



# Departmental Report 2009



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Department for Work and Pensions

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Department for Work and Pensions

# Departmental Report 2009

Presented to Parliament by the Secretary of State for Work and Pensions by  
Command of Her Majesty  
June 2009

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This is part of a series of departmental reports which, along with the *Main Estimates 2009-10*, the document *Public Expenditure: Statistical Analyses 2009*, and the *Supply Estimates 2009-10: Supplementary Budgetary Information*, present the Government's outturn and planned expenditure for 2009-10 and 2010-11.

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# Contents

|  |           |
|--|-----------|
| Foreword by the Secretary of State.....  | 5         |
| The Department’s Ministers.....  | 6         |
| Our Executive Team and Non-executive directors.....  | 7         |
| 2008-09 at a glance.....   | 8         |
| Recognition of excellence.....   | 10        |
| <b>Chapter One – Work, welfare, well-being, well delivered – responding to challenging times</b> ..... | <b>11</b> |
| <b>Chapter Two – Corporate enablers</b> .....  | <b>21</b> |
| Part one: customer service .....   | 22        |
| The DWP business strategy.....   | 22        |
| Safeguarding benefits.....   | 23        |
| Benefit simplification .....   | 24        |
| Part two: Directgov .....  | 26        |
| Part three: people .....   | 27        |
| Human resources.....   | 27        |
| Diversity .....  | 30        |
| Part four: resources.....  | 33        |
| Finance strategy .....   | 33        |
| Value for money.....   | 38        |
| IT.....  | 38        |
| Estate .....   | 41        |
| <b>Chapter Three – Other items of interest</b> .....   | <b>43</b> |
| Sustainability.....  | 44        |
| Better regulation.....   | 45        |
| International work .....   | 46        |
| Citizen redress and complaints to the Ombudsman .....  | 48        |
| Consultancy and staff substitutes.....   | 50        |
| Sponsorship .....  | 50        |
| Ministerial correspondence from members of the public.....   | 51        |
| Communications and marketing .....   | 51        |
| Information security.....  | 53        |

## Contents

|  |           |
|--|-----------|
| <b>Annexes .....</b>   | <b>55</b> |
| Annex A – Performance – Public Service Agreements and Departmental Strategic Objectives..... | 56        |
| Annex B – Expenditure tables.....  | 85        |
| Annex C – Trends in benefit expenditure from 2002-03 to 2008-09.....                         | 113       |
| Annex D – The Department’s organisation, agencies and Non-Departmental Public Bodies.....    | 119       |
| Annex E – Public Accounts Committee recommendations .....                                    | 123       |

### List of Figures

|  |     |
|--|-----|
| Figure 1 – Resource by Departmental Strategic Objective.....                                     | 36  |
| Figure 2 – Resource by major business .....  | 37  |
| Figure 3 – Resource by category of spend .....   | 37  |
| Figure 4 – Recent and forecast IT expenditure .....  | 39  |
| Figure 5 – The Department’s key IT-enabled projects.....   | 40  |
| Figure 6 – Parliamentary and Health Service Ombudsman’s Annual Report 2007-08 .....              | 49  |
| Figure 7 – Departmental expenditure (including VAT) on externally acquired staff resources ..... | 50  |
| Figure 8 – Major publicity campaigns costing over £500,000 during 2008-09 .....                  | 53  |
| Figure 9 – Summary of PSA and DSO performance assessments .....                                  | 57  |
| Figure 10 – Progress on contributions to PSAs led by other government departments .....          | 66  |
| Figure 11 – Benefit expenditure by objective (2008-09 prices) .....                              | 113 |
| Figure 12 – Numbers in receipt of key benefits.....  | 114 |
| Figure 13 – How the Department is organised.....   | 119 |
| Figure 14 – Outstanding PAC recommendations.....   | 123 |

## Foreword by the Secretary of State

Even during the best of times, this Department is important for millions of people in this country. During a recession it becomes a lifeline.

The current economic turmoil is bringing uncertainty to everyone. Whether it's the mother trying to get back to work, a family worried about losing their house in the face of redundancy or a couple concerned about the security of their pension, many more people are turning to us for the help they need.

In response, we are providing ever more help, and investing more to make sure the support reaches where it should. Thanks to more than £5 bn extra funding, we can help even before a person loses their job, and the support increases the longer people are out of work up until twelve months unemployment and beyond.

We have expanded the rapid response service, enhanced guidance for jobseekers, increased opportunities for training and entrepreneurship and even guaranteed jobs and training for young people and those most in need. More money means more staff to cope with demand and more money for our providers to protect the service they offer as well as safeguarding new policies such as the flexible new deal.

In contrast to past recessions, we are determined to keep up the active regime that we know works to help people find jobs. We are still processing and paying benefits on time while giving people the help they need to get back to work quickly.

I believe, however, that we must also maintain our focus on preventing a return to large scale worklessness during the downturn. So far we have not seen a serious rise in economic inactivity, due in no small part to the past ten years of welfare reform.

The current welfare reform bill, the innovation of the right to control and our proposed child poverty legislation, are all next steps in the process of making sure that power goes to where it is needed; to our advisers and providers who need the flexibility to offer the most appropriate help; and to our customers who want the choice and control to make the most of it.

We are moving towards a system where practically all our working-age customers will be looking for work or preparing for work in the future. Dame Carol Black's report on the health of employees also shows that we are thinking more than ever about helping people retain their independence in work, and not look to the welfare system in the first place.

All this activity comes over and above improving what we already offer customers and the value we provide for the taxpayer as we deliver new services. We have introduced the Employment and Support Allowance, the new benefit for sick and disabled people, and are working towards implementing a transformation in pensions. Our new commissioning strategy will make for more efficient co-operation with our partners and we are working with other departments to offer a more seamless service while reducing fraud and error.

This report makes clear the phenomenal work that DWP staff are doing, along with our partners, to rise to the economic challenge. I am sure they will continue to do so, providing the lifeline on which so many people can depend, as well as a ladder to a better future.



**The Right Honourable Yvette Cooper**  
Secretary of State

## The Department's Ministers



**The Right Honourable Yvette Cooper MP**  
Secretary of State for Work and Pensions



**The Right Honourable  
Jim Knight MP**  
Minister of State for Employment and  
Welfare Reform



**Angela Eagle MP**  
Minister of State for Pensions  
and the Ageing Society



**Helen Goodman MP**  
Parliamentary Under  
Secretary (Commons)



**Lord McKenzie of Luton**  
Parliamentary Under  
Secretary (Lords)



**Jonathan Shaw MP**  
Minister for Disabled People



# Our Executive Team and Non-executive directors



**Leigh Lewis**  
Permanent Secretary



**John Codling**  
Director General  
Group Finance



**Sue Garrard**  
Director of  
Communications



**Mel Groves**  
Acting Chief Executive,  
Jobcentre Plus



**Joe Harley**  
IT Director General  
and Chief



**Richard Heaton**  
Director General,  
Legal Group



**Chris Last**  
Group Human Resources  
Director General



**Terry Moran**  
Chief Executive,  
The Pension, Disability  
and Carers Service



**Sue Owen**  
Director General,  
Welfare and Wellbeing  
Group



**Adam Sharples**  
Director General,  
Employment Group



**Phil Wynn Owen**  
Director General,  
Strategy, Information  
and Pensions



**John Cross**  
Non-executive director



**Adrian Fawcett**  
Non-executive director



**Michael Sommers**  
Non-executive director



**Helen Stevenson**  
Non-executive director

## 2008-09 at a glance

---

### Every working day we:

- receive around 10,000 vacancies;
  - interview 50,000 customers as we help them prepare for work;
- 

#### Monday

- process over 19,000 new benefit claims;
  - receive over 1.25 million job searches;
- 

#### Tuesday

- assess over 3,000 applications for State Pension;
  - clear over 1,200 claims to Pension Credit;
- 

#### Wednesday

- visit over 3,000 customers;
  - oversee 3,000 new or renewal claims for Disability Living Allowance;
- 

#### Thursday

- answer 300,000 telephone calls to our helplines;
  - make around 2.5 million benefit payments.
- 

#### Friday

**Working age**



- improved the Financial Assistance Scheme
- tripled cold weather payments
- gave additional winter fuel and Christmas payments to pensioners
- merged the pension and carers services

received 16.9 million visits to Directgov (May 2009)

**Children**



made efficiency savings of more than £500m

- implemented Pathways to Work nationally
- successfully introduced the Employment and Support Allowance
- published 'Improving Health and Work: Changing Lives'



## Health and safety

- worked with local authorities to target reductions in work-related accidents like slips, trips and falls
- promoted the management of process safety in the nuclear, offshore and onshore chemical sectors
- consulted on a new strategy for health and safety in Great Britain

made almost 160,000 affordable loans with a value of over £53m to people on low incomes

made the biggest contribution (£681m) to the Office of Government Commerce targets to deliver value for money

reduced the average days lost through sickness from 10.1 to 8.9

## Pensions

- Published the white paper 'Raising expectations and increasing support: reforming welfare for the future'
- published the first Secretary of State reports on disability and equality

## Disabled people



4.2 million visits to Directgov jobs and skills search (May 2009)

## Environment

came out of our second 'Capability review' with one of the highest set of scores of any government department

- reduced our carbon emissions from offices by over 10%
- energy consumption fell by 14% in our largest 300 buildings

reduced the level of fraud and error across all benefits to its lowest level ever (2%)

renewed our contract with the Post Office for the Post Office Card Account

- established the Child Maintenance and Enforcement Commission
- secured record levels of child maintenance payments (£1,132m in the year to March 2009)
- launched the Child Maintenance Options service



## Recognition of excellence



The Pension, Disability and Carers Service (PDCS) communications team won Corporate Team of the Year 2008-09 at the annual Communicators in Business (CiB) awards ceremony. PDCS is the first central government organisation to scoop this prestigious award.



The Future Pension Centre won the Service Delivery to Citizens Award and Contact Centre of the Year 2008 at the Customer Contact Association (CCA) Excellence Awards 2008. The CCA sets the standard in contact centre operations. The Future Pension Centre fought off fierce competition from other government, public and private sector organisations.



DWP's *Plus* magazine won Best Magazine of the Year 2008 at the Chartered Institute of Public Relations Pride awards which recognise excellence in public relations and communications. The judges praised *Plus*' clear aims and commented that "articles on how to deal with clients, case studies of staff and new Jobcentre Plus initiatives are spot on."



The Area Initiatives and Communities Division and Jobcentre Plus received the Partnership and Collaboration prize at the annual Race for Opportunity awards for a project helping ethnic minority customers to improve their incomes and to find work.



## Chapter 1: Work, welfare, well-being, well delivered – responding to challenging times

---

### Key facts

- on average, we are processing Jobseeker's Allowance claims in just over ten working days from the date of claim;
- in 2008-09 we have doubled the child maintenance disregard in income-related benefits from £10 to £20 a week;
- we have reduced official error overpayments to 0.6 per cent, the lowest level since 2002-03;
- we have worked across government to support publication of the first Secretary of State reports on disability equality;
- we have secured Royal Assent for the Pensions Act 2008; and
- in Budget 2009, we committed to repeating the 2008-09 increase in Winter Fuel Payments in 2009-10.

## Our Vision

1. The Department for Work and Pensions (DWP) exists to:
  - contribute towards fair, safe and fulfilling lives, free from poverty – for children, people in work and retirement, disabled people and carers;
  - reduce welfare dependency and increase economic competitiveness by helping people to work wherever they can and employers to secure the employees and skills they need; and
  - provide greater choice and personalisation and higher quality of service for customers where it is in their interests and those of the taxpayer.
2. In working towards these aims the Department leads the delivery of two cross-government Public Service Agreements (PSAs), on employment and on later life, contributes to a further nine, and pursues an established set of seven Departmental Strategic Objectives (DSOs) which drive all of our activities. Details are given in Annex A.
3. During 2008-09 the environment in which the Department operates was severely affected by the global economic downturn. The UK economy has continued to feel the effects, with output falling and the jobseeker claimant count rising steeply. Behind the statistics are stories of people facing significant upheaval in their lives, who rely on DWP to provide them with the help they need. This chapter sets out how the Department has responded to the challenges presented by the economic downturn while continuing to deliver the Government's wide-reaching welfare, child support and pension reforms and driving forward the Department-wide Change Programme to deliver tangible improvements for our customers and efficiency savings for the taxpayer.
4. The PSAs and DSOs were, of course, set before the onset of the recession. In the light of this, our three-year business plan 2009-2012 has also set out a further set of criteria which both contribute to the PSAs and DSOs and capture the Department's performance through the current economic circumstances. These are to:
  - maintain the active labour market regime and pay benefits on time;
  - support people to return to work quickly; and
  - prevent worklessness amongst working-age people.

## High levels of support for those out of work

5. Our regime of active, early interventions helped to ensure that, as at April 2009, around half of new claimants leave Jobseeker's Allowance (JSA) within three months, around three-quarters within six months and around 85 per cent within a year.

6. In 2008-09:

- Jobcentre Plus met its key customer service targets, for example, on average processing Jobseeker's Allowance in just over ten working days from the date of claim and answering over 90 per cent of calls about new claims. It ended 2008-09 with some 70,000 staff – 4,000 more than under its original plan, and halted consultations on 25 proposed Jobcentre closures;

"I couldn't believe how quick the Jobcentre [Plus] staff were in finding me a new job, they were lovely and if it wasn't for them I wouldn't be here now."

**Katie was made redundant from Woolworths in January 2009 and is now working as an Administrative Assistant following a four week Work Trial**

- we supported people back into work quickly and:
  - continued to provide face-to-face advice and support to the significantly higher number of people becoming unemployed;
  - expanded the Rapid Response Service to give greater support to those facing redundancy;
  - extended the help we are able to offer people as soon as they become unemployed, particularly those with no recent experience of looking for work, through:
    - ~ day one access to Programme Centres, which offer individually tailored job search assistance for customers needing specific help in overcoming barriers to finding and keeping work;
    - ~ new one-hour group information sessions on job search techniques; and
    - ~ new one-day advice and coaching sessions delivered by external providers, including specific advice for those looking for professional or executive jobs; and

"When my husband was diagnosed with Alzheimer's and I had to give up work I thought my life was over. I am using this job and my courses as [a] means of getting back into the workforce. This is my time. Life really has begun for me again at fifty."

**Lesley, returning to work after caring for her husband, following the successful completion of a Work Trial and enrolling on two learndirect courses**

## 14 Chapter 1 | Work, welfare, well-being, well delivered – responding to challenging times

- provided further support to the newly unemployed in getting them back to work through:
  - ~ access to specialist help in CV writing, interview preparation, debt and money advice, confidence building and work skills;
  - ~ support to help remove potential barriers to taking up employment;
  - ~ access to Local Employment Partnership vacancies;
  - ~ additional funding for Access to Work;
  - ~ help with their rent; and
  - ~ help with their mortgage, dependent on income, for those who are unemployed for over 13 weeks.
- we continued to prevent worklessness amongst working-age people. As a result of continuing welfare reforms, and a more intensive regime of support and obligations, we have not seen a rise in economic inactivity across the working-age population. The latest national statistics figures show that in the year to November 2008, the numbers claiming inactive benefits (such as Incapacity Benefit) fell by 39,700 (1.1 per cent) to 3.5 million.

“Being back in work has increased my confidence and improved the quality of life for both myself and my daughter”

**Lone parent Andrew on returning to work after 12 months caring for his daughter, following attendance at an options and choices event organised by Jobcentre Plus**



## The Budget 2009 – supporting people back to work

In addition to the £1.3 billion that was announced in the Pre-Budget Report in November and the £500 million announced in January, the 2009 Budget provided an additional £2.8 billion to the Department over the next two years.

Of this new money, £1.7 billion will enable Jobcentre Plus and the Department's employment providers to deal with the higher numbers of people becoming unemployed. It will also allow the Department to move ahead with the Flexible New Deal from this October as planned.

The announcements will mean that Jobcentre Plus will be able to recruit up to 10,000 more staff. This is on top of the 6,000 new staff already announced in the Chancellor's Pre-Budget Report and enables Jobcentre Plus to build up to 82,000 staff during 2009-10.

The Budget also announced a new package of support for people – particularly young adults – who have been unemployed for 12 months. This package is worth an additional £1.2 billion and will enable the Department to guarantee an offer of six months of employment, a work placement or training to all young people aged 18-24, who have been on Jobseeker's Allowance for 12 months. In addition, the Budget announced 50,000 jobs for other age groups in unemployment 'hot spots' across the country. The guaranteed offer will consist of:

- the newly created Future Jobs Fund, to which local authorities and others can bid. This aims to create 100,000 jobs for those aged 18-24 from January 2010, with some coming online before then. A further 50,000 new jobs will be made available to other age groups in areas of dense unemployment across the country;
- support for 50,000 places in key employment sectors through a mix of training and recruitment subsidies;
- Care First, offering 50,000 jobs and training in the social care sector;
- work-focused training places; and
- places on a Community Task Force programme, delivering real help within the local community.

The Budget also announced that an additional £260 million will be allocated to the Social Fund over the course of 2009-10 and 2010-11 to support additional volumes of claims.

## 16 Chapter 1 | Work, welfare, well-being, well delivered – responding to challenging times

7. In addition, to support customers through the economic downturn in 2008-09 we:
  - completed the national implementation of Pathways to Work, providing personalised support to help Incapacity Benefit customers prepare for and return to work;
  - successfully introduced on time and on budget the Employment and Support Allowance for new customers whose ability to work is affected by ill-health or disabilities. This was the first major working-age benefit to be introduced since 1996;
  - worked with partners to continue the success of the Local Employment Partnership programme, benefiting employers, building links in the community and aiming to get 200,000 of our hardest to help customers into work during 2009-10;
  - completed the link-up of our virtual contact centre network, creating the largest virtual network in Europe, leading to a single national telephone number for new benefit claims and an improved customer service as calls can be directed to the next available member of staff; and
  - began the national rollout of joint working with Her Majesty's (HM) Revenue and Customs and local authorities, which enables customers moving into and out of work to claim their benefits, tax credits and Housing Benefit in one visit to a Jobcentre Plus office rather than many separate contacts. By the end of the year, 32 local authorities had adopted the process.

## Delivery of the Government's welfare and pension reform agendas

8. We continued to deliver the Government's far-reaching welfare reform agenda to reduce the number of children living in poverty; improve employment opportunities; promote independence and well-being in later life and promote equality of opportunity for disabled people.
9. For children and families in 2008-09 we:
  - introduced the first phase of obligations for lone parents who can work, by requiring those with older children to claim Jobseeker's Allowance rather than Income Support;
  - doubled the child maintenance disregard in income-related benefits from £10 to £20 a week and introduced a full child maintenance disregard in Housing Benefit and Council Tax Benefit. This will ensure that more maintenance is retained by low income families;
  - removed the compulsion for parents with care on income-related benefits to use the statutory maintenance service, so that they have the same choice as other parents;

- launched the Child Maintenance Options Service, to give parents information and support to decide the maintenance arrangement that is best for them and their children; and
- rolled out Local Housing Allowance, which is a major shift in the way housing payments are made in the private rented sector, making them simpler and speedier to administer.

10. For working-age people in 2008-09 we:

- published the White Paper *Raising Expectations and Increasing Support*<sup>1</sup>. This sets out a radical reform programme, promising greater support for people on benefits. In return we expect that more people will work with us to realise their own aspirations of a return to work;
- responded to the independent review undertaken by Professor Paul Gregg *Realising Potential*<sup>2</sup> which set out a vision for a more flexible, personalised system of conditionality and support to help ensure more claimants can work. As a result, from late 2010 we will implement the recommendations for lone parents and partners with younger children and ESA claimants;
- worked with partners across Government to publish *Improving Health and Work: Changing Lives*<sup>3</sup> the Government's response to Dame Carol Black's review of the health of Britain's working-age population;
- worked across Government to help people who have mental health disorders remain in, return quickly to, or enter into work. In March 2009, the Department and the Department of Health jointly announced a package of mental health and work focused measures for individuals, service providers and employers to improve employment outcomes for employed and unemployed people with mental health disorders;
- published the Department's commissioning strategy, designed to improve the performance of our employment programmes by delivering sustainable job outcomes from a more competitive welfare-to-work market;

"When I separated from my husband I didn't know where to turn. The person at Child Maintenance Options was very helpful. We went through the different ways to sort out child maintenance and he found other useful numbers for me. I really appreciate him taking the time to listen. I was sent leaflets on emotional well-being, legal rights and housing rights, which I found a great help."

**Cheryl from County Durham**

<sup>1</sup> <http://dwp.gov.uk/welfarereform/raisingexpectations/>

<sup>2</sup> <http://dwp.gov.uk/welfarereform/realisingpotential.asp>

<sup>3</sup> <http://www.workingforhealth.gov.uk/documents/improving-health-and-work-changing-lives.pdf>

## 18 Chapter 1 | Work, welfare, well-being, well delivered – responding to challenging times

- started trials of the Integrated Employment and Skills service in five West Midlands districts in September 2008. Between November 2008 and March 2009 we expanded this and are now running trials in a total of 12 Jobcentre Plus districts across England;
- provided more help for home owners at risk of repossession by improving the Support for Mortgage Interest scheme;
- reduced official error overpayments to 0.6 per cent, the lowest level since 2002-03;
- used the work of the Health and Safety Executive and its local authority partners to ensure that Great Britain continues to have one of the best health and safety records in the world and that health and safety remains high on the agenda as a driver of business benefit not a cost or 'burden', despite the unprecedented economic circumstances which are inevitably creating significant pressures on organisations to reduce costs.

### 11. For disabled people in 2008-09 we:

- completed a large scale national consultation asking how best to involve disabled people in the implementation and monitoring of the Independent Living Strategy. We then published the Government's response to the consultation, which sets out how disabled people will be involved in taking forward and monitoring the progress of the strategy;
- published a White Paper setting out the Government's intention to increase disabled people's choice and control over their support, through the Right to Control;
- worked across Government to support publication of the first Secretary of State reports on disability equality, and published an overview of key findings from the 11 reports<sup>4</sup>;
- moved to ratify the United Nations Convention on the Rights of Disabled People; and
- recruited a group of over 50 disabled people through the Office for Disability Issues (ODI) to assist with the Experiences and Expectations of Disabled People project. The group played a key role in ensuring the research covered the topics that matter to disabled people.

