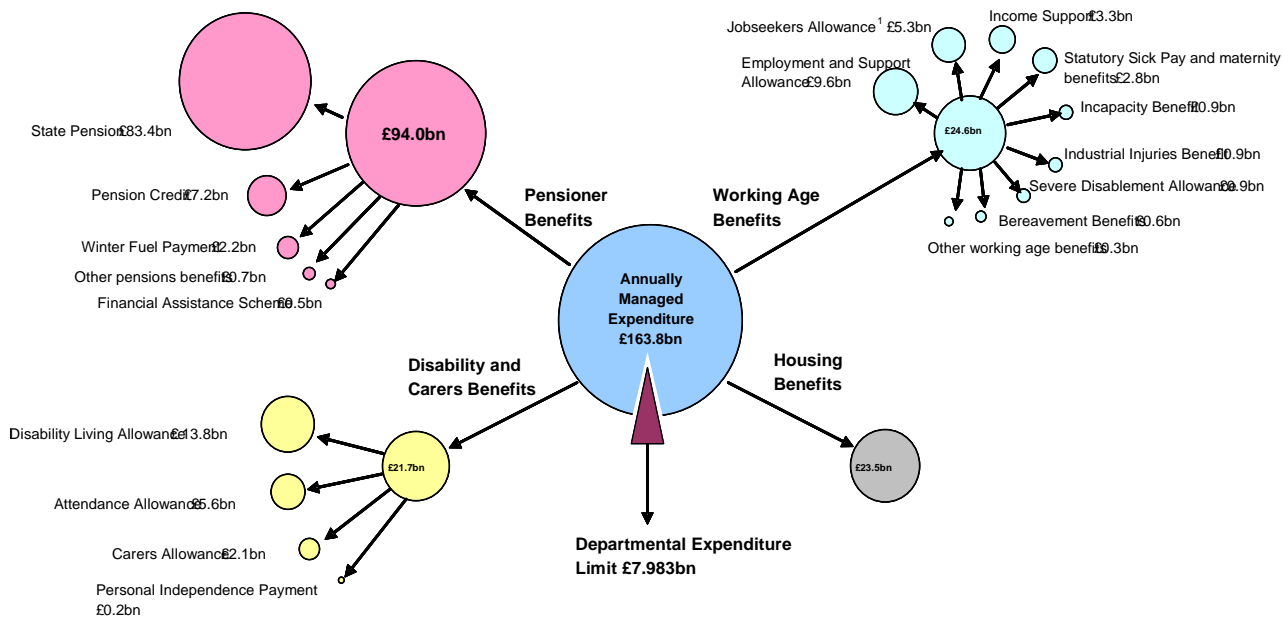
³⁰ The 12 month period of the measure starts at the end of the each cohort.

³¹ Data are not seasonally adjusted, year on year comparison only.

Annex B: Details of 2013-14 Budget Allocation

Indicative Budget Allocation

This chart sets out details on how the Department will allocate its £171.8bn 2013/14 financial settlement.



¹ Universal Credit included within Jobseeker's Allowance