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<sup>4</sup> <http://www.officefordisability.gov.uk/docs/wor/ded/sos-summary.pdf>

“When I got this letter today I thought I’d won the lottery. I’m a cancer patient, I feel the cold terribly. Thank you.”

**Mrs M from Middlesex on her cold winter payment**

“We get an extra £25 a week or so as a couple, and it makes a big difference. I can’t get about too well, so the money helps with the upkeep of our car. It’s really hilly round here and I wouldn’t be able to get out otherwise. We were really grateful for Marlene’s [the local service visiting officer] help, and for the extra money. Our lives are that bit better as a result.”

**Patricia, arthritis patient on her claim for state pension and her husband being eligible to claim an additional carer’s allowance**

12. To implement pension reform and promote independence and well-being in later life in 2008-09 we:
- secured Royal Assent for the Pensions Act 2008. The Act introduces workplace pension reforms to enable and encourage more people to build up private pension income;
  - worked with the Personal Accounts Delivery Authority and the Pensions Regulator to bring about private pension reforms;
  - implemented substantial reforms to the Financial Assistance Scheme to provide assistance broadly comparable to that provided by the Pension Protection Fund;
  - continued to review and modify regulations covering private pensions and implemented changes to the revaluation of pensions that could save pension schemes up to £250 million;
  - delivered a range of measures to provide additional support for pensioners, including: a tripling of cold weather payments; an additional payment alongside the Winter Fuel Payment and a one-off increase to the Christmas Bonus; and
  - announced in Budget 2009 an increased capital disregard in Pension Credit and pensioner-related Housing and Council Tax benefits to £10,000 from November 2009 and a repeat of the 2008-09 increase in Winter Fuel Payments in 2009-10.

## Improving our capability

13. The July 2008 Capability Review confirmed that DWP is delivering well against key performance measures, particularly in terms of the improved services offered to customers.
14. We developed an action plan to address the challenges that the review team raised. In 2008-09 we:
  - launched the DWP Skills Strategy, in line with the Government Skills Strategy, to ensure that our people are equipped with the right skills to deliver better and more efficient services for our customers;
  - completed a fundamental review of the performance and development system, and launched a new people management system in time for the 2009-10 reporting year;
  - delivered a major new leadership and management programme for 7,000 of our first-line leaders;
  - continued to strongly encourage all of our Senior Civil Servants to participate in Back to the Floor experiences and supported the 'Community 5000' programme;
  - continued to deliver the Departmental Business Strategy through the Change Programme, including the use of Lean initiatives; and
  - completed research into the views of key external stakeholders. This will be repeated annually to improve our insight and engagement.

'Significant progress has been made in many areas...It has delivered its core business while implementing a major change programme, achieving significant efficiency savings and playing a leading role in the cross-Government shared services agenda.'

**Cabinet Office Capability Review of DWP, July 2008**



## Chapter 2: Corporate enablers

---

### Key facts

- in 2008-09 the Department saved around £26 million from the implementation of the Change Programme;
- fraud, at 0.6 per cent of benefit spend, is at its lowest level ever;
- our 'Making A Difference' programme was rolled out to 7,000 first-line and middle managers, focusing on leadership and employee engagement;
- we achieved the 'Gold' standard in the 2008 Race for Opportunity benchmark exercise, coming second in the top performers in the public sector; and
- we pay 98 per cent of our customers in Great Britain by electronic transfer of funds directly into their accounts.

## Part one: customer service

### The DWP business strategy

15. Our business strategy is being implemented by the Change Programme, introduced in 2006. Projects on the Change Programme have ensured significant progress towards our business strategy goals:
  - the Lean project is significantly increasing our capability to be more customer focused and responsive. For example:
    - the time taken to process a National Insurance number application has been reduced from 15 days to 8 days;
    - in the Flexible New Deal initiative in Hounslow Jobcentre Plus, restart advisers now conduct up to 600 interviews a month, an increase from 220 in September 2008. Customer interviews are conducted within two days, down by three weeks;
    - in the International Pensions Centre, new claims are now processed in 43 days compared to 56 days; and
    - the Jobcentre Plus North West Fraud and Customer Compliance Initiative is expected to save over £700,000 in running costs and £550,000 in incorrectly-paid benefit expenditure.
  - customers calling Jobseeker Direct now hear an automated message explaining how to apply directly to the employer. This will save them holding on to speak to a member of staff, increase efficiency for the business and give a better service to customers.
16. We have also piloted a number of other improvements in 2008-09, for example:
  - making calls to customers who are making the transition from working-age to pension-age benefits, to invite telephone claims for Pension Credit;
  - sending customers text message reminders, for appointments and updates on payments and claims; and
  - re-using customer data on notifications of change of address and method of payment so that they only need to tell us once about these important changes. For the bereaved we are capturing information from a single telephone call with the next of kin and applying that information across all DWP benefits.



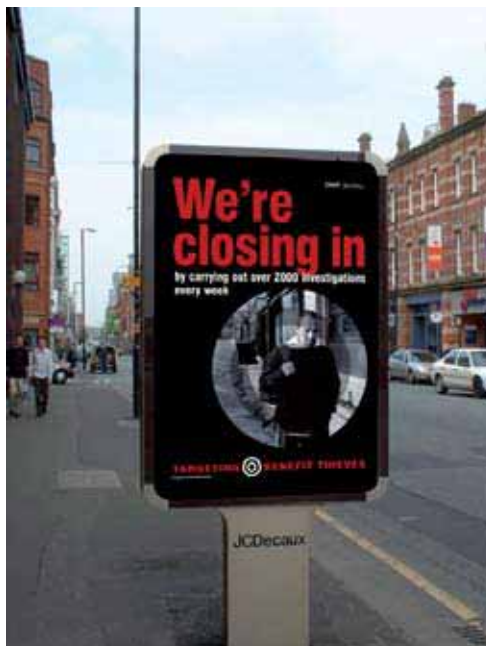
## Safeguarding benefits

### Fraud

17. Fraud, at 0.6 per cent of benefit spend, is at its lowest level ever. For the year ending March 2009 we identified over £156 million in overpayments. A key aim of our anti-fraud strategy is to deter people from committing benefit fraud in the first place. In 2008, we launched the latest phase of our anti-fraud media campaign, 'We're Closing In', which targeted working-age claimants who are tempted to commit benefit fraud.
18. We continued to detect fraud and error by matching our data against that held by other organisations. In particular, we tackled 'living together' fraud – the single biggest cause of fraud in Income Support – through matching our data with a credit reference agency.
19. We are also aiming to introduce a new sanction in the Welfare Reform Bill 2009 to remove or reduce benefit entitlement for a period of four weeks for all first offences of benefit fraud.
20. In their January 2008 report, *Progress in tackling benefit fraud*<sup>5</sup> the National Audit Office recognised that the Department had made substantial achievements in reducing fraud and noted that we are doing more to understand and tackle fraud and error than comparable countries.

**Michael and Christine Dalton** fraudulently claimed more than £38,000 in benefits over a 10 year period. The pair received prison sentences of five and a half years and three and a half years respectively.

**Bryan Smith from Newcastle-under-Lyme** was found guilty of fraudulently claiming almost £20,000 of benefits. An eight-month suspended prison sentence and 240-hour community punishment was issued and he will have to pay back all the wrongly claimed benefits.



<sup>5</sup> [http://www.nao.org.uk/publications/0708/progress\\_in\\_tackling\\_benefit\\_f.aspx](http://www.nao.org.uk/publications/0708/progress_in_tackling_benefit_f.aspx)

## Error


21. The Department applied just as much effort and rigour to the reduction of error in the benefits system. In 2008 we completed implementation of the Department's error reduction strategy *Getting Welfare Right: Tackling error in the benefits system*<sup>6</sup>.
22. The latest published National Statistics for the year ending September 2008 indicated that our error strategy was having a positive impact. Overall levels of official error now stand at 0.6 per cent of benefit expenditure, the lowest level since 2002-03 and official error in Income Support and Jobseeker's Allowance is at its lowest ever level. By December 2008, the error strategy had delivered around £290 million in benefit savings since its phased implementation in April 2007.
23. However, we recognise that underpayments at 0.9 per cent (£1.2 billion) are too high. To address this we are improving the information we provide to our customers via our websites, letters and leaflets, highlighting changes that could affect their benefit. We are also using our data matching strategies to identify such cases.

**Just moved or moving house?**

If you have moved or are moving house you need to tell us too. A change in your circumstances could mean a change in your housing benefit. There are many ways to tell us what's new – by phone, online or in person.

Call now to update your housing benefit claim  
**020 8496 3000**  
[www.walthamforest.gov.uk/tellustoo](http://www.walthamforest.gov.uk/tellustoo)

**If it's NEW TELL<sup>us</sup> too**



**NEW JOB?**

If you have a new job or are working different hours then you need to tell us too. A change in your circumstances could mean a change in your housing benefit. There are many ways to tell us what's new – by phone, online or in person.

Call now to update your housing benefit claim  
**020 8496 3000**  
[www.walthamforest.gov.uk/tellustoo](http://www.walthamforest.gov.uk/tellustoo)

**If it's NEW TELL<sup>us</sup> too**



## Benefit simplification

24. Following consultation during the summer, we published, in December 2008, our White Paper *Raising expectations and increasing support: reforming welfare for the future* which sets out our vision for radical reform of the benefits structure to reduce complexity and help customers understand both their rights and their responsibilities.
25. We continued to introduce simplifications which help to pave the way for more radical future reform. Developments in 2008-09 included:
  - implementing Employment and Support Allowance in October 2008;
  - rolling out Local Housing Allowance;
  - introducing a 'rapid re-claim' service for people who need to claim Jobseeker's Allowance again after a short period in work; and
  - regularising benefit paydays and benefit payment periods between the different benefit types, removing a long-standing source of confusion for customers and staff alike.

<sup>6</sup> [http://www.dwp.gov.uk/publications/dwp/2007/error\\_strategyPDFs/error\\_strategy\\_report.pdf](http://www.dwp.gov.uk/publications/dwp/2007/error_strategyPDFs/error_strategy_report.pdf)

## Tell Us Once

Tell Us Once is a cross-government programme that is looking at the feasibility of allowing people to inform government only once of a birth or death. The information will then be passed on securely to the other relevant central and local government departments so that customers do not have to repeat themselves or send several copies of a birth or death certificate to verify the event. The service is offered to people via face-to-face interviews or the telephone.

Trials ran from early 2008 in 13 local authorities and showed it was possible to share information securely with local authorities, DWP, HM Revenue and Customs, Identity and Passport Service and the Driver and Vehicle Licensing Agency. A decision about national rollout will be made in September 2009.

Feedback from customers who have used the service, and staff who have delivered it, is extremely positive. It has the potential to reduce overpayments as well as helping ensure that people are getting the benefits and services they are entitled to.

## Part two: Directgov

26. Directgov transferred to the Department on 1 April 2008. Directgov is the primary UK government website which aims to provide citizens with access to information and services across government that is both easily accessible and all in one place. Directgov is designed around citizen needs and brings together a variety of online services ranging from finding jobs, to renewing passports and booking driving tests. This makes it easier for citizens to do business with government, while also saving costs.

"I didn't know I'd be entitled to benefits until I came to Directgov. The support provided has helped me a great deal."

27. Directgov is central to transforming services for the citizen and its main priority is to move all public facing services on central government websites to Directgov by 2011.

"It [Directgov] made things easier and quicker, such as filling in an online form compared to printing and posting it"

28. Over the past year some of the key services added to Directgov include:

- a wide range of help for citizens during the economic downturn. As well as providing financial advice, Directgov has worked with Jobcentre Plus to provide a full range of information for people looking for work and improved access to the Jobcentre Plus skills and job search and job bank;
- services such as applying for a passport, finding out detailed information about income tax and benefits, and buying personalised vehicle registrations; and
- a launch on digital Freeview and on analogue via teletext. This will allow us to get to more difficult to reach groups and those less likely to have internet access (45 per cent of analogue teletext viewers have no internet access).

"I have just used Directgov for the first time (to renew my tax disc). I am thrilled with my experience on this website. It is simple, quick and easy. I managed to do what I needed to do in less than a minute."

29. In addition Directgov launched:

- around 15 campaigns for other government departments, saving the taxpayer an estimated £1 million on production, hosting and design costs; and
- a new 'innovation site' – [innovate.direct.gov.uk](http://innovate.direct.gov.uk) – to work with the developer community and harness new ideas about how to improve services to citizens.

## Part three: people

### Human resources

30. The Department focused on a number of key activities during 2008-09 to enable DWP to work better, with skilled and motivated people who understand our customers' requirements.

### People performance

31. The Department has undertaken a review of its performance management system for all staff below the Senior Civil Service (SCS). Following continued feedback on the value of the existing system, a consultation exercise involving staff at all grades and the trade unions was undertaken in autumn 2008 which sought views on how to improve performance management within DWP.
32. The new performance management system, People Performance, was introduced in April 2009. This system retains and enhances the positive elements of the previous system, including the setting of work objectives linked to competencies and production of development plans, with improved learning materials to improve the quality.
33. People Performance requires a cultural change to incorporate performance discussions into the day-to-day management role, with a focus on continuous performance management throughout the year and not just at the end of year process. It aims to bring in a learning culture, supported by the work being undertaken in the Skills Strategy. One of the key elements is to ensure that managers are undertaking active performance management and identifying performance issues at the earliest stage to support improvements.
34. An evaluation strategy is in place to identify areas to address and improve performance management within DWP.

### Learning and development

35. In 2008 we launched the DWP Skills Strategy to prioritise our learning and development investment. We increased our investment in apprenticeships and NVQ attainment. We also launched the DWP Leadership and Management Development Framework providing integrated development opportunities for all staff from Administrative Officer to SCS level. Within this Framework our 'Making A Difference' programme was rolled out to 7,000 first-line and middle managers, focusing on leadership and employee engagement.

### Back to the Floor

'Back to the Floor' is an ongoing initiative which gives senior leaders the opportunity to experience a front line role for a week, working with staff and discovering at first hand the issues they face in delivering a great service to customers. By the end of March 2009, the second year of 'Back to the Floor', there had been over 250 placements of senior civil servants in front line roles. They have worked in numerous offices and contact centres from Dundee to the Isle of Wight, Norwich to Northern Ireland, becoming more visible to staff and gaining a better understanding of the issues affecting all aspects of the Department. Feedback from businesses, the participants and front line staff shows that the 'Back to the Floor' experience has many positive benefits.

### Community 5000

Community 5000 gives staff the opportunity to volunteer for a day with a local voluntary or community organisation which is linked to the Department's customers.

The scheme is for people who want to learn more about our customers, make a real difference on behalf of charities and voluntary groups, or get involved in volunteering but aren't sure how to do it.

Volunteering opportunities are available during official work time. The Department aims to give 5,000 days each year to voluntary and community organisations working with and supporting our customers.

On Older People's Day on 1 October more than 100 staff helped older people in the community. Events ranged from organising a festival and dance party for older people in Newcastle, a gardening project in Leeds, painting communal areas of a day centre in Leicester, through to teaching new skills such as the internet in Swansea.

Hannah Malik from DWP Corporate Centre was one of those who volunteered. She says: "It's been great being able to talk to customers. The older people here are inspirational – they are really active in the community and making the most of retirement."

## Pay

36. The three year pay award, implemented in 2007, focused on shortening pay scales and increasing the rate of progression for staff. The Department held discussions with the trade unions to review the second year of the award. Those discussions resulted in only small changes and the second year of the award was paid on time in July 2008. The third year of the award will be paid on time in July 2009.

## Managing attendance

37. The Department's sickness absence level in 2008-09 was approximately nine days per staff year, which is an improvement of a day over the previous year's figure. This compares favourably to the Civil Service as a whole and the wider public sector. We are continuing to build on recent improvements by promoting a culture of good health, well-being and good attendance, including delivering a rolling programme of 'Live Well Work Well' events to be delivered across all DWP sites during 2009, following a pilot programme in Jobcentre Plus.

## Health and safety

38. In 2008-09 work has continued to embed a proportionate and holistic Health and Safety Management System based on the Health and Safety Executive's HSG 65 model. A Departmental network of Health and Safety Business Partners has helped to implement more effective health and safety controls and share best practice. The Department published its annual health and safety report<sup>7</sup> and received a Silver Achievement Award for Occupational Health and Safety from the Royal Society for the Prevention of Accidents. These awards are given to organisations that provide evidence of a good health and safety management system by answering a range of performance questions and supporting the answers with a portfolio of documentation.

## Staff survey

39. We conducted our annual staff survey in March 2009 with a 71 per cent response rate. The results showed a positive shift in most people's experience of working for DWP. Of 49 questions where we can compare directly with last year's survey, the results were better in 41 and down in only eight. For the third successive year, the overall trend is upwards.
40. Some of our consistent strengths are even more marked this year than last:
- 87 per cent feel they do an important job (up nine percentage points); and
  - 80 per cent feel clear about what is expected of them in their job (up five percentage points).
41. We have also improved significantly in some critically important areas:
- more people feel valued by their part of DWP: 38 per cent (up 19 percentage points);
  - more people feel it is safe to speak up and challenge the way things are done: 53 per cent (up 18 percentage points);
  - more people feel they have an opportunity to improve their skills in DWP: 42 per cent (up 15 percentage points); and
  - more people feel they are kept well informed about issues which affect them: 57 per cent (up 14 percentage points).
42. It is encouraging that perceptions of our customer service have also improved with 60 per cent believing that their part of DWP is committed to delivering a quality customer service (up six percentage points).
43. Overall, the results suggest that DWP is becoming a more engaged and customer-focused organisation, notwithstanding the challenging climate in which we are operating.

<sup>7</sup> <http://www.dwp.gov.uk/resourcecentre/DWPhandsannualreport2007-08.pdf>

44. That said, there are some important areas where we lost ground:
- fewer of our managers feel that their staff have the skills to deliver their objectives: 48 per cent (down 23 percentage points); and
  - fewer people felt that they understood how the Department's values relate to their job: 54 per cent (down 13 percentage points).
45. We are undertaking detailed work to understand better what lies behind these results so that we can take action on them. We will also seek to gain a deeper insight (in part through focus groups) into wider staff perceptions and expectations, especially in regard to the introduction of 'People Performance', learning and development and confidence in senior management and leadership. We will use this insight to influence and improve our approach and processes to performance management, leadership, and learning and development.
46. In previous years we took direct action to respond to staff survey feedback, most notably the introduction of the new 'People Performance' process and the establishment of our engagement and leadership initiatives 'Back to the Floor' for senior colleagues and 'Community 5000' for all staff.

## Workforce management

47. Over the course of the year we actively worked with other government departments to redeploy staff into Jobcentre Plus, to supplement our own internal transfers.

### Jobcentre Plus – Recruitment

Because of the recession, Jobcentre Plus has recruited an additional 4,000 staff in 2008-09 to help support those most directly affected.

Some of those affected by job losses have directly benefited from the Department's recruitment campaign. Jamie Buchanan was made redundant with the closure of Woolworths at the turn of the year. However, he joined Jobcentre Plus at the start of April, and is training to become a personal adviser in Eastleigh Jobcentre Plus.

## Diversity

48. The Department's strategic goals are:
- to ensure that diversity and equality of opportunity are an integral part of its work; and
  - to support the delivery of Public Service Agreements which address disadvantage that individuals experience because of their gender, gender identity, race, disability, age, sexual orientation or religion or belief.
49. Our race, disability and gender equality scheme annual progress report<sup>8</sup> details information about our progress on diversity and equality issues.

<sup>8</sup> <http://www.dwp.gov.uk/aboutus/equalityschemes/>



## For customers

50. During 2008-09 we published revised race, disability and gender equality schemes, while ensuring that the commitments made under previous schemes continued to be progressed. As part of the Disability Equality Duty we continued to implement our strategy for customer involvement in the Department's business.
51. In 2008-09 the Department set up the Equality Schemes Customer Reference Group, a key stakeholder engagement group which meets twice a year and is involved as part of the wider DWP consultation on equality issues.
52. We also:
- achieved the 'Gold' standard in the 2008 Race for Opportunity benchmark exercise, coming second in the top performers in the public sector. Race for Opportunity is a network of private and public sector organisations working across the UK to promote the business case for race and diversity;
  - published our first report showing how DWP is helping disabled people to achieve equality<sup>9</sup>;
  - held a number of events for staff which provided an opportunity for them to understand how diversity and equality impacts on their role – and how this work could make a difference to the lives of their customers and colleagues; and
  - held an awards ceremony which recognised staff achievements in the field of diversity.
53. We continue to ensure that our equality impact assessment guidance remains up to date and reflects case law and industry best practice and that our staff are confident in undertaking equality impact assessments. Between January 2008 and January 2009, the Department undertook 146 equality impact assessments.

## For staff

54. During 2008-09 we continued to work to understand the barriers to progression to the Senior Civil Service and explored the possibility of further mentoring to achieve better representation of diversity. We improved the learning and development material available to staff, and promoted the take-up of our childcare salary sacrifice scheme to help staff meet the costs of childcare. Over 1,400 staff now use the scheme, which can save them up to £1,195 per year.
55. Progress on our staff representation rates is contained in the race, disability and gender equality scheme annual progress report, together with new targets to be met by March 2011<sup>10</sup>. Between 2002 and 2009 we achieved an increase in female staff at Grade 6 and Grade 7 of over 20 per cent and more than doubled the representation rates for ethnic minority staff at grades HEO, SEO, Grade 7, Grade 6 and the Senior Civil Service.

<sup>9</sup> <http://www.dwp.gov.uk/publications/dwp/2008/sos-report-on-disability-equality.pdf>

<sup>10</sup> <http://www.dwp.gov.uk/aboutus/equalityschemes/>

56. During 2008-09 the Department:

- piloted a range of mentoring initiatives including reverse mentoring and mentoring circles; and
- developed our Equality Action Plan which supports the delivery of the Civil Service Diversity Strategy.

“I found it enlightening to see what life was like for my mentor, who is both partially sighted and has limited hearing. The adjustments she needs to read her computer screen and hold telephone conversations. Some ways of working I take for granted, such as teleconferences, are difficult and she just takes this in her stride and gets on with her job. I have been able to spend some valuable ‘back to the floor’ time with her in an area [child maintenance] I was not familiar with.”

**Tony Kuczys, reverse mentee, Assistant director, finance policy**

“I found the process to be a fascinating insight into how decisions are made at the top of the civil service. I found Tony to be more of a partner than a mentee, particularly in the development of new initiatives to improve diversity within the department. It is refreshing to work with someone who is keen to make a difference which offers hope for the development of future diversity policies and practices within DWP”.

**Charlotte Smith, reverse mentor, Front line staff at Birkenhead Child Support Agency Centre**

## Part four: resources

### Finance strategy

#### Finance and commercial

57. Our strategic goal is to be a respected and well run department with financial, planning and commercial services of very high quality, delivered by skilled professionals to deliver value for money.

#### The Chartered Institute of Public Finance and Accounting (CIPFA) Financial Management Model

58. The Department benchmarked its financial management capability against the CIPFA Financial Management Model to assess progress since the previous assessment in 2005-06.
59. The model is an external standard of public sector best practice comprising 37 statements of good practice organised into 12 high level categories of performance. The outcome of the 2008 survey showed improvements in the Department's capability in seven of the 12 high level categories.

#### Commercial approach

60. The Department's commercial performance was recognised as best in class by the Office of Government Commerce (OGC) Procurement Capability Review process. For the seventh year running, in 2007-08 the Department made the biggest contribution, £681 million, to OGC targets to deliver value for money savings. Our targets for paying invoices are 90 per cent for payment in 10 days and 96 per cent for payment in 30 days; performance was 92 and 99 per cent respectively.
61. As a result of improving our procurement capability and taking action to reduce demand, including a Supplier Relationship Management programme, the total annual expenditure with external suppliers reduced from £4.3 billion in 2006-07 to £3.8 billion in 2008-09.
62. Our commercial function was cited by the National Audit Office as an exemplar of best practice in their report<sup>11</sup> into central government's management of services contracts. The report highlighted our excellent capability in the areas of supplier relationship management and risk management.

#### Shared Services

63. Shared Services, a separate entity at arms length from the Department, continues to make savings by combining many financial and human resource functions. Cumulative savings over the last three years total £98 million, which equates to around 1,500 frontline staff.

<sup>11</sup> [http://www.nao.org.uk/publications/0809/central\\_governments\\_managemen.aspx](http://www.nao.org.uk/publications/0809/central_governments_managemen.aspx)

64. This success has already led to us providing a standard financial and HR service to the Cabinet Office. We are preparing to provide a service to the Department of Children, Schools and Families and are seeking similar arrangements with other government departments.

### Financial inclusion

65. The Department supported the work of HM Treasury and the cross-government Financial Inclusion Task Force to increase financial inclusion.
66. Almost 160,000 affordable loans, with a value of over £63 million, have been made to people on low incomes through DWP Growth Fund-supported credit unions and community development finance institutions. A further £18.75 million Growth Fund investment was announced in the 2009 Budget. By investing £3.5 million, we are increasing the skills of the people who work in these organisations through a major infrastructure and training initiative. In November 2008 the DWP Growth Fund team won the Government Finance Profession Award for Innovation in Government.

### Benefit payments

67. The Department now pays some 98 per cent of its customers in Great Britain by electronic transfer of funds directly into their accounts. In addition, customers resident in 37 countries overseas are paid by electronic transfer.
68. During the year we announced that a new contract had been awarded to Post Office Ltd for running the Post Office Card Account (POCA). The contract will provide an enhanced service to our POCA customers while achieving significant savings for the Department.
69. In 2008-09 we developed a Disaster Emergency Payment System, which would be capable of generating payments to the majority of direct payment customers and staff if the Department's core systems infrastructure were lost by an unforeseen, catastrophic event.

### Raising productivity

70. The introduction of Activity Based Management (ABM) is helping to improve productivity and value for money within Jobcentre Plus. By better understanding the operational activities that drive costs within the business, Jobcentre Plus has managed to drive higher consistency in performance across locations. ABM also contributed to the ability of Jobcentre Plus to forecast with greater accuracy and thereby manage increased volumes. Activity Based Management will be implemented in the Pension, Disability and Carers Service in 2009-10.

### Improving financial control

71. The Department continues to make good progress in improving financial control, with the National Audit Office lifting the qualification of the Resource Accounts in respect of benefit overpayment debt in 2007-08, and reducing the scope of their qualification in respect of fraud and error.

## Increasing risk management capability

72. Risk management has played an important part in shaping the Departmental Board and Executive Team agendas this year and has been at the heart of our response to the economic recession, enabling the Department to take timely action to mitigate impacts.

## Achievements from financial and commercial activity

In 2008-2009 these include:

- Over 718 million direct payments issued with a value of approximately £136 billion.
- Customer Conversion and Migration Service moved 150,000 benefit and tax credit recipients to direct payment.
- European Commission awarded Risk Assurance Division (RAD) a 'Contract of confidence' for the European Social Fund audit – a first in Europe.

## Recognition of the Growth Fund

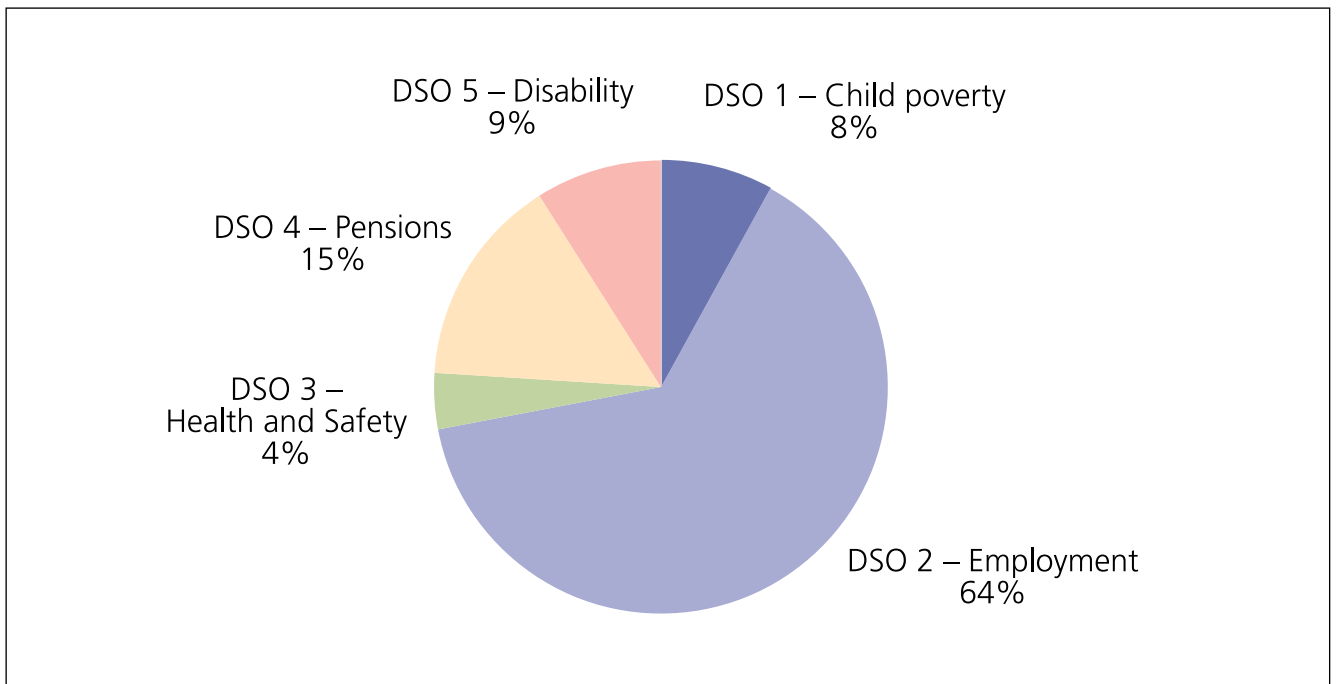
Colin Purtill and John Cray from the DWP Financial Inclusion Team were invited to a reception hosted by the Prime Minister at Downing Street to recognise the real help that the Growth Fund is making in local communities across Great Britain. This work is all the more important as people struggle with the impact of the economic downturn. Colin said, "The Prime Minister thanked everyone involved for providing this service to vulnerable people, especially in this time of economic crisis".



### Departmental Expenditure Limit (DEL) resources

73. Subject to audit, the following charts show how DEL expenditure in 2008-09 was distributed across strategic objectives, business functions and category of spend.

Figure 1: Resource by Departmental Strategic Objective



74. Resource is attributed across our first five Objectives which cover 'what' we are here to deliver, rather than 'how', which is covered by our DSO 6 (Pay our customers the right benefit at the right time) and DSO 7 (Make DWP an exemplar of effective service delivery to individuals and employers).

Figure 2: Resource by major business

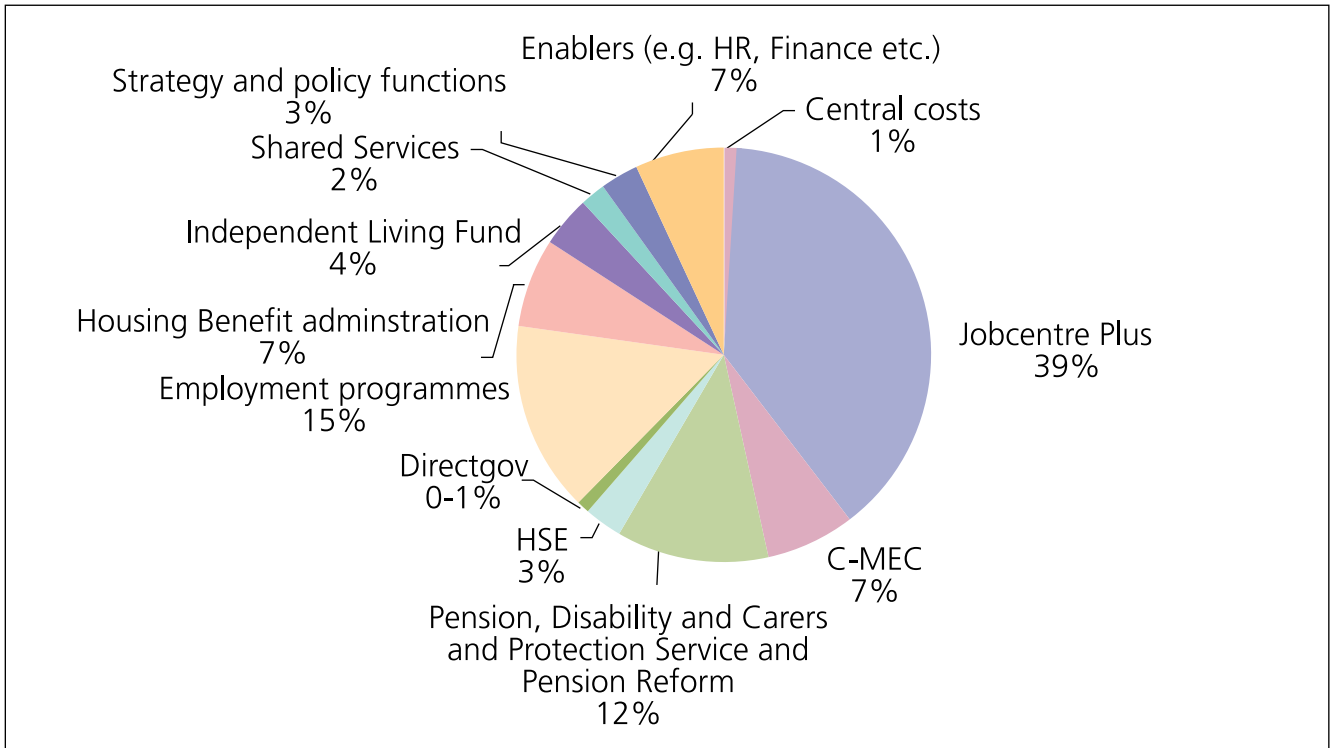
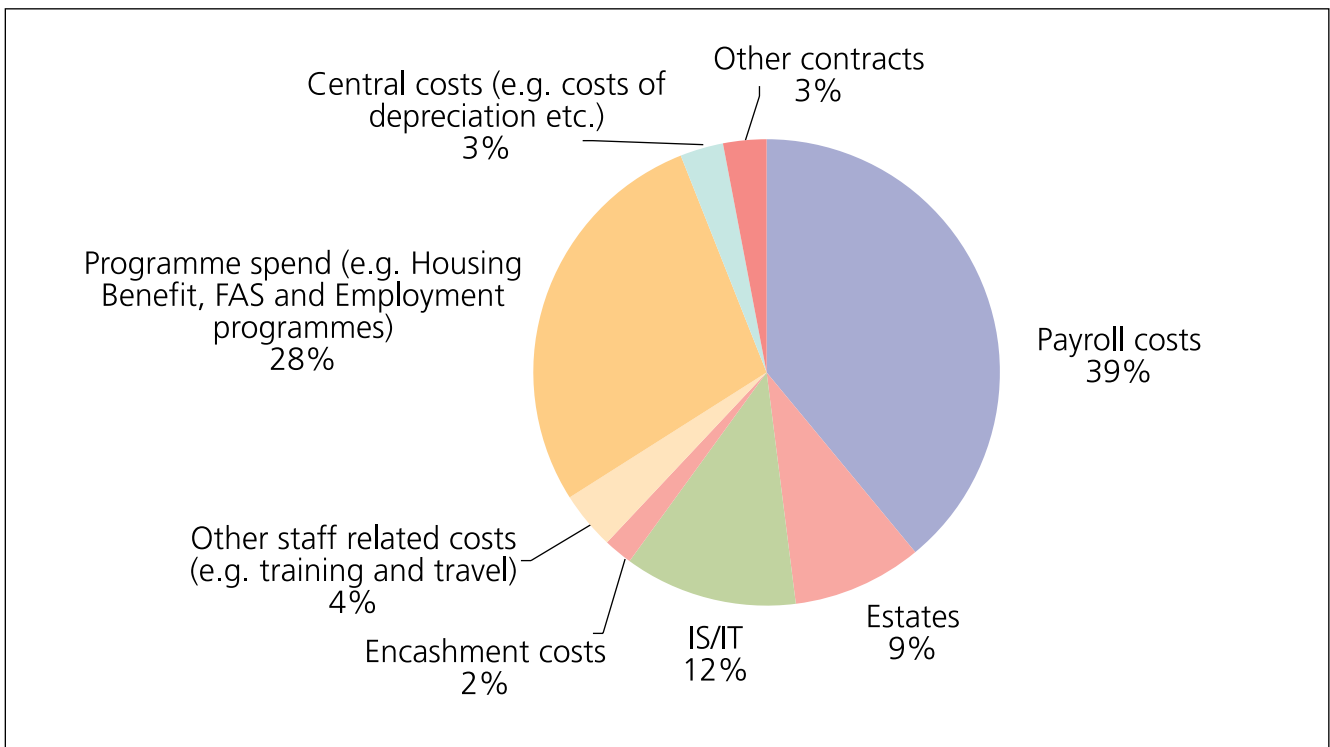


Figure 3: Resource by category of spend



## Value for money

75. Over the 2007 Comprehensive Spending Review period the Department is committed to making efficiencies in 'back office' operations in order to redeploy the resource freed up into customer-facing frontline services. This will deliver net cash-releasing efficiency savings of around £1.4 billion<sup>12</sup> by 2011. The Department has published a delivery agreement<sup>13</sup> detailing the strategy for delivering value for money savings and is on track to reach the planned level of savings by the end of the CSR07 period. Already during 2008-09 we have delivered efficiency savings of £581 million; these gains are cash-releasing, sustained and reported net of costs.
76. Approximately £300 million of the efficiencies already achieved are through increases in staff productivity, made possible by changes brought about by the Business Strategy and other front-line process improvements. These have improved both the way the Department does business and the service offered to customers. For example, the Department's Information Flows Programme delivered real improvements to the administration of Housing Benefit and Council Tax Benefit, contributing to efficiency savings of £28 million in real terms.
77. Other savings have been made through developments described elsewhere in this chapter, including the establishment of a Shared Services organisation to provide shared corporate services to the Department, its executive agencies and other government departments, and implementation of the Department's Estates Strategy which saved £29 million in 2008-09.
78. It is estimated that in 2008-09 the Department saved around £26 million from the implementation of the Change Programme.

## IT

79. The Department's IT strategy is to deliver effective IT systems and services that will help it to deliver exemplary service to its customers.
80. During 2008-09 the Department developed new advanced technological solutions while maintaining and making improvements to existing systems that have contributed to an overall improvement in the service provided to our customers. This included:
  - increasing the overall reliability of our 25 key business systems, consistently achieving a near 100 per cent availability;
  - equipping more than 100 contact centres with a secure and reliable telephone system which has enhanced our ability to provide customers with the right information at the right time. This has enabled us to effectively manage the increased call volumes arising from the recession while maintaining good call-answering performance;

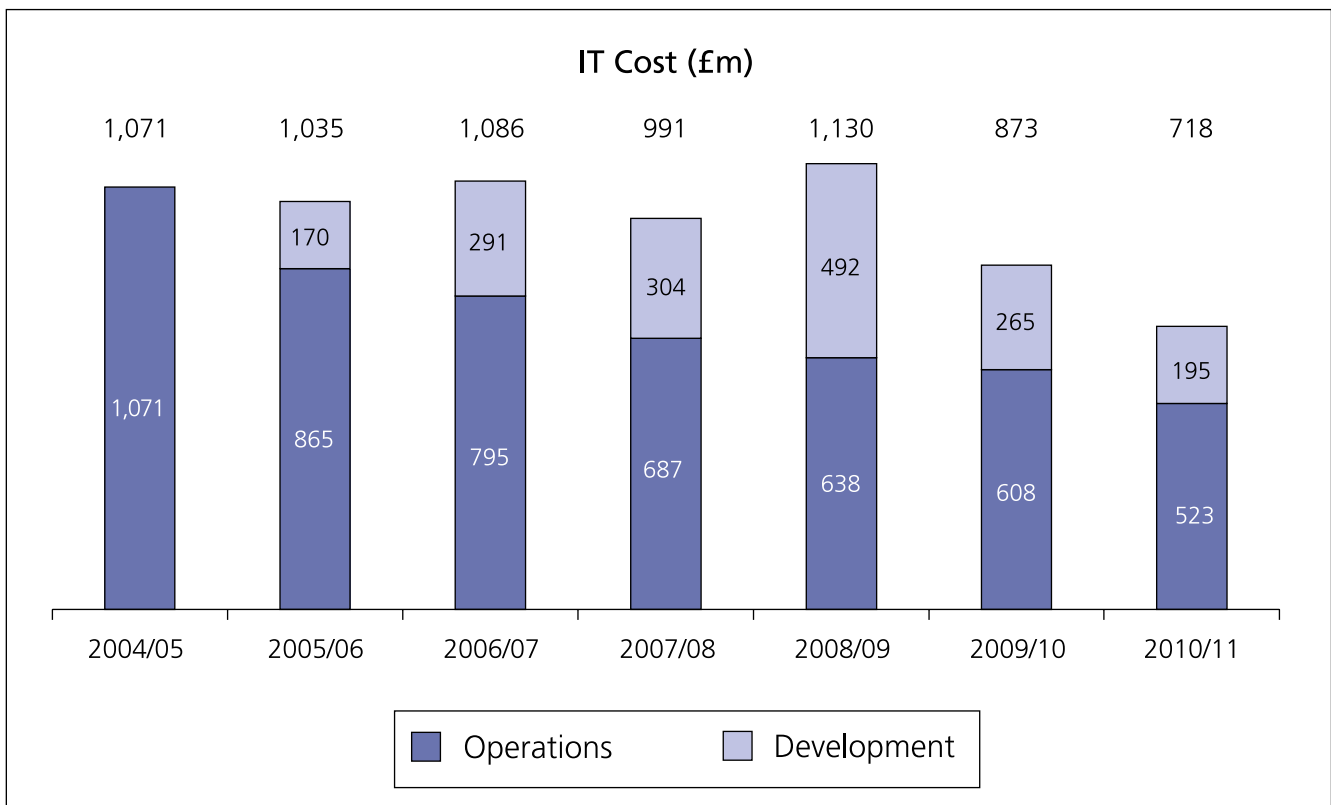
<sup>12</sup> These savings, which do not include any of our over-delivery against SR04 targets, will be reviewed by the National Audit Office, which will report on each department's efficiencies during the 2007 CSR period.

<sup>13</sup> <http://www.dwp.gov.uk/publications/dwp/2009/delivery-agreement-may-2009.pdf>



- launching a range of new online services. Customers now have access to entitlement advice for up to 28 benefits, pensions and credits, and guidance on how to claim them through a 'Benefits Adviser Service';
- delivering the IT to support the introduction of the new Employment and Support Allowance for Jobcentre Plus customers;
- implementing arrangements to allow the secure transfer of data between the Department and local authorities; and
- continuing to seek cost efficiencies. The Department's expenditure on IT decreased from £1,071 million in 2004-05 to £991 million in 2007-08, and remains on track to reduce further to £718 million by 2010-11.

Figure 4: Recent and forecast IT expenditure



Note: the figures available for 2004/5 do not distinguish between development and operations.

Figure 5: The Department's key IT-enabled projects

| Project   | Purpose and achievements to date  | Start date   | Current expected completion date | Current forecast cost £m | Expenditure to date £m |
|---|---|--------------|----------------------------------|--------------------------|------------------------|
| Pensions Transformation Programme<br>(ongoing)  | A transformation of the Pension Service, bringing together business and IT change to improve customer service and deliver efficiencies.   | January 2002 | 2010-11                          | 600                      | 565                    |
| Central Payment System<br>(ongoing)             | A modern, integrated central payment engine and accounts payable system to improve accounting for benefit/pension payments, reduce risks of service failure, increase speed and efficiency, provide information for improved customer service and reduce fraud and error. | April 2004   | December 2011                    | 178                      | 55*                    |
| Customer Information System<br>(completed)      | A database of customer information, replacing two previous customer information systems (the Personal Details Computer System and Departmental Central Index). It now has wide application across the Department and central and local government.                        | July 2003    | December 2008                    | 87                       | 87                     |
| Employment and Support Allowance<br>(completed) | The system and processes to implement the new ESA allowance.  | August 2006  | October 2008                     | 285                      | 256                    |
| CSA Operational Improvement Plan<br>(completed) | Operational and organisational restructuring of the Child Support Agency to deliver more money to more children.  | April 2006   | March 2009                       | 320                      | 320                    |

\* The figure of £74m in the 2008 Departmental Report was incorrect. It should have been £47m

Note: The table includes only those key projects which are predominantly IT-enabled.

### DWP Corporate IT team

In the 2008 Government Computing Awards, DWP's Corporate IT team won the runner-up award in the category of 'Best project – delivering efficiency' for their work in transforming Jobcentre Plus contact centres, including the new virtual network telephony system.

Lynne Ellis, the virtuality project manager said: "Receiving this award is wonderful recognition of the success of this project. We could not have delivered these business process improvements without the full support of our IT people. I'm really proud to be involved in a project which has made use of 21st century technology to improve our customer experience."

The Government Computing Awards are supported by the Cabinet Office, the Society of Information Technology Managers and the British Computer Society.

## Estate

81. The Department currently delivers its services through a network of just over 1,000 offices. The initial strategy for the 2007 Spending Review period was to reduce our estate by up to 400,000 square metres while ensuring that its size and nature enabled us to deliver the services our customers expect, whether online, by telephone or through face to face contact. In 2008-09 we vacated 99 properties and partially vacated workspace in 24 other properties, releasing a total workspace of 147,000 square metres and saving £29 million.
82. The economic downturn means the Department needs to employ significantly more staff than originally planned, which in turn means we need more estate. This has caused us to change our CSR07 estate divestment plans to retain some jobcentres which were previously earmarked for disposal. However, where estate is not used for customer-facing activities or is not required to deal with increased volumes, it is still being divested.
83. The Department was short-listed for the Whitehall and Westminster World 'Knowledge Management and Analysis Award' for its work in optimising the estate using outputs from internally-developed modelling tools.
84. We met all our milestone commitments within the Office of Government Commerce 'High Performing Property' programme. In particular we were able to provide evidence to merit a capability assessment rating of 'Excellence' in all property asset management categories.



## Chapter 3: Other items of interest

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### Key facts

- carbon emissions from offices have reduced by over 11 per cent;
- we launched four full public consultations in 2008-09;
- we provided about £320 million of ESF funding to projects which helped over 800,000 people improve their employability and skills; and
- we answered over 17,000 letters to ministers from members of the public.

## Sustainability

85. The Department's sustainable development strategy and targets are set out in our *Sustainable Development Action Plan 2007-2010*<sup>14</sup>. Progress against the plan was published in the *2008 Sustainable Development Annual Report*<sup>15</sup>.
86. Working with our partners, Trillium, a key priority has been to reduce carbon emissions from energy consumption. Energy-saving projects continue, such as installing under-sink water heaters and low energy lighting. We are continuing feasibility studies into combined heat and power installations, although some micro-generation options have proved not to be financially viable. In the first nine months of 2008-09 energy consumption fell by 14 per cent in our largest 300 Trillium buildings (which consume 75 per cent of total DWP energy) compared to 2005-06 and in the last year carbon emissions from offices have reduced by over 11 per cent.
87. In the past year a series of targeted internal communications to staff has resulted in a significant reduction in the number of staff using their own cars for business travel and an increase in the use of telephone conferencing by approximately 23 per cent compared to the same ten-month period of the previous year. Work continues with suppliers, seeking low emission vehicles and conversion of some air routes to rail only.
88. Procurement of sustainable goods and services is becoming firmly embedded by the application of the Department's mandatory Sustainable Procurement Risk Assessment Methodology to all new and existing contracts. Engagement with suppliers has encouraged examination of the supply chain, spreading sustainability beyond the bounds of the Department and influencing the wider community.
89. Active staff participation in management of waste and recycling has meant that the target to increase waste recycling to 40 per cent of our waste by 2010 has already been exceeded. In February 2009 our recycled figure was 66 per cent, a two percentage point increase on 2007-08.

### DWP Swap Shop

Hailed as best practice across government, the Department's intranet-hosted swap shop is helping to redistribute surplus or unwanted goods across the Department, saving money and avoiding unnecessary waste being sent to landfill. The Sustainable Development Commission has highlighted the DWP swap shop as a case study in the 2008 report *Sustainable Development in Government*<sup>16</sup>.

<sup>14</sup> [http://www.dwp.gov.uk/sus-dev/2007/502273\\_DWP\\_SusDev\\_AnRpt\\_AW2.pdf](http://www.dwp.gov.uk/sus-dev/2007/502273_DWP_SusDev_AnRpt_AW2.pdf)

<sup>15</sup> <http://www.dwp.gov.uk/sus-dev/2008/annual-report-2008.pdf>

<sup>16</sup> [http://www.sd-commission.org.uk/publications/downloads/SDiG\\_REPORT\\_08.pdf](http://www.sd-commission.org.uk/publications/downloads/SDiG_REPORT_08.pdf)

## Better regulation

### Introduction

90. The Department is not a major regulatory department, and the majority of its regulation involves social security benefits. Nevertheless, the Department is committed to reducing the burdens it places on all its customers wherever possible. We develop policy and services to ensure that, when we regulate, we do so with a light touch and in a way that does not create unnecessary burdens for business, customers or staff.
91. The Department's better regulation activity is focused on:
- ensuring that new legislation, including EU legislation, strikes the right balance between avoiding unnecessary burdens and protecting the interests of citizens;
  - simplifying policies and processes as they are developed; and
  - reducing existing burdens whenever possible.

### Governance

92. The Department's Better Regulation Minister promotes the better regulation agenda at ministerial level in the Department. At board level, the Director General of Strategy, Information and Pensions oversees better regulation in the Department.
93. The Better Regulation Stakeholder Group, chaired by the Better Regulation Minister, enables the Department to work with its major stakeholders on better regulation and benefit structure issues. The Group includes representatives from employers' organisations, large and small businesses, trades unions and the voluntary sector, and engages directly with policy officials, especially on administrative burden reductions and simplification.

### Administrative burdens

94. The *2008 Simplification Plan*<sup>17</sup> shows that we have already exceeded our target to reduce the administrative burden of regulation by 25 per cent between 2005 and 2010. To achieve this target it was necessary to reduce the administrative burden of regulation by £118 million per annum, net of any increases brought about by new regulation.
95. We delivered administrative burden reductions of £69 million per annum in 2008 through changes to regulation relating to employers' liability compulsory insurance, statutory sick pay and occupational pensions. We have now delivered cumulative net reductions totalling £136 million per annum, a reduction of 29 per cent since 2005.

<sup>17</sup> [http://www.dwp.gov.uk/aboutus/better\\_regulation/simplification-plan-08.pdf](http://www.dwp.gov.uk/aboutus/better_regulation/simplification-plan-08.pdf)

96. The Department's agencies and independent regulators and the Health and Safety Executive also follow the principles of better regulation. The Pensions Regulator was established in line with the principles of the Hampton report, *Reducing administrative burdens: effective inspections and enforcement*, and this has ensured that work-based pension regulation uses a flexible and proportionate regulatory approach.

## Impact assessments

97. The Department continues to achieve full compliance with the impact assessment process. The process has been embedded into the Department's policy development process, with increased involvement of economists, so providing an important focus on the costs and benefits of proposals.
98. During 2008-09, one Bill was introduced to Parliament and 99 orders and sets of regulations were brought forward, but not all required an impact assessment because they did not have a significant impact on business, charities or the voluntary sector. Six full impact assessments (five of which related to reduced burdens) were published by the Department.

## Working with others

99. DWP consultations, and the Government's response to the comments received, are published on the Department's website.
100. The Department launched four full public consultations in the year ending 31 March 2009, each of which complied with the Cabinet Office's code of practice on consultation<sup>18</sup>. In nine other instances, in line with best practice from the code, Ministers exercised their discretion to conduct limited consultation exercises for more specialised issues or where proposals had been subject to a previous full public consultation.
101. The Department continues to apply the Government's policy that domestic regulation which impacts on business should commence on one of two dates (6 April and 1 October) each year. It is, however, sometimes necessary to introduce legislation slightly earlier than 6 April in order to tie in with the commencement of the Pension Protection Fund's accounting year (1 April).

## International work

102. The Department plays a key role in representing the UK's interests in the European Union (EU) and the wider international community. The Department has overall budget and management responsibility for European Social Fund (ESF) programmes in England which support policies that seek to achieve employment opportunity for all in England. Policy responsibility for the programme is shared with the Department for Children, Schools and Families and the Department for Business, Innovation and Skills, through the Joint International Unit (JIU).

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<sup>18</sup> DWP consultations: [www.dwp.gov.uk/resourcecentre/consultation\\_papers.asp](http://www.dwp.gov.uk/resourcecentre/consultation_papers.asp)

103. JIU supports the three departments in supporting and promoting the Government's policies on education, skills and employment, and social policy. It also helps to ensure that those developing new domestic policy are informed about what works in other countries. The Unit also provides advice on our EU and international legal obligations.

## Representation

104. During 2008-09 the Department has:

- worked within the EU and with other countries to share practical approaches to common challenges, such as extending working lives to manage an ageing population, tackling the causes of poverty, and responding to the economic crisis;
- negotiated EU legislation, including: Social Security Coordination, which has now been agreed in principle, changes to the European Globalisation Fund, and a directive on spouses of the self-employed;
- responded on the UK's behalf to the European Commission's renewed Social Agenda, which contributes to debate around the European economic agenda after 2010, and the EU budget post-2013;
- as part of the EU's jobs and growth strategy, secured recognition of national measures for unemployed people and the need for increasing skills levels, including a commitment to a regularly updated European Skills Assessment;
- represented the UK at International Labour Organisation (ILO) negotiations on the Declaration on Social Justice for a Fair Globalisation. This has now been adopted and will influence ILO activity, particularly through the Decent Work Agenda; and
- supported the UK Government's interests through the work of the Organisation for Economic Co-operation and Development, Council of Europe, United Nations, G8 and G20, including organising an International Jobs Conference before the London Summit of G20 countries.

## Managing the European Social Fund (ESF)

105. During 2008-09 the Department has:

- provided about £320 million of ESF funding to projects to complete work under the 2000-2006 programme. These projects helped over 800,000 people improve their employability and skills. About 55 per cent of participants were in work or entered further training when they completed their ESF-funded provision;
- allocated about £770 million of ESF funding to 750 new projects which will operate in the first half of the 2007-2013 programme. Most of the projects are co-financed by the Department and the Learning and Skills Council. They are addressing two key priorities: extending employment opportunities to disadvantaged people, and developing a skilled and adaptable workforce; and



- made available a further £158 million of ESF funding from the current programme for projects to provide employment advice and re-training to people affected by the economic downturn.

“Becky registered with the [Seeing the Potential] project having minimal work experience. The Royal National Institute of the Blind made regular appointments with Becky to provide assistance with application forms and cover letters.”

**Diane Sullivan, employment officer on Becky Kenton**

“I started a voluntary placement in an office and three months later, I had gained the skills and confidence to secure a full-time job as a trainee administration assistant.”

**Becky Kenton, 19 years old and visually impaired, in August 2008 enrolled in the ESF-funded Seeing the Potential project**

## Citizen redress and complaints to the Ombudsman

### DWP complaint resolution

106. The Department’s agencies have well-developed processes for dealing with complaints, but continue to work towards improving awareness and accessibility of the complaints process. Details of how to complain and arrangements for redress are included on agency websites and in leaflets which are available from Jobcentre Plus, the Pension, Disability and Carers Service and local Citizens Advice Bureaux. Agency websites explain how customer feedback is being used to improve service delivery.
107. In 2008-09, the Department recorded 87,760 complaints (of which 16,386 relate to the Child Support Agency which, from 1 November 2008, has come under the authority of the Child Maintenance and Enforcement Commission). Most complaints are quickly resolved at a local level but where this does not prove possible they can be escalated. The most common categories of complaints were<sup>19</sup>:

For the Pension, Disability and Carers Service:

1. You take too long (1,209)
2. You got it wrong (921)
3. You haven’t given me the information for my needs (311)

For Jobcentre Plus:

1. Follow up – this is when the customer is not satisfied with the initial response to the complaint or will not accept the initial response (826)
2. Incapacity Benefit (412)
3. Benefit entitlement (general, all benefits) (395)

<sup>19</sup> Jobcentre Plus complaints categories are not comparable with PDCS ones. For 2009-10 both agencies are recording in the same way and this will be reported next year.

108. A customer who remains dissatisfied after receiving a final response from the Agency can ask the Department's independent complaints reviewer, the Independent Case Examiner (ICE), to investigate.
109. In 2008-09 the ICE dealt with 1,686 complaints including 1,251 complaints about the Child Support Agency. In 1,086 (64 per cent) of those cases, the ICE brokered an agreement between the parties, removing the need to carry out a full investigation. Of the remaining 600, ICE fully or partially upheld 247 (41 per cent).
110. Each Agency compensates customers for additional costs, losses or other effects of maladministration. In 2008-09, 27,305 ex gratia compensation awards totalling £7 million were made under these arrangements.

## Complaints to the Ombudsman

111. In her annual report published in October 2008, the Parliamentary and Health Service Ombudsman reported that in 2007-08 her office had received 2,574 complaints about the Department for Work and Pensions. Not all complaints referred to the Ombudsman are investigated: for example because they are referred prematurely, are outside the Ombudsman's jurisdiction, show no evidence of injustice resulting from maladministration or were resolved without recourse to full investigation. In 2007-08 the Ombudsman investigated and reported on 118 complaints about the Department.

**Figure 6: Parliamentary and Health Service Ombudsman's Annual Report 2007-08**

| Department or Agency             | Complaints reported on by the Ombudsman | Percentage of complaints fully or partly upheld |
|----------------------------------|---|---|
| Jobcentre Plus                   | 52                                      | 67  |
| Child Support Agency             | 28                                      | 90  |
| The Pension Service              | 13                                      | 69  |
| Debt Management                  | 8                                       | 88  |
| Independent Case Examiner        | 7                                       | 14  |
| Disability and Carers Service    | 6                                       | 66  |
| Department for Work and Pensions | 2                                       | 50  |
| Health and Safety Executive      | 2                                       | 100   |
| <b>Total</b>                     | <b>118</b>                              | <b>71</b>                                       |

The Ombudsman's report provides further detail<sup>20</sup>.

<sup>20</sup> [http://www.ombudsman.org.uk/improving\\_services/annual\\_reports/index.html](http://www.ombudsman.org.uk/improving_services/annual_reports/index.html)

## Consultancy and staff substitutes

112. The Department's consultancy and interim personnel spend reduced steadily between 2003-04 and 2007-08. Reported expenditure increased in 2008-09 because figures for Directgov and Government Connect, previously attributed to the Cabinet Office, are included, as are one-off costs associated with setting up the Personal Accounts Delivery Authority and the Child Maintenance and Enforcement Commission.

**Figure 7: Departmental expenditure (including VAT) on externally acquired staff resources**

| Description                    | 2003-04<br>(million) | 2004-05<br>(million) | 2005-06<br>(million) | 2006-07<br>(million) | 2007-08<br>(million) | 2008-09<br>(million) |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Management Consultancy         | 223.4                | 98.6                 | 77.6                 | 116.8                | 47.4                 | 72.8                 |
| IT Consultancy                 | 83.4                 | 69.7                 | 52.7                 | 45.9                 | 29.1                 | 22.4                 |
| Interims (Staff Substitutions) | 51.5                 | 53.0                 | 53.0                 | 62.0                 | 30.3                 | 57                   |
| Professional Services          | 54.3                 | 104.7                | 7.7                  | 31.2                 | 18.9                 | 18.9                 |
| Casuals/Temps                  |                      | 19.6                 | 19.6                 | 14.7                 | 6.5                  | 3.7                  |
| <b>Total</b>                   | <b>412.6</b>         | <b>345.6</b>         | <b>210.6</b>         | <b>270.5</b>         | <b>132.2</b>         | <b>174.8</b>         |

## Sponsorship

113. Government departments are required to publish details in their annual reports of any sponsorship received which exceeds £5,000. During 2008-09 the Department received sponsorship of around £6,900 from Royal British Legion Industries and around £7,000 from Work Directions. Both organisations contributed towards the costs of a number of launch events for provider-led Pathways to Work programmes.

## Ministerial correspondence from members of the public

114. When a member of the public writes to one of the Department's Ministers, the letter may be replied to by an official on their behalf. Between January and December 2008, 17,331 replies were sent on behalf of Ministers, of which 72 per cent were sent within the target of 20 working days.

## Communications and marketing

115. The Department's communications strategy centred on four key challenges:

- supporting people back to work;
- planning and saving for later life;
- ensuring our customers claim the benefits they are entitled to and are discouraged from making fraudulent claims; and
- engaging employers, staff and stakeholders in support of our DSOs and how the Department is changing.

116. In 2008-09 the strategy was delivered through marketing campaigns, publication of magazines, reports and White Papers that supported delivery of the Department's strategic objectives, and conferences, including a major Jobs Summit in January 2009, hosted by the Prime Minister and attended by over 125 employers, business representatives and skills providers.

117. Other major achievements in 2008-09 include:

- persuading more of our customers to seek, progress and stay in work, through our Lone Parent and Job Search campaigns;
- challenging the attitudes of employers towards disabled people or those with health conditions through our Employability campaign;

- delivering a groundbreaking, multi-media 'Find your way back to work' campaign, which is helping people acquire the training and support they need to move from benefits back into work. The campaign recognises the need to communicate with a new set of customers because the current downturn affects people who have not traditionally been customers of Jobcentre Plus;



- supporting the launch of the new Employment and Support Allowance, ensuring our staff and customers understand the new benefit;
- continuing the successful campaign to target benefit fraud and abuse by re-launching the campaign – 'We're closing in'; and
- improving communications with our staff. Year on year the percentage of staff who feel they are well informed continues to increase; this year alone there was a 14 percentage point increase. Our security awareness campaign proved to be a significant success with 94 per cent of respondents being aware of security policies and how to put them into practice.

Figure 8: Major publicity campaigns costing over £500,000 during 2008-09

| Campaign                         | Aim  | Expenditure |
|----------------------------------|--|-------------|
| We're closing in                 | Targeting benefit thieves  | £5.9m       |
| Local Employment Partnerships    | Tackling the increasing recruitment and skills challenges of our labour market and economy | £1.8m       |
| Find your way back to work       | Getting people back into work quickly, even in the economic downturn                       | £2.3m       |
| Employment Support Allowance     | Helping customers understand the new benefit   | £1.7m       |
| Employability                    | Assisting people with disabilities into employment   | £2.6m       |
| Pensioners' Entitlements Take Up | Increasing pensioners' take-up of benefits   | £0.8m       |

## Information security

118. In the last year the Department has introduced significant additional measures to further improve information security. Many of the measures stem from the Cabinet Office review *Data Handling Procedures in Government: Final Report*<sup>21</sup> in June 2008, which introduced an associated framework of new minimum mandatory requirements for all departments.
119. During 2008-09, we introduced new controls over the physical transfer of data on removable media. These controls were extended to service providers as well as the Department's own staff. All laptops issued to staff have been encrypted, and non-encrypted devices are prevented from connecting to the Department's infrastructure.
120. The Department's Senior Information Risk Owner is a member of the Executive Team who has particular responsibility for information risk across the Department. The Department has also designated Information Asset Owners (IAOs), senior managers who are responsible for information assurance in their respective business areas. IAOs understand risks to the information held and moved in their area, and are working with the Senior Information Risk Owner to ensure that a co-ordinated approach on improved assurance is taken across the Department. The Information Security Committee, a sub-committee of the Department's Executive Team, drives forward this activity and other continuing improvements in the security of information.

<sup>21</sup> <http://www.cabinetoffice.gov.uk/media/65948/dhr080625.pdf>

### Security awareness

The Department has developed security awareness training courses and conducted a high-profile campaign to raise awareness of security among all staff. Basic messages such as using secure courier services to move personal data and handling electronic data securely have been promoted in a co-ordinated series of communications which have been received positively by staff. In our recent internal survey, 94 per cent of staff said that they were aware of and were putting into practice DWP's data security policies, and 84 per cent had received training in data handling and security.



## Annexes

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### Key facts

- we lead on two Public Service Agreements and have seven Departmental Strategic Objectives;
- expenditure on DWP benefits in 2008-09 is estimated to be £135.8 billion;
- in 2008-09 spending on working-age benefits is estimated to be £36.2 billion;
- basic State Pension is by far the largest benefit – £50 billion in 2008-09; and
- we have successfully implemented 71 of the 75 recommendations made by the Public Accounts Committee between May 2007 and September 2008.



## Annex A – Performance – Public Service Agreements and Departmental Strategic Objectives

121. As part of the 2007 Comprehensive Spending Review a new performance framework was put in place. The new framework emphasises cross-departmental working and, through a reduced set of Public Service Agreements (PSAs), increases the focus on the Government's main priorities.

### Public Service Agreements 2008-11

122. The Secretary of State for Work and Pensions leads on two Public Service Agreements: 'Maximise employment opportunity for all' and 'Tackle poverty and promote greater independence and well-being in later life'. Other government departments contributing to the delivery of these PSAs are:

- PSA 8 – Department for Business, Innovation and Skills; Department of Communities and Local Government; Department of Health; and HM Treasury; and
- PSA 17 – Department of Communities and Local Government and Department of Health.

123. The Department also contributes to delivering the Service Transformation Agreement published alongside the PSAs and contributes to nine other Public Service Agreements on which other departments lead, in particular on child poverty and equality.

### DWP Departmental Strategic Objectives 2008-11

124. In addition to our leadership of, or participation in, the Government's cross-cutting Public Service Agreements, in common with all departments the Department has also agreed with HM Treasury a set of Departmental Strategic Objectives which are intended to cover the totality of its business and express the key outcomes the Department is seeking to deliver.

125. The strategic objectives of the Department are to:

1. Reduce the number of children living in poverty.
2. Maximise employment opportunity for all.
3. Improve health and safety outcomes.
4. Promote independence and well-being in later life, continuing to tackle pensioner poverty and implementing pension reform.

5. Promote equality of opportunity for disabled people.
6. Pay our customers the right benefits at the right time.
7. Make DWP an exemplar of effective service delivery to individuals and employers.

**Figure 9: Summary of PSA and DSO performance assessments**

| PSAs   | Current status   |
|--|------------------|
| 8. Maximise employment opportunity for all   | Not yet assessed |
| 17. Tackle poverty and promote greater independence and well-being in later life   | Not yet assessed |
| <b>DSOs</b>  |                  |
| 1. Reduce the number of children living in poverty   | Not yet assessed |
| 2. Maximise employment opportunity for all   | Not yet assessed |
| 3. Improve health and safety outcomes  | Some progress    |
| 4. Promote independence and well-being in later life, continuing to tackle pensioner poverty and implementing pension reform | Some progress    |
| 5. Promote equality of opportunity for disabled people   | Not yet assessed |
| 6. Pay our customers the right benefits at the right time  | Some progress    |
| 7. Make DWP an exemplar of effective service delivery to individuals and employers   | Some progress    |
| <b>PSAs SR2004</b>   |                  |
| 3b. Children in working families using childcare   | Slippage         |
| 4a. Overall employment rate  | On course        |

126. The new performance framework does not require departments to set national targets for PSAs and DSOs. Each PSA/DSO is monitored through several indicators. Some indicators are measured by counting all the records while others are measured using sample surveys; for the latter, 95% confidence intervals are given. A 95% confidence interval gives the range of values within which we can be 95% sure that the true value lies. A narrow confidence interval implies high precision; a wide interval implies poor precision.

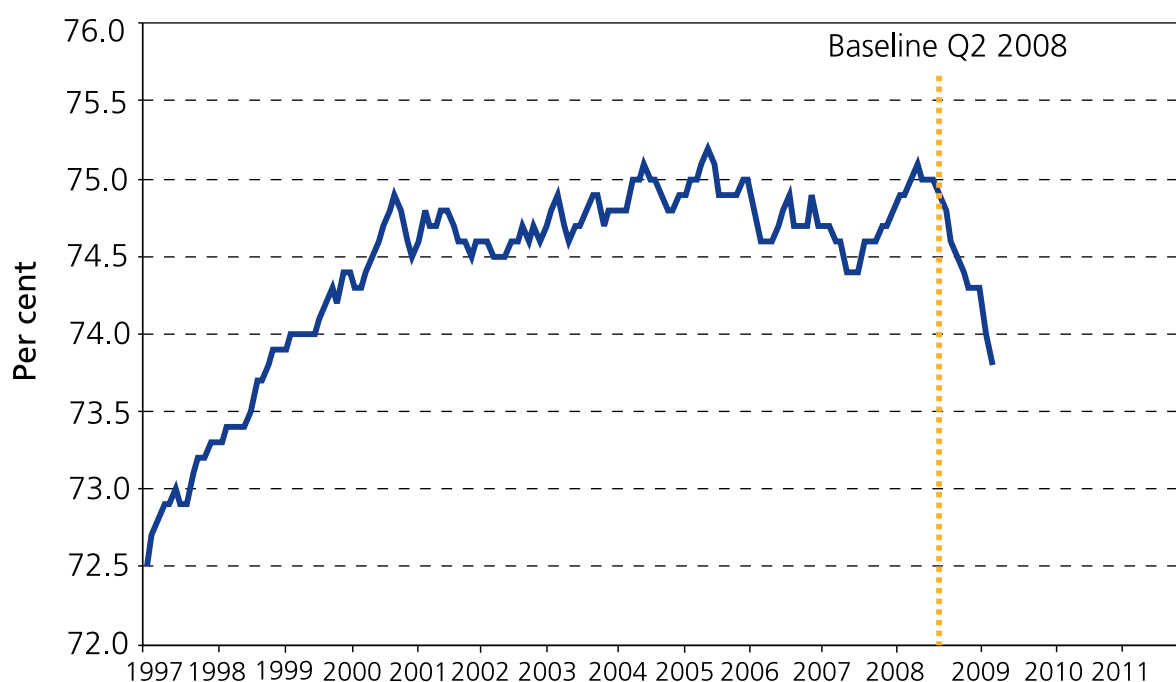
## PSA 8: Maximise employment opportunity for all

### PSA summary statement

**Progress on this PSA is not yet assessed. For three indicators, data comparable to baselines will be available later in the year.** At the start of the spending review period, our policies, together with a stable and growing macro economy, had led to a sustained high employment rate, record employment levels and a fall in the numbers claiming key out-of-work benefits of around a million since 1997. The greatest improvements were seen by those starting from the worst positions. Since the start of 2008, as a result of the global downturn, the labour market has weakened and unemployment has risen. This cyclical change will make progress highly challenging over CSR07.

### Indicator 1: An increase in the overall employment rate taking account of the economic cycle

- This indicator is measured using a three-month rolling average of the working-age employment rate for Great Britain (GB) from the Labour Force Survey published each month by the Office for National Statistics (ONS). The published working-age employment rate figure is seasonally adjusted and has a sampling variability of  $\pm 0.3$  percentage points at the 95% confidence interval (a change needs to be more than 0.3 percentage points to be statistically significant) and is seasonally adjusted. Success on this indicator will be judged taking account of the economic cycle.
- The baseline employment rate at Q2 2008<sup>22</sup> is 74.9%. This compares to an employment rate of 74.7% at the start of the economic cycle in the second half of 2006.
- The latest employment rate is 73.5% (February-April 2009).

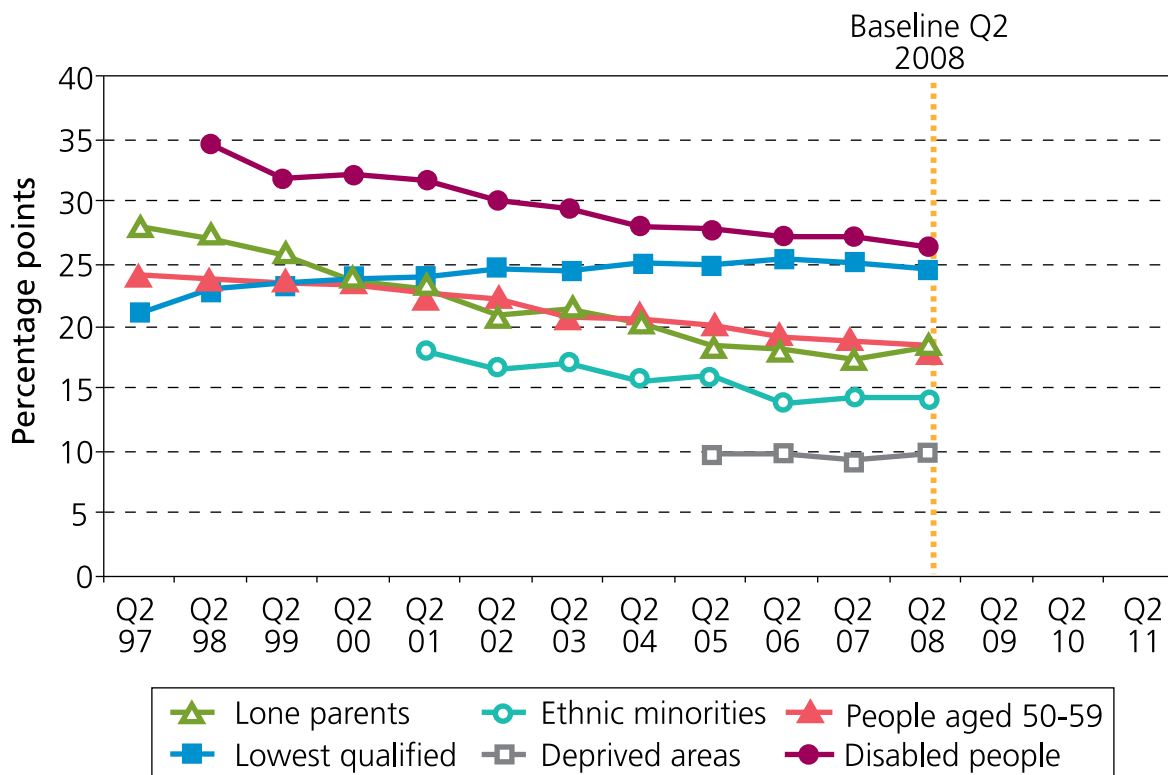


<sup>22</sup> Q2 represents Quarter 2 of the calendar year, i.e. April-June.

## PSA 8: Maximise employment opportunity for all (continued)

**Indicator 2: A narrowing of the gap between employment rates of the following disadvantaged groups and the overall rate: disabled people, lone parents, ethnic minorities, people aged 50 and over, the 15% lowest qualified and those living in the most deprived local authority wards**

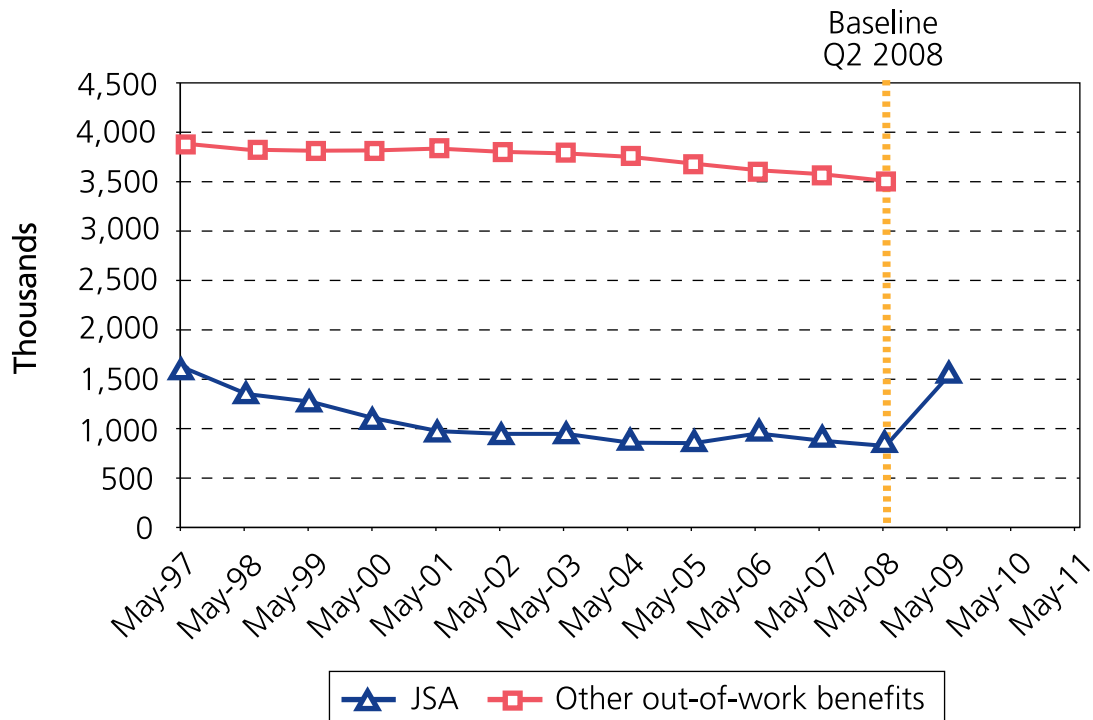
- This indicator is measured by comparing the seasonally unadjusted employment rates for the different disadvantaged groups with the GB unadjusted working-age employment rate, both taken from the Labour Force Survey published quarterly by the ONS. 95% confidence intervals vary for each gap: disabled people  $\pm 1.4$  percentage points; lone parents  $\pm 2.2$  percentage points; ethnic minorities  $\pm 1.9$  percentage points; people aged 50 and over  $\pm 0.9$  percentage points; 15% lowest qualified  $\pm 1.6$  percentage points; deprived areas  $\pm 1.4$  percentage points.
- The baseline gap for each group at Q2 2008 is as follows: disabled people 26.3 percentage points; lone parents 18.4 percentage points; ethnic minorities 14.2 percentage points; people aged 50 and over 18.4 percentage points; 15% lowest qualified 24.6 percentage points; deprived areas 9.8 percentage points.
- Updated employment rate and gap data (Q2 2009) will be available in autumn 2009.



## PSA 8: Maximise employment opportunity for all (continued)

### Indicator 3: A reduction in the number of people on working age out-of-work benefits

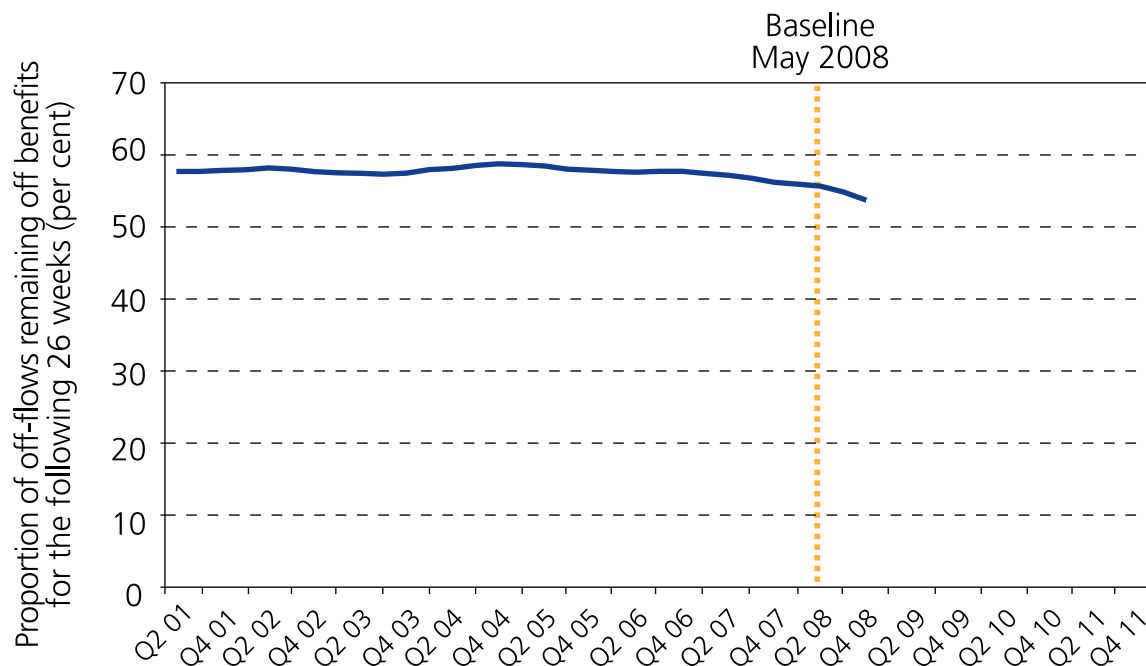
- Working age out-of-work benefits are defined as Jobseeker’s Allowance (JSA), incapacity benefits/Employment Support Allowance (IB/ESA), lone parent benefits and other income-related benefits.
- The number of people claiming JSA is measured using 100% administrative data from the monthly seasonally-adjusted claimant count published by ONS. The number of people claiming other out-of-work benefits is measured using 100% administrative data from the Work and Pensions Longitudinal Study (WPLS) published quarterly by the Department; data are not seasonally adjusted.
- The baseline for this indicator is 4,332,300 people on key out-of-work benefits at May 2008; this is around one million fewer than in 1997. The May 2008 baseline for JSA alone is 824,600.
- Reflecting the economic cycle, more recent figures for JSA show an increase to 1,544,800 by May 2009. Updated data for all the key out-of-work benefits will be available in November 2009.



## PSA 8: Maximise employment opportunity for all (continued)

### Indicator 4: An increase in the proportion of people who leave benefits who stay off for a sustained period

- The indicator measures the percentage of people coming off key out-of-work benefits (as indicator 3) in four months of the year (February, May, August and November) who stay off benefits for six months after the termination of their claim. It is measured using the Work and Pensions Longitudinal Study (WPLS) which is 100% administrative data. The percentages are presented as an annual rolling average, which adjusts for seasonality.
- The baseline is May 2008 when the indicator was 55.7%.
- The latest figure is 53.7% (November 2008).
- This is a fall of 2.0 percentage points since the baseline.



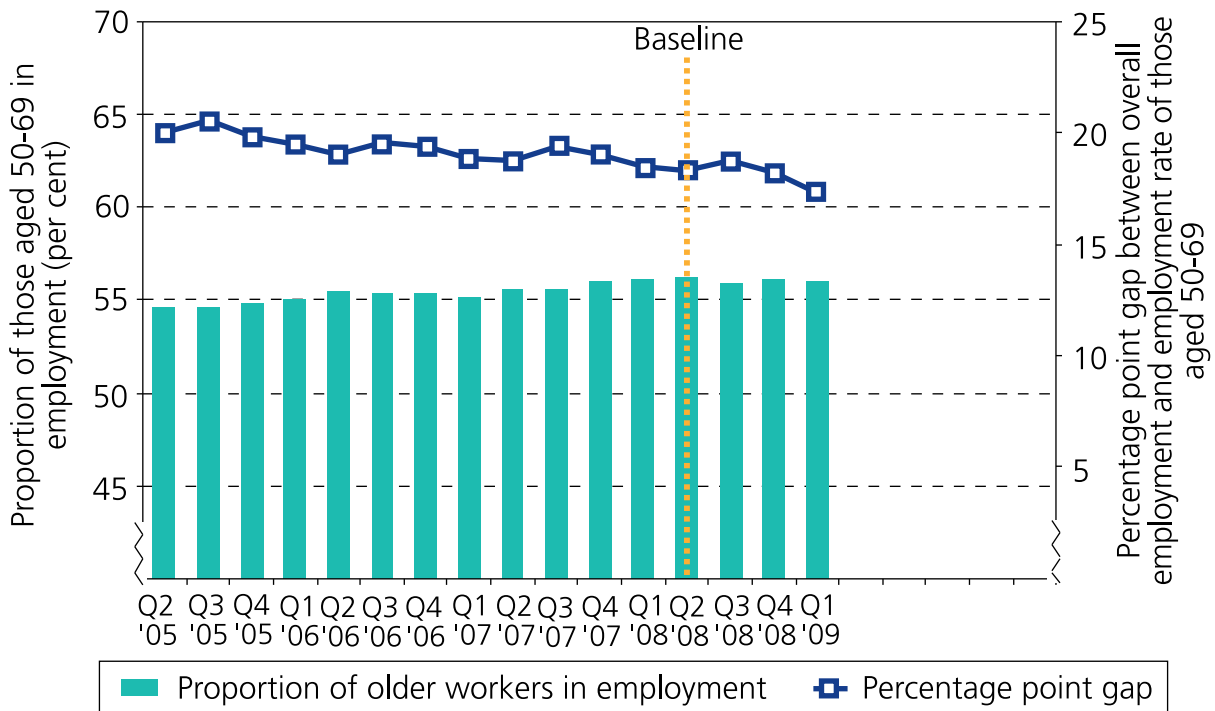
# PSA 17: Tackle poverty and promote greater independence and well-being in later life

## PSA summary statement

**Not yet assessed. Two indicators do not yet have baselines and the first comparable CSR07 data are awaited for the other three.** Historical data indicate that good progress has been made on nearly all supporting indicators over recent years.

### Indicator 1: The employment rate of those aged 50-69 and the difference between this and the overall employment rate

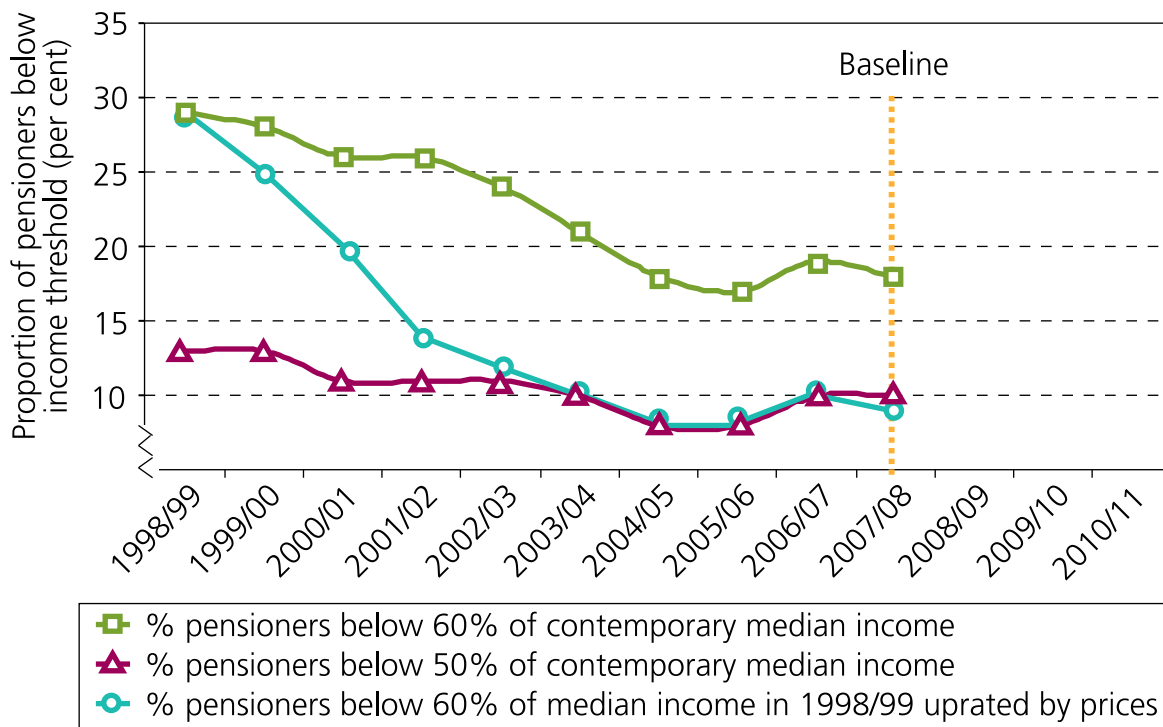
- This indicator is measured using seasonally unadjusted quarterly Labour Force Survey data for GB. A statistically significant change based upon a 95% confidence interval is around one percentage point.
- The baseline is Q2 2008 when the employment rate of those aged 50-69 was 56.3% and the gap between this and the overall employment rate was 18.4 percentage points.
- Historical data indicate that the employment rate of 50-69 year olds has been rising for the last 15 years. The gap between this rate and that of the whole working-age population has been falling.
- Updated employment rate and gap data (Q2 2009) will be available in autumn 2009.



## PSA 17: Tackle poverty and promote greater independence and well-being in later life (continued)

### Indicator 2: The percentage of pensioners in low income

- Performance is measured using Household Below Average Income (HBAI) statistics. Income is measured after housing costs are deducted. Data are annual with approximately a 12-month time lag.
- The baseline is HBAI statistics from the 2007-08 Family Resources Survey. Historical data indicate that pensioner poverty has fallen over the last 10 years. 18% of pensioners have incomes below 60% of the current median income (2007-08 HBAI) compared to 1998-99 when 29% of pensioners were below 60% of median income.

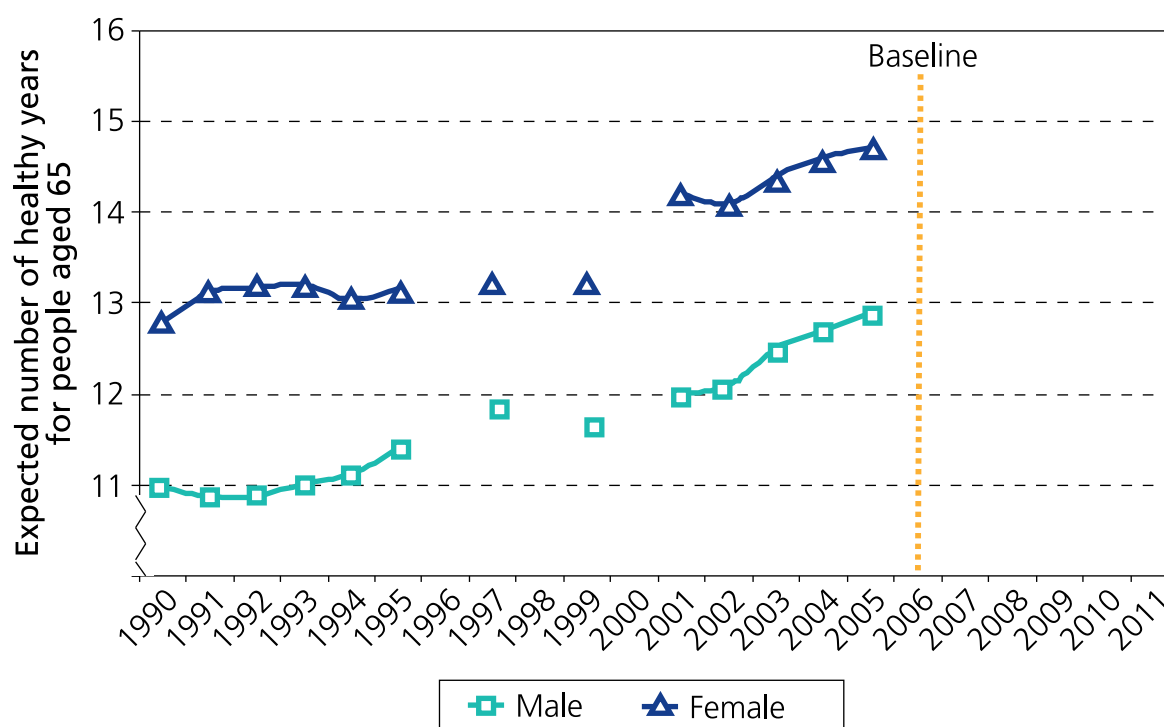




## PSA 17: Tackle poverty and promote greater independence and well-being in later life (continued)

### Indicator 3: Healthy life expectancy at age 65

- This indicator is measured using data published annually from the General Household Survey. Three calendar years are aggregated to provide robust Healthy Life Expectancy (HLE) figures. The 95% confidence interval for both men's and women's data is around  $\pm 0.3$  years.
- The baseline will be 2005-07 data which are expected by early 2010.
- Historical data show that:
  - HLE at age 65 increased by over 1.5 years between 1995 and 2005;
  - HLE at age 65 for men is 12.9 years in England (2004-06);
  - HLE at age 65 for women is 14.7 years in England (2004-06); and
  - HLE at age 65 for men and women is approximately 75% of life expectancy at 65 in England (2004-06).



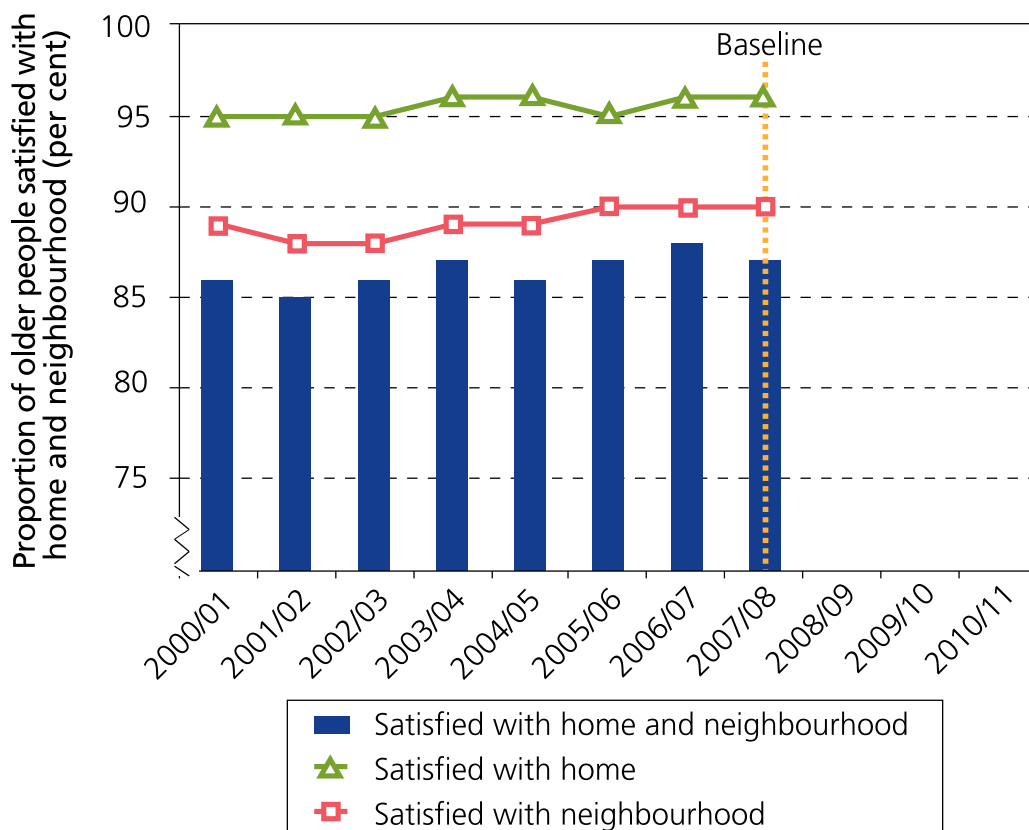
Notes:

- For the purposes of this chart, the middle year is used to label the x axis, e.g. data for 2004-06 are shown as 2005
- Data were not collected for 1996, 1998 or 2000.

## PSA 17: Tackle poverty and promote greater independence and well-being in later life (continued)

### Indicator 4: The proportion of people over 65 who are satisfied with their home and their neighbourhood

- This indicator is measured using data from the Survey of English Housing. The data are published annually with an approximate 10-month time lag. A statistically significant change based upon a 95% confidence interval is around 2 percentage points.
- The baseline is the Survey of English Housing 2007-08 which showed 87% of people over 65 expressing satisfaction with their home and their area.
- The 2008-09 data are expected in early 2010.
- The proportion has remained broadly stable in recent years. Historically, satisfaction with home has been higher than satisfaction with neighbourhood.



## PSA 17: Tackle poverty and promote greater independence and well-being in later life (continued)

### Indicator 5: Extent to which people over 65 receive the support they need to live independently at home

- This is a new measure which will be assessed through public perceptions of whether older people are able to get the services and support they need to live at home for as long as they want. Performance will be measured using the ONS Omnibus Survey.
- The baseline for this indicator will be set later in 2009.
- The most recent data available are from the ONS Omnibus Survey (March 2009) and suggest that around 50% agree that older people are able to get the services they need to live at home for as long as they want.

**Figure 10: Progress on contributions to PSAs led by other government departments**

| PSA   | Lead | Key supporting activities undertaken by the Department for Work and Pensions   |
|---|------|--|
| PSA 2 – Improve the skills of the population, on the way to ensuring a world-class skills base by 2020. | BIS  | <p>With BIS, joint lead on integrating welfare and skills services to be more responsive to the needs of employers and individuals. Introduced trials of an integrated service in 12 Jobcentre Plus districts.</p> <p>Local Employment Partnerships (LEP) ensure that disadvantaged customers get the preparation and training that enables them to meet employers' needs and expectations. The LEP target is to help 250,000 unemployed, inactive and disadvantaged people into jobs by 2010.</p> |

*continued*

| PSA   | Lead        | Key supporting activities undertaken by the Department for Work and Pensions   |
|---|-------------|--|
| PSA 3 – Ensure controlled, fair migration that protects the public and contributes to economic growth.  | Home Office | <p>DWP supports the increase in the number of removals through joint working on illegal working operations. We are working with the UK Borders Agency to identify cases of mutual interest where benefit fraud is involved.</p> <p>DWP is working with the Home Office on measures to control European Economic Area nationals' access to benefits.</p> <p>DWP also supports the role that effective management of migration can play in reducing the vacancy rate in shortage occupations by providing information on the UK labour market and the up-skilling strategy for the UK workforce.</p> |
| PSA 7 – Improve the economic performance of all English regions and reduce the gap in economic growth rates between regions.                          | BIS         | <p>DWP provides a national welfare system, where money follows the individual, so regions with higher rates of worklessness and benefit dependency will automatically receive a greater level of support from Jobcentre Plus. Area-based initiatives such as the Cities Strategy and Working Neighbourhoods Fund target resource at the most deprived areas and look at new ways of working with local partners to deliver local solutions to worklessness.</p>  |
| PSA 9 – Halve the number of children in poverty by 2010-11, on the way to eradicating child poverty by 2020.  | HMT         | <p>DWP is providing increased support to help lone parents move into and remain in work through lone parent obligations, work-focused interviews, New Deal Plus and In Work Credit, and piloting support for couples with children.</p>  |
| PSA 14 – Increase the number of children and young people on the path to success.   | DCSF        | <p>DWP directly influences the PSA 14 indicator to reduce the proportion of 16-18 year olds not in employment, education or training (NEET) by supporting young people into work, particularly 18 year old benefit claimants.</p> <p>Since April 2008, 18 year olds who have spent any time NEET can, with the agreement of their personal adviser, be voluntarily fast tracked to New Deal. This option will continue to exist alongside the mandatory system for those with six months NEET.</p>   |
| PSA 15 – Address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief. | GEO         | <p>The Office for Disability Issues which operates within DWP is working across Government to support implementation of the Independent Living Strategy. The Welfare Reform Bill contains a legislative 'right to control', which will increase choice and control for disabled adults by allowing them to choose how selected state funding is used to meet agreed outcomes.</p>  |

*continued*

| PSA  | Lead           | Key supporting activities undertaken by the Department for Work and Pensions   |
|--|----------------|--|
| PSA 16 – Increase the proportion of socially excluded adults in settled accommodation and employment, education or training. | Cabinet Office | DWP is developing and expanding the support it provides to improve the employment outcomes for people identified as being at particular risk of chronic exclusion. For the purposes of this PSA, these are adult offenders under probation supervision, adults with moderate to severe learning disabilities, adults in contact with secondary mental health services and young people leaving care. DWP's contribution is reform of mainstream employment provision and reform of specialist disability employment programmes and continued support for targeted pilot support initiatives (see PSA 23).  |
| PSA 20 – Improve long-term housing supply and affordability.   | CLG            | <p>DWP develops policy on, and delivers, the welfare benefits, in-work benefits and employment advice which help people access and maintain housing.</p> <p>DWP is developing Housing Benefit subsidy policy for customers placed by local authorities into temporary accommodation. The aim is to encourage more local authorities to charge reasonable rents to these customers, offer better value for money, and support work incentives.</p>  |
| PSA 23 – Make communities safer.   | Home Office    | <p>DWP is focused on increasing employment which, in turn, reduces disadvantage and the causes of crime. DWP and Jobcentre Plus are working with the Ministry of Justice (MoJ) and the National Offender Management Service (NOMS) and BIS on a number of initiatives to improve employment outcomes for offenders, including:</p> <ul style="list-style-type: none"> <li>• supporting NOMS to deliver a new single caseworker pilot in England aimed at helping offenders get the support they need and overcome barriers to employment on leaving prison or probation;</li> <li>• reviewing the Jobcentre Plus Employment and Benefit Surgery Adviser role in prisons, and how it interacts with Prison and Probation services; and</li> <li>• considering with MoJ and BIS how to extend recent work in two 'testbed' regions aimed at improving offender learning and skills provision.</li> </ul> |

## Departmental Strategic Objectives

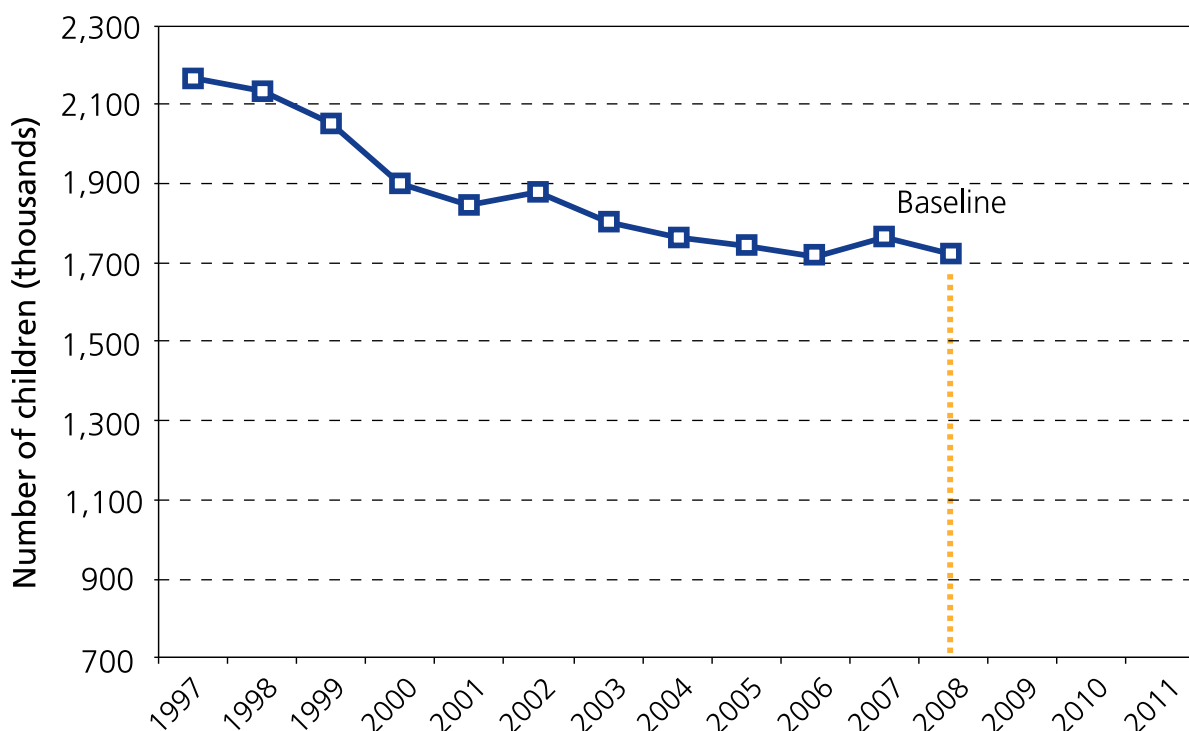
### DSO 1: Reduce the number of children living in poverty

#### DSO summary statement

**Not yet assessed. The first CSR07 data are awaited for indicator 1.** Increased lone parent conditionality is expected to have a positive effect on the number of children in workless households, although there is a risk that the economic downturn could work against this. Historical data show that the number of children in low income households benefiting from maintenance has been broadly flat.

#### Indicator 1: The number of children living in workless households

- This indicator is measured using data from the Household Labour Force Survey. Data are published for Q2 and Q4 each year and are not seasonally adjusted. The 95% confidence interval is  $\pm 0.46$  percentage points.
- The baseline for this indicator is Q2 2008 when 1.72 million children (15.5%) were living in workless households.
- The next data update will be published in autumn 2009.

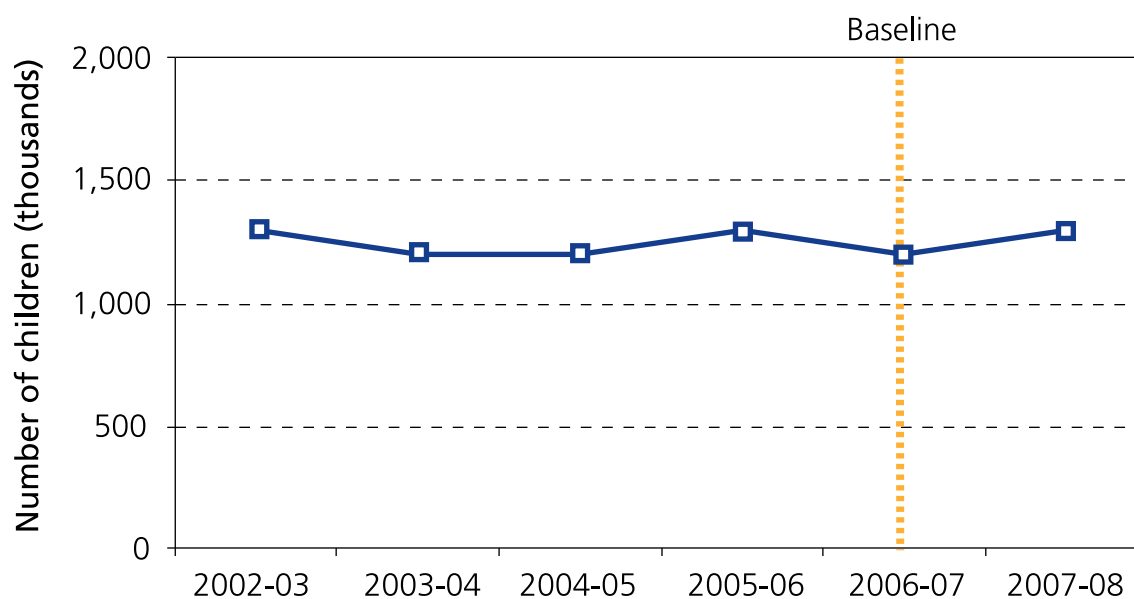


Source: Household Labour Force Survey, Q2.

## DSO 1: Reduce the number of children living in poverty (continued)

### Indicator 2: The number of children benefiting from maintenance, particularly those living in low income households

- This indicator is measured using data from the Households Below Average Income (HBAI) series which is derived from the Family Resources Survey. Data are published annually with a 12-month time lag. The figures are rounded to the nearest 100,000. The 95% confidence interval is  $\pm 100,000$ .
- The baseline at 2006-07 shows 1.2 million children in low income households benefiting from maintenance. Historical data show this value has been flat.
- The latest data, for 2007-08, show 1.3 million children benefiting from maintenance.



## DSO 2: Maximise employment opportunity for all

### DSO summary statement

As for PSA 8, progress is **not yet assessed**, but in previous periods there has been strong progress on the indicators.

### Indicator 1: Overall employment rate taking account of the economic cycle

- See PSA 8.

### Indicator 2: Gap between the employment rates of the following disadvantaged groups and overall rate: disabled people, lone parents, ethnic minorities, people aged 50 and over, the 15% lowest qualified and those living in the most deprived local authority wards

- See PSA 8.

### Indicator 3: Number of people on working age out-of-work benefits

- See PSA 8.

### Indicator 4: The proportion of people who leave benefit who stay off for a sustained period

- See PSA 8.



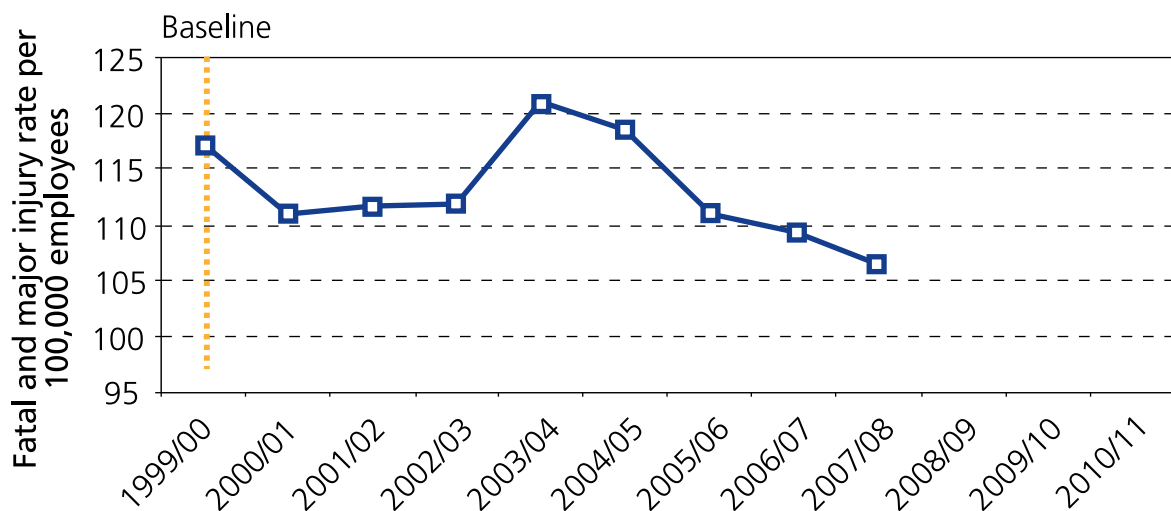
## DSO 3: Improve health and safety outcomes

### DSO summary statement

**Some progress: overall, the trends across all three indicators are moving in a favourable direction. However, it is too early to be sure in the case of the ill-health indicator that recent improvement will continue.** HSE is responding to the continuing challenge across all three indicators by publishing, in early summer 2009, its new strategy which seeks renewed commitment from those involved in health and safety to secure further improvements.

### Indicator 1: The incidence of fatal and major injuries in workplaces

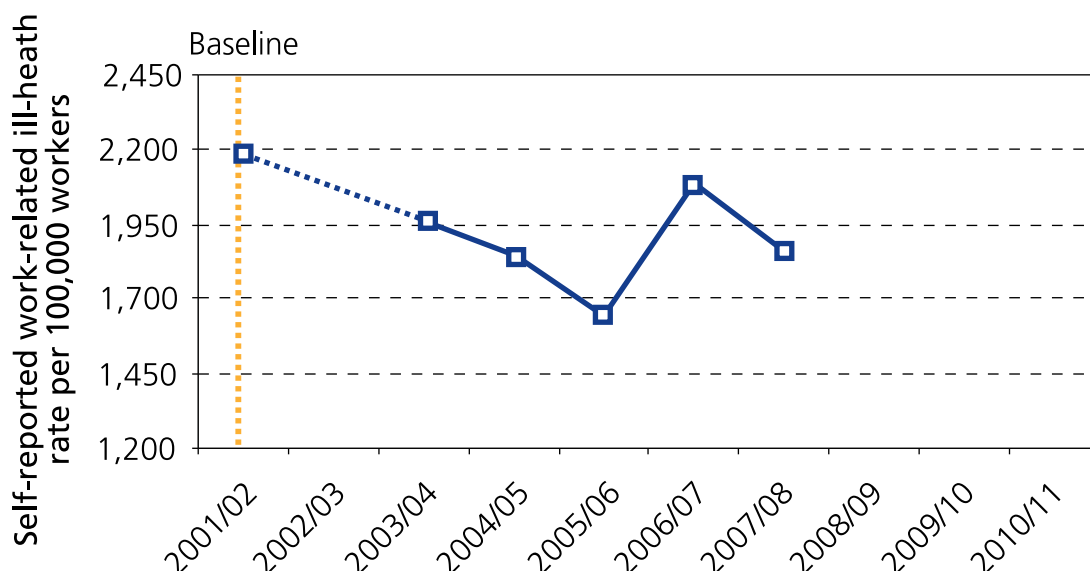
- This indicator is measured using all data on fatal and major injuries to employees reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), supported by data on self-reported reportable work-related injuries via the Labour Force Survey (LFS).
- Progress is published each autumn as part of the annual publication of the health and safety statistics and in HSE's annual report.
- The baseline for this indicator is 1999-2000 when the rate of fatal and major injuries per 100,000 employees was 117.3.
- Provisional data from 2007-08 show the rate has fallen to 106.6; this represents a 9% improvement. Updated data are due in autumn 2009.



## DSO 3: Improve health and safety outcomes (continued)

### Indicator 2: The incidence of work related ill health

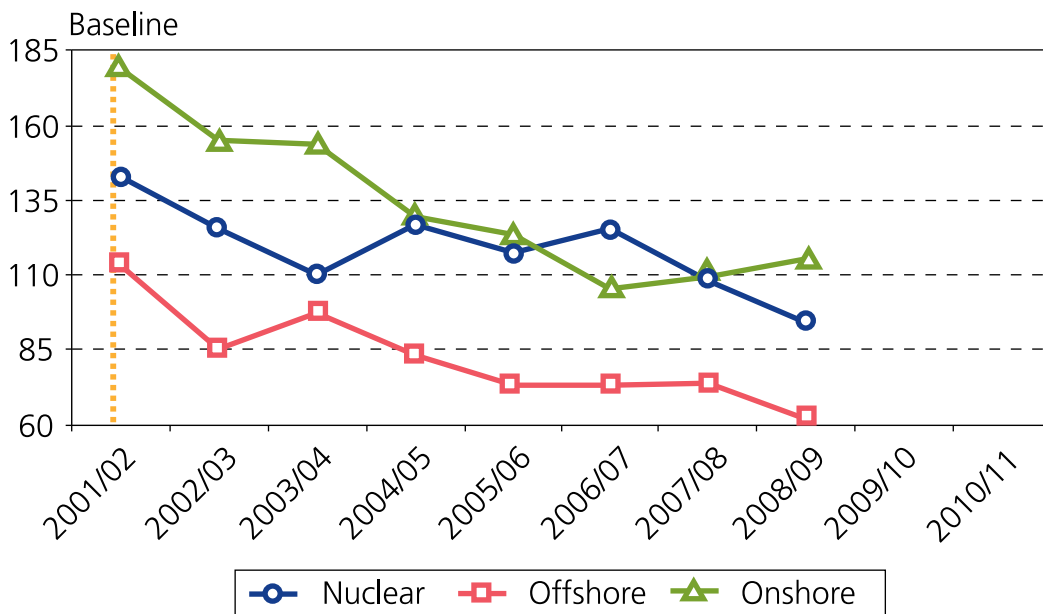
- This indicator is measured using self-reported work-related illness from a variety of sources including the LFS and specialist surveillance scheme data. Progress is published each autumn as part of the annual publication of the health and safety statistics and in HSE's annual report. The results are subject to sampling error/statistical uncertainty.
- The 2001-02 baseline incidence rate is 2,190 self-reports of work-related ill-health per 100,000 workers (95% confidence interval with a range 2,070 to 2,310).
- In 2007-08 the incidence rate reduced to 1,860 (95% confidence interval with a range 1,740 to 1,980).
- The movement in the figures from baseline to 2007-08 represents a 15% improvement with a confidence interval of  $\pm 8$  percentage points. The incidence rate, however, has fluctuated significantly in recent years and progress across categories of ill-health has been mixed. For example, the incidence of musculoskeletal disorders, asthma and dermatitis has fallen, but the incidence of the long-latency disease mesothelioma has, as expected, increased and work-related stress shows little movement.
- 2008-09 data will be available in autumn 2009.



## DSO 3: Improve health and safety outcomes (continued)

### Indicator 3: The number of dangerous events in the nuclear industry and in the offshore and onshore oil and gas sectors

- This indicator is measured using data from reports on specified precursor events with the potential to develop into a catastrophic accident made to HSE for the nuclear industry and offshore sector, and relevant reports made under RIDDOR for the onshore sector. Data are published in HSE's annual report.
- The 2001-02 baseline by industry/sector is: nuclear 143; offshore 113; and onshore 179.
- The data at 31 March 2009 are: nuclear 94; offshore 62; and onshore 115.
- These figures show longer-term improvement trends for nuclear, offshore and onshore, though the onshore indicator shows a levelling out over the shorter 2007-08 to 2008-09 period.



## DSO 4: Promote independence and well-being in later life, continuing to tackle pensioner poverty and implementing pension reform

### DSO summary statement

**Some progress. The first CSR07 data are awaited for indicators 1 and 2**, although historical data indicate that good progress has been made over recent years. The Enabling Retirement Savings Programme is on track to deliver a new personal accounts system and automatic enrolment in 2012.

### Indicator 1: The employment rate of those aged 50-69 and the difference between this and the overall employment rate

- See PSA 17 indicator 1.

### Indicator 2: The percentage of pensioners in low income

- See PSA 17 indicator 2.

### Indicator 3: Setting up of a personal account system and implementing automatic enrolment and mandatory employer contributions into qualifying workplace pension schemes

This indicator is measured against milestones for the Enabling Retirement Savings Programme – a large, complex programme on track to deliver a new personal accounts system and automatic enrolment in 2012.

Progress to date includes:

- setting up the Personal Accounts Delivery Authority;
- Royal Assent to the Pensions Act 2008;
- sign-off and approval of the outline business case;
- approval to proceed with first phase procurement from the Office of Government Commerce's Major Projects Review Group (MPRG) in January 2009;
- commencing procurement for both personal accounts and the Employer Compliance Regime by publishing Contract Notices in the Official Journal of the European Union;
- consultation on Batch 1 Regulations commenced in March 2009; and
- passing the MPRG second phase checkpoint in April 2009.

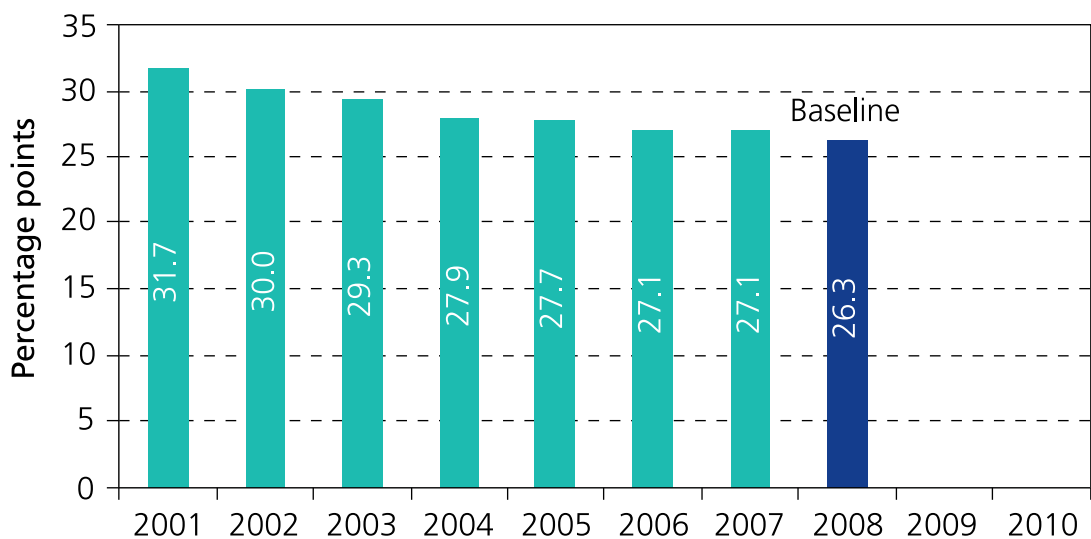
## DSO5: Promote equality of opportunity for disabled people

### DSO summary statement

**Not yet assessed. The first CSR07 data are awaited for all indicators.** Over recent years there has been a steady reduction in the gap between the overall employment rate and the employment rate of disabled people, and disabled people's difficulties in accessing goods and services have also reduced.

### Indicator 1: Gap between the overall employment rate and the employment rate of disabled people

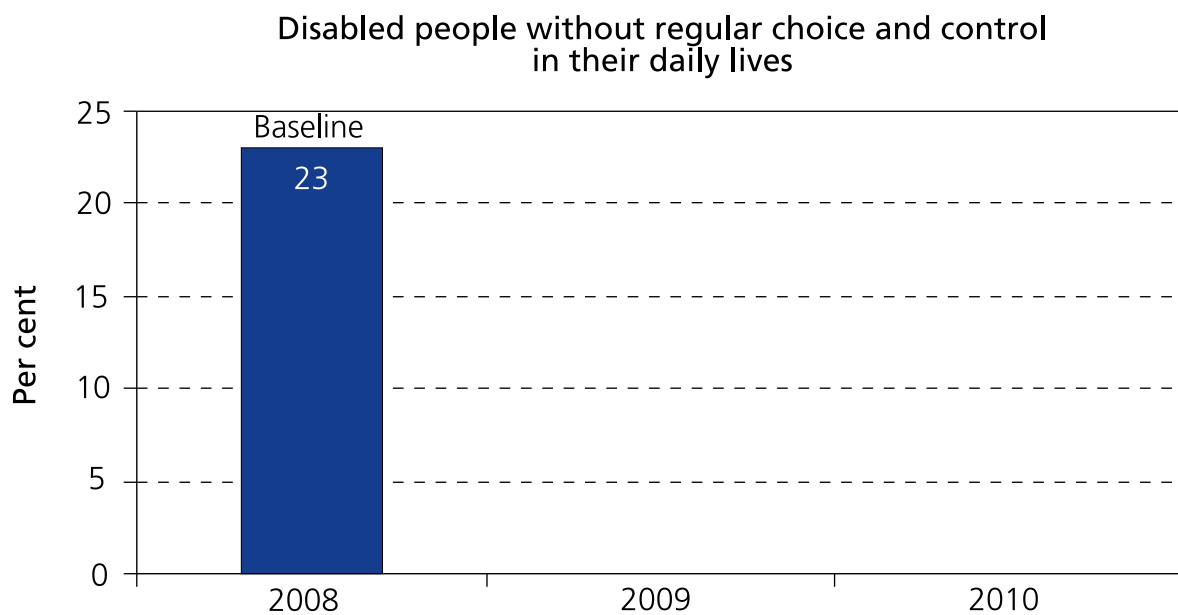
- This indicator is measured using seasonally unadjusted quarterly Labour Force Survey GB data. The 95% confidence interval is  $\pm 1$  percentage point.
- The baseline at Q2 2008 was 48.4% with a gap to the overall rate of 26.3 percentage points.
- Updated data (Q2 2009) will be available in autumn 2009.



## DSO5: Promote equality of opportunity for disabled people (continued)

### Indicator 2: Disabled people's perception of the choice and control they have over their lives

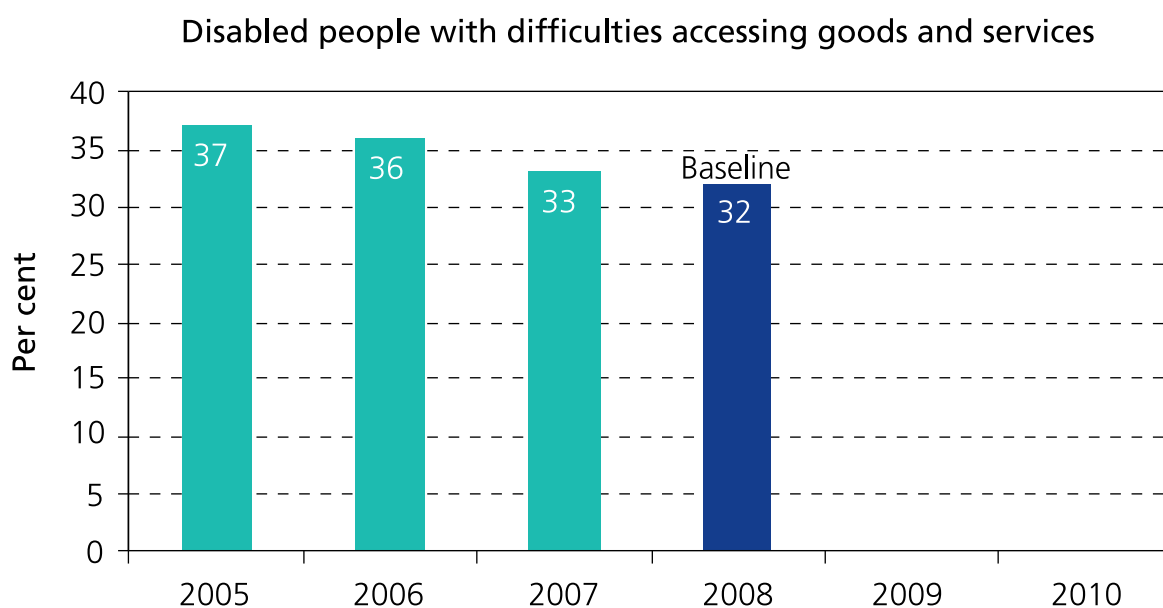
- This indicator is monitored using the disability module of the ONS Omnibus Survey which runs eight months out of every twelve. The eight months are aggregated yearly to provide robust statistics. Significant changes are estimated to be in the range of 2 to 3 percentage points or more.
- At the baseline period, January to June 2008, 23% of disabled people thought they did not regularly have choice and control over their life.
- Updated data will be available in January 2010.



## DSO5: Promote equality of opportunity for disabled people (continued)

### Indicator 3: Access to goods and services for disabled people

- This indicator is monitored using the ONS Omnibus Survey which runs eight months out of every twelve. The eight months are aggregated yearly to provide robust statistics. Significant changes are estimated to be in the range of 2 to 3 percentage points.
- The baseline is the period January to June 2008 when 32% of disabled people experienced difficulty related to their health condition or disability in accessing goods or services.
- Updated data will be available in January 2010.



## DSO 6: Pay our customers the right benefits at the right time

### DSO summary statement

**Some progress. Levels of fraud and error remain constant compared to previously published estimates. Despite increasing workloads due to the economic downturn, the time taken to process benefits has not increased.**

### Indicator 1: The proportion of benefit expenditure overpaid or underpaid due to fraud and error

- This indicator is measured using the Office for National Statistics Fraud and Error report. Data are published every 6 months, each report covering a 12 month period. There is approximately a 7 month time lag from the end of the period. 95% confidence intervals are recalculated for each report.
- The baseline is the 2006-07 figure for the Monetary Value of Fraud and Error at 2.2% for expenditure overpaid and 0.8% for expenditure underpaid.
- In its 2008-09 Business Plan, the Department published a target to reduce benefit expenditure overpaid to 1.8% and underpaid to 0.7% by March 2011. This corresponds to an 18% reduction in overpayments and a 13% reduction in underpayments from the 2006-07 position.
- The latest estimates cover the year ending September 2008 and show 2% for expenditure overpaid and 0.9% for expenditure underpaid.
- The estimate of total overpayments due to fraud and error across all benefits remains at its lowest level ever, despite an increase in benefit expenditure. This includes particular successes in Pension Credit and Housing Benefit, both at the lowest levels of fraud and error recorded.



## DSO 6: Pay our customers the right benefits at the right time (continued)

### Indicator 2: Time taken to process new claims to benefits and changes in circumstances, including Housing Benefit and Council Tax Benefit

- This indicator applies to GB. The data for Jobseeker's Allowance (JSA); Income Support (IS); Incapacity Benefit (IB); Pension Credit (PC); Attendance Allowance (AA); Carers Allowance (CA); Disability Living Allowance (DLA); and the State Pension (SP) are in working days and are taken from the Department's internal Management Information System Programme.
- Progress against Housing Benefit (HB)/Council Tax Benefit (CTB) is measured using data from the Single Benefit Extract. The first data will be available by autumn 2009.
- The baseline was determined using forecast spring 2007-08 outturns.
- Despite increasing workloads, performance against the baseline has been maintained and for many benefits it has improved.

| Benefit        | Baseline (days)    | Outturn March 2009   |
|----------------|--------------------|----------------------|
| JSA new claims | 11.0               | 10.1                 |
| JSA changes    | 3.6                | 3.7                  |
| IS new claims  | 9.4                | 8.3                  |
| IS changes     | 2.2                | 2.1                  |
| IB new claims  | 13.8               | 13.3                 |
| PC new claims  | 15.0               | 15.0                 |
| AA new claims  | 16.0               | 12.3                 |
| CA new claims  | 12.1               | 12.4                 |
| DLA new claims | 37.7               | 29.8                 |
| SP new claims  | 95% within 60 days | 95.3% within 60 days |

#### Notes:

- (i) Information on changes in circumstances is not currently available for AA, DLA, CA, PC and SP.
- (ii) ESA was introduced in October 2008; baseline data are not yet available.

## DSO 7: Make DWP an exemplar of effective service delivery

### DSO summary statement

**Some progress. The Department's 2009 Customer Satisfaction Survey has confirmed that the level of customer satisfaction and the level of effective contact has remained stable.** This is an achievement given the challenge of delivering the services that our customers need and expect during a major economic downturn.

### Indicator 1: Ease of access: The level of customer satisfaction with the ease of access to DWP services

- The 2009 Customer Satisfaction Survey has provided a score of 7.07 (on a scale of 0-10) for this key driver of customer satisfaction (confidence intervals are around  $\pm 0.1$ ).
- This is virtually identical to the 7.05 baseline set in March 2008.

### Indicator 2: Treatment: The level of customer satisfaction with feeling respected and valued

- The 2009 Customer Satisfaction Survey has provided a score of 7.79 (on a scale of 0-10) for this key driver of customer satisfaction (confidence intervals are around  $\pm 0.08$ ).
- This is virtually identical to the 7.77 baseline set in March 2008.
- There was a significant rise in satisfaction with regard to 'helpful and polite staff' and 'staff treating customers with respect'.
- Treatment remains the most important aspect of customers' contact with the Department and the one most closely linked to their satisfaction.

### Indicator 3: Timely response: The level of customer satisfaction with the timeliness and responsiveness of service

- The 2009 Customer Satisfaction Survey has provided a score of 7.33 (on a scale of 0-10) for this key driver of customer satisfaction (confidence intervals are around  $\pm 0.1$ ).
- This is an improvement against the 7.24 baseline set in March 2008.

## DSO 7: Make DWP an exemplar of effective service delivery (continued)

### Indicator 4: Right outcome: The level of customer satisfaction with the outcome

- The 2009 Customer Satisfaction Survey has provided a score of 7.79 (on a scale of 0-10) for this key driver of customer satisfaction (confidence intervals are around  $\pm 0.08$ ).
- This is virtually identical to the 7.78 baseline set in March 2008.
- There was a significant rise in customers who were satisfied that the right outcome was reached; however, this was offset by the finding that satisfaction with finding employment remains relatively low, which is not unexpected given the current economic climate.

### Indicator 5: Effective contact: The proportion of customer contact that is necessary to enable customer needs to be met

- Internal customer contact management information gathered in 2008 has confirmed the level of effective contact as 64%.
- Management information gathered in 2009 indicates that effective contact remains at 64%.
- This indicates that customer service levels are being maintained despite challenging circumstances.

### Indicator 6: Employer satisfaction: The level of employers' satisfaction with the services we provide them

- This indicator will be measured through the DWP annual Employer Survey. We will publish a satisfaction rating on a scale of 1 to 10 to two decimal places, with a 95% confidence interval of around  $\pm 0.2$ . A separate study has established that the drivers of employers' satisfaction are: being treated well; good communication; building a strong relationship (with our employer partners); getting the right outcome in a reasonable time, and services that are easy to access.
- Work is underway to analyse and produce the baseline figure from the January-March 2009 survey. The baseline will be published by autumn 2009.
- In the meantime, the Department continues to measure performance against the Jobcentre Plus Employer Engagement Target, which measures the delivery of services to employers in terms of outcome, timeliness, accuracy and professionalism.
- For the period up to March 2008, Jobcentre Plus achieved 92% satisfaction with its delivery of services to employers.
- For the period up to March 2009, Jobcentre Plus achieved 93% satisfaction with its delivery of services to employers.

## Public Service Agreements

### PSA targets carried forward from SR 2004

#### SR2004 PSA 3b

As a contribution to reducing the proportion of children living in households where no one is working, by 2008: increase the number of children in lower-income working families using formal childcare by 120,000 (joint target with Department for Children, Schools and Families)

127. **Slippage.** The aim was to increase the number of children in lower-income working families using formal childcare by 120,000 by 2008 from a 2005 baseline of 615,000. In 2007, 71,000 fewer children from lower-income working families were accessing formal childcare, but the proportion had increased by 5.2%. The final assessment will be reported in the 2009 Autumn Performance Report after 2008 data are released (expected to be in July 2009).

#### SR2004 PSA 4a

As part of the wider objective of full employment in every region, over the three years to spring 2008, and taking account of the economic cycle: demonstrate progress on increasing the employment rate (joint target with HM Treasury)

128. **On course.** The baseline for the SR2004 target is Q2 2005 (April-June 2005), at which time the Great Britain (GB) employment rate for the working-age population of GB was 74.9%. The GB employment rate in Q2 2008 was 74.9%.
129. The economic cycle judged to have started in the first half of 1997 ended during the second half of 2006.
130. The second half of 2006 represents the most recent adjudged on-trend point and so estimates of the trend employment rate since this point are not yet available. A final assessment cannot therefore be made on this target.

## Annex B – Expenditure tables

### The Government's expenditure plans 2009-10 to 2010-11

131. These explain what the Department for Work and Pensions spends money on. The tables analyse Departmental expenditure in resource terms, showing resource consumption and capital investment. The information includes voted and non-voted expenditure and also shows the extent to which funds are provided to support local authority activities.
132. The tables include a breakdown of expenditure by major budget category: Annually Managed Expenditure (AME) and Departmental Expenditure Limit (DEL). AME is primarily demand-led expenditure incurred on making benefit payments and is agreed as part of the Budget and Pre-Budget Report process. DEL is spending within the Department's direct control and which can therefore be planned over an extended period, such as the costs of its own administration, payments to third parties, e.g. within Employment Programmes, Housing Benefit administration subsidies to local authorities, and the European Social Fund. DEL provision is settled with HM Treasury during the Spending Review process. Additionally, the tables identify near-cash expenditure within resource budgets; near-cash being a control used to assess expenditure which impacts HM Treasury's fiscal objectives.

#### Table 1 – Department for Work and Pensions public spending

133. This table sets out a summary of the expenditure on functions which are currently administered by the Department, covering the period from 2003-04 to 2010-11. Future year figures reflect the budgeted figures agreed with HM Treasury.
134. The table presents the expenditure plans by way of the groups of clients who will be served through the consumption of the resources. The 'Corporate and shared services' grouping represents expenditure on corporate contracts, for example with the Post Office, and corporate administration. The line relating to the National Insurance Fund (NIF) represents the costs of the Department in administering contributory benefits on behalf of the NIF. These costs are met by the NIF.
135. The consumption of resources includes both administration and programme expenditure (including social security benefits). The capital expenditure plans are shown separately in respect of each area of administration within the Department. Expenditure by local authorities in respect of the Department's welfare programmes is also shown in this table, and the extent to which it is supported by grants from the Department.

## Table 2 – Department for Work and Pensions resource budget detail

136. This table provides similar information to Table 1, but in greater detail. It shows the expenditure for each of the client groups, indicating the activities the Department spends its money on. The expenditure plans differentiate between the costs of administration and expenditure incurred on the various welfare programmes. The entry concerning the National Insurance Fund relates only to the Department's costs in administering claims to contributory social security benefits paid from the National Insurance Fund.

## Table 3 – Department for Work and Pensions capital budget detail

137. This table provides details of the capital expenditure plans in the same format as Table 2. Figures in respect of the Social Fund represent the level of net lending of the fund which, under HM Treasury Consolidated Budgeting Guidance, is regarded as a capital expenditure item.

## Table 4 – Department for Work and Pensions capital employed

138. This table shows the capital employed by the Department, in a balance sheet format. It provides a high-level analysis of the value of the various categories of fixed assets, debtor and creditor values, and also the extent of provisions made. The net assets of Non-Departmental Public Bodies (NDPBs) and Public Corporations (Remploy Ltd and Pension Protection Fund) are shown separately.

## Table 5 – Department for Work and Pensions administration costs

139. This table presents in more detail information concerning the administration costs of running the Department. These costs form part of the Department's DEL budget. For the current year and past years there is an analysis of administration expenditure showing paybill and other costs.

## Table 6 – Staff numbers 2002-03 to 2009-10

140. This table shows actual and projected staffing in the Department and the split between permanent staff, temporary staff and overtime. Figures for all years to 2004-05 are based on full-time equivalents and are consistent with Cabinet Office definitions at the time. Actual figures from 2005-06 are based on the Office of National Statistics specification which includes all paid staff and has the effect of increasing staff numbers by around 2%. Planned figures for 2009-10 use the ONS specification and are based on agreed headcount plans as at April 2009. These plans are based on a series of business assumptions and therefore are subject to review.

## Table 7 – Total Department for Work and Pensions identifiable expenditure on services, by country and region 2003-04 to 2010-11

141. This table shows expenditure on services which can be analysed as being for the benefit of individual countries and regions. The expenditure represents the Department's total expenditure, excluding Housing Benefit and Council Tax Benefit, for each region, with country and United Kingdom totals.

142. The majority of the expenditure is identifiable which means that it can be recognised as having been paid to, and for the advantage of, individuals within particular regions. Some non-identifiable expenditure is shown from 2007-08; this is planned spending which is deemed to be on behalf of the United Kingdom as a whole.

143. The expenditure shown in respect of Northern Ireland and outside the United Kingdom is explained in the notes to Table 7. More information about the non-identifiable expenditure is also shown in the Table 7 notes. Expenditure plans are mostly allocated to regions on the basis of the most recent outturn information.

## Table 8 – Department for Work and Pensions identifiable expenditure on services, by country and region, per head 2003-04 to 2010-11

144. This table shows expenditure on services which can be analysed as being for the benefit of individual countries and regions per head of population. This is more informative than the total expenditure information presented in Table 7, as the size of the population varies significantly between regions. For example, while expenditure per head is highest in the North East, because it has a relatively small population, its total expenditure is the smallest of all the regions (ignoring Northern Ireland, as only a small proportion of benefit spending in Northern Ireland falls to the Department's budget).

145. The figures also demonstrate that expenditure per head in Wales and Scotland is consistently higher than in England, and that spending is lowest in London and the South East. The reasons for the variation in the figures are many and complex, and will depend on variations in the structure of the population and the socio-economic environment. For example, areas such as the South West with a higher proportion of pensioners will tend to show higher spending, other things being equal.

## Table 9 – Department for Work and Pensions spending by objective by country and region in 2007-08

146. This table provides a breakdown of expenditure based on the United Nations Classification of the Functions of Government (COFOG), the international standard. The presentations of spending by function are consistent with those used in Chapter 9 of Public Expenditure Statistical Analyses 2008 (PESA).

## Table 10 – Expenditure on the New Deals and Action Teams

147. The table shows total expenditure by the Department for Work and Pensions on New Deals.



**Table 1: Total departmental spending for the Department for Work and Pensions**

 £ million <sup>(1,2)</sup>

|  | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>estimated<br>outturn | 2009-10<br>plans | 2010-11<br>plans |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|
| <b>Resource budget</b>                           |                    |                    |                    |                    |                    |                                 |                  |                  |
| <b>Resource DEL <sup>(3)</sup></b>               |                    |                    |                    |                    |                    |                                 |                  |                  |
| Children <sup>(4,5)</sup>                        | 247                | 256                | 393                | 492                | 553                | 578                             | 565              | 574              |
| Working age <sup>(5,6,7)</sup>                   | 3,709              | 3,875              | 3,700              | 4,515              | 4,539              | 4,627                           | 4,809            | 5,346            |
| Pensioners <sup>(5,7)</sup>                      | 303                | 420                | 183                | 325                | 358                | 365                             | 401              | 367              |
| Disability <sup>(5,8)</sup>                      | 363                | 379                | 439                | 515                | 550                | 564                             | 578              | 574              |
| Corporate and shared services <sup>(5,7,9)</sup> | 1,658              | 1,782              | 2,051              | 728                | 709                | 699                             | 723              | 547              |
| National Insurance Fund <sup>(10)</sup>          | 1,399              | 1,137              | 1,083              | 1,112              | 1,096              | 1,001                           | 1,056            | 1,056            |
| Public corporations <sup>(11)</sup>              | 108                | 109                | 117                | 129                | 192                | 153                             | 119              | 119              |
| Unallocated provision <sup>(6)</sup>             | -                  | -                  | -                  | -                  | -                  | -                               | 721              | 1,267            |
| <b>Total resource budget DEL</b>                 | <b>7,787</b>       | <b>7,958</b>       | <b>7,966</b>       | <b>7,816</b>       | <b>7,998</b>       | <b>7,987</b>                    | <b>8,972</b>     | <b>9,850</b>     |
| <i>of which:</i><br>Near-cash <sup>(12)</sup>    | 7,688              | 7,850              | 7,732              | 7,539              | 7,767              | 7,830                           | 8,815            | 9,698            |
| <b>Resource AME <sup>(13)</sup></b>              |                    |                    |                    |                    |                    |                                 |                  |                  |
| Children <sup>(14)</sup>                         | 1                  | 1                  | 5                  | #                  | -                  | -                               | -                | -                |
| Working age                                      | 36,422             | 38,396             | 38,488             | 39,473             | 40,288             | 43,146                          | 49,798           | 53,180           |
| Pensioners                                       | 55,245             | 59,336             | 62,888             | 65,085             | 71,347             | 75,686                          | 79,867           | 81,439           |
| Disability <sup>(8)</sup>                        | 12,089             | 12,854             | 13,700             | 14,514             | 15,587             | 16,666                          | 18,010           | 18,560           |
| Corporate and shared services <sup>(14)</sup>    | 1                  | 3                  | 14                 | 2                  | -                  | -                               | -                | -                |
| <b>Total resource budget AME</b>                 | <b>103,759</b>     | <b>110,591</b>     | <b>115,094</b>     | <b>119,074</b>     | <b>127,222</b>     | <b>135,499</b>                  | <b>147,676</b>   | <b>153,179</b>   |
| <i>of which:</i><br>Near-cash <sup>(12)</sup>    | 103,665            | 110,255            | 114,832            | 118,177            | 124,373            | 134,357                         | 147,243          | 152,737          |
| <b>Total resource budget</b>                     | <b>111,546</b>     | <b>118,549</b>     | <b>123,060</b>     | <b>126,890</b>     | <b>135,220</b>     | <b>143,485</b>                  | <b>156,648</b>   | <b>163,029</b>   |
| <i>of which:</i><br>Depreciation                 | 123                | 153                | 167                | 189                | 155                | 171                             | 256              | 254              |

|  | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>estimated<br>outturn | 2009-10<br>plans | 2010-11<br>plans |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|
| <b>Capital budget</b>                                      |                    |                    |                    |                    |                    |                                 |                  |                  |
| <b>Capital DEL (£)</b>                                     |                    |                    |                    |                    |                    |                                 |                  |                  |
| Children   | #                  | #                  | #                  | -                  | 3                  | 6                               | -                | -                |
| Working age <sup>(15)</sup>                                | 275                | 152                | 289                | 125                | 27                 | 22                              | 22               | 22               |
| Pensioners <sup>(16)</sup>                                 | 1                  | 7                  | 34                 | 58                 | 45                 | 24                              | 2                | 1                |
| Disability   | -                  | #                  | 1                  | #                  | 1                  | -                               | -                | -                |
| Corporate and<br>shared services <sup>(17)</sup>           | -27                | 131                | 29                 | 34                 | 17                 | 3                               | 52               | 43               |
| <b>Total capital<br/>budget DEL</b>                        | <b>248</b>         | <b>290</b>         | <b>353</b>         | <b>217</b>         | <b>94</b>          | <b>55</b>                       | <b>77</b>        | <b>67</b>        |
| <b>Capital AME</b>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Pensioners <sup>(18)</sup>                                 | 90                 | 80                 | 101                | 185                | 140                | 142                             | 206              | 227              |
| <b>Total capital<br/>budget AME</b>                        | <b>90</b>          | <b>80</b>          | <b>101</b>         | <b>185</b>         | <b>140</b>         | <b>142</b>                      | <b>206</b>       | <b>227</b>       |
| <b>Total capital<br/>budget</b>                            | <b>339</b>         | <b>370</b>         | <b>454</b>         | <b>402</b>         | <b>234</b>         | <b>197</b>                      | <b>283</b>       | <b>294</b>       |
| <b>Total<br/>departmental<br/>spending <sup>(19)</sup></b> |                    |                    |                    |                    |                    |                                 |                  |                  |
| Children   | 242                | 251                | 392                | 488                | 556                | 583                             | 564              | 573              |
| Working age  | 40,331             | 42,338             | 42,373             | 43,988             | 44,757             | 47,652                          | 54,463           | 58,373           |
| Pensioners   | 55,634             | 59,834             | 63,181             | 65,617             | 71,855             | 76,198                          | 80,426           | 81,982           |
| Disability   | 12,452             | 13,232             | 14,138             | 15,028             | 16,138             | 17,226                          | 18,582           | 19,128           |
| Corporate and<br>shared services                           | 1,597              | 1,865              | 2,062              | 741                | 705                | 697                             | 744              | 572              |
| National Insurance<br>Fund                                 | 1,399              | 1,137              | 1,083              | 1,112              | 1,096              | 1,001                           | 1,056            | 1,056            |
| Public corporations  | 108                | 109                | 117                | 129                | 192                | 153                             | 119              | 119              |
| Unallocated<br>provision                                   | -                  | -                  | -                  | -                  | -                  | -                               | 721              | 1,267            |
| <b>Total<br/>departmental<br/>spending</b>                 | <b>111,762</b>     | <b>118,766</b>     | <b>123,346</b>     | <b>127,103</b>     | <b>135,298</b>     | <b>143,511</b>                  | <b>156,674</b>   | <b>163,069</b>   |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Total DEL  | 7,921              | 8,104              | 8,180              | 7,848              | 7,936              | 7,914                           | 8,881            | 9,754            |
| Total AME  | 103,841            | 110,662            | 115,166            | 119,255            | 127,362            | 135,597                         | 147,793          | 153,315          |

|   | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>estimated<br>outturn | 2009-10<br>plans | 2010-11<br>plans |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|
| <b>Spending by local authorities on functions relevant to the Department (20)</b> |                    |                    |                    |                    |                    |                                 |                  |                  |
| Current spending  | 13,225             | 14,080             | 14,874             | 15,801             | 16,622             | 18,139                          |                  |                  |
| <i>of which:</i>  |                    |                    |                    |                    |                    |                                 |                  |                  |
| financed by grants from budgets, above  | 14,358             | 16,910             | 17,928             | 19,092             | 20,055             | 21,512                          |                  |                  |
| Capital spending  | #                  | #                  | #                  | #                  | 1                  | 1                               |                  |                  |
| <i>of which</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| financed by grants from budgets, above  | -16                | 1                  | #                  | #                  | #                  | -                               |                  |                  |

## Notes for Table 1

- 1 Totals may not sum due to rounding.
- 2 Amounts below £0.5m are indicated by #.
- 3 Departmental Expenditure Limit (DEL) for Resource and Capital set as part of the Spending Review process and amended to incorporate transfers of functions to other government departments.
- 4 From 1 November 2008, the functions of the CSA were taken on by the Child Maintenance and Enforcement Commission.
- 5 From 2006-07 expenditure on accommodation and IS/IT was charged to individual businesses. This results in increases in expenditure in the client areas offsetting decreases in corporate and shared services.
- 6 Since November 2008, the Department has been allocated £4.4bn of additional DEL to ensure it meets the challenges of the economic downturn over the CSR07 period. This will fund the costs associated with increasing benefit claimant counts, increased support for those out of work for more than six months, and the provision of an employment guarantee for young people unemployed for more than 12 months. Of this additional funding, £3.5bn (£1,226m in 2009/10 and £2,296m in 2010/11) has already been drawn down from HM Treasury and is included in these figures, with £671m in 2009-10 and £1,043m in 2010-11 currently held in the Departmental Unallocated Provision. The remaining £0.9m will be drawn down in future Supplementary Estimates, subject to HM Treasury approval.
- 7 Variations between years are partly caused by changes to the apportionment of National Insurance Fund (NIF) receipts between client areas. In 2005-06, NIF receipts were only apportioned to working age and pensioners. From 2006-07, the Department developed a more accurate method for applying its NIF receipts to those business areas incurring the related costs (working age, pensioners and corporate and shared services).
- 8 The two Independent Living Funds were merged in 2007-08 and re-classified as a NDPB. In addition, the Independent Living Fund was re-categorised from AME to DEL with effect from 2008-09. For comparative purposes, the prior years have also been adjusted for the AME to DEL switch.
- 9 In addition to information provided in notes 5 and 7, variations in this run of figures have been caused by fluctuations in modernisation expenditure, re-structuring of the Department and costs relating to the Efficiency Challenge.

- 10 National Insurance Fund (NIF) administration relates to the administration costs of processing NIF benefits, directly related to volumes of activity. The variation in the NIF payment in 2003-04 results from a re-calculation to compensate for over/under payments in previous years.
- 11 Includes Remploy Ltd and Pension Protection Fund (2005-06 onwards).
- 12 Near-cash is an HM Treasury measure used to assess expenditure which impacts their fiscal objectives.
- 13 Annually Managed Expenditure (AME) is set as part of the Budget and Pre Budget Report process.
- 14 Elements of asset depreciation were reclassified from DEL to AME in HM Treasury Budgeting Guidance, with changes impacted across all years.
- 15 Levels of expenditure from 2003-04 to 2006-07 reflect capital costs associated with the Jobcentre Plus roll-out programme.
- 16 Increase in expenditure between 2005-06 and 2008-09 is as a result of spending on the Pensions Transformation Programme.
- 17 Negative numbers arise due to the sale of capital assets.
- 18 Figures relate to net lending on the Social Fund (working age and pensioners), and include additional funding for 2009-10 and 2010-11 announced in Budget 2009.
- 19 Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and the capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.
- 20 Local authority spending is not forecast for future years.

**Table 2: Resource budget DEL and AME for the Department for Work and Pensions**

 £ million <sup>(1,2)</sup>

|  | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>estimated<br>outturn | 2009-10<br>plans | 2010-11<br>plans |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|
| <b>Resource DEL</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |
| <b>Children</b>  | <b>247</b>         | <b>256</b>         | <b>393</b>         | <b>492</b>         | <b>553</b>         | <b>578</b>                      | <b>565</b>       | <b>574</b>       |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Children administration <sup>(3,5)</sup>                             | 247                | 256                | 393                | 492                | 553                | 578                             | 565              | 574              |
| <b>Working age <sup>(23)</sup></b>                                   | <b>3,709</b>       | <b>3,875</b>       | <b>3,700</b>       | <b>4,515</b>       | <b>4,539</b>       | <b>4,627</b>                    | <b>4,809</b>     | <b>5,346</b>     |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Working Age administration <sup>(4,5,6,7)</sup>                      | 2,006              | 2,324              | 2,095              | 3,153              | 3,002              | 3,165                           | 3,023            | 3,009            |
| Employment Programmes <sup>(8)</sup>                                 | 1,146              | 978                | 918                | 725                | 844                | 883                             | 1,159            | 1,737            |
| Grants to local authorities  | 556                | 573                | 687                | 637                | 694                | 579                             | 627              | 600              |
| <b>Pensioners</b>  | <b>303</b>         | <b>420</b>         | <b>183</b>         | <b>325</b>         | <b>358</b>         | <b>365</b>                      | <b>401</b>       | <b>367</b>       |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Pensioners benefits <sup>(9)</sup>                                   | -                  | -                  | #                  | 4                  | 14                 | 39                              | 38               | 43               |
| Pensioners administration <sup>(5,7,10)</sup>                        | 303                | 420                | 183                | 321                | 344                | 326                             | 363              | 324              |
| <b>Disability</b>  | <b>363</b>         | <b>379</b>         | <b>439</b>         | <b>515</b>         | <b>550</b>         | <b>564</b>                      | <b>578</b>       | <b>574</b>       |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Disability administration <sup>(5)</sup>                             | 174                | 170                | 206                | 259                | 254                | 238                             | 238              | 215              |
| Disability benefits and grants to independent bodies <sup>(11)</sup> | 189                | 209                | 233                | 256                | 296                | 327                             | 340              | 359              |
| <b>Corporate and shared services</b>                                 | <b>1,658</b>       | <b>1,782</b>       | <b>2,051</b>       | <b>728</b>         | <b>709</b>         | <b>699</b>                      | <b>723</b>       | <b>547</b>       |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Corporate and shared services administration <sup>(5,7,12)</sup>     | 1,658              | 1,782              | 2,051              | 728                | 709                | 699                             | 723              | 547              |

|   | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>estimated<br>outturn | 2009-10<br>plans | 2010-11<br>plans |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|
| <b>National Insurance Fund</b>                                | <b>1,399</b>       | <b>1,137</b>       | <b>1,083</b>       | <b>1,112</b>       | <b>1,096</b>       | <b>1,001</b>                    | <b>1,056</b>     | <b>1,056</b>     |
| <i>of which:</i>  |                    |                    |                    |                    |                    |                                 |                  |                  |
| National Insurance Fund: administration <sup>(13)</sup>       | 1,399              | 1,137              | 1,083              | 1,112              | 1,096              | 1,001                           | 1,056            | 1,056            |
|   |                    |                    |                    |                    |                    |                                 |                  |                  |
| <b>Public corporations</b>                                    | <b>108</b>         | <b>109</b>         | <b>117</b>         | <b>129</b>         | <b>192</b>         | <b>153</b>                      | <b>119</b>       | <b>119</b>       |
| <i>of which:</i>  |                    |                    |                    |                    |                    |                                 |                  |                  |
| Remploy Ltd.  | 108                | 109                | 117                | 129                | 192                | 153                             | 119              | 119              |
| Pensions Protection Fund <sup>(14)</sup>                      | -                  | -                  | 9                  | 10                 | 17                 | 19                              | 23               | 23               |
| Pensions Protection Fund: Levy funding <sup>(14)</sup>        | -                  | -                  | (9)                | (10)               | (17)               | (19)                            | (23)             | (23)             |
|   |                    |                    |                    |                    |                    |                                 |                  |                  |
| <b>Unallocated provision</b>                                  | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>                        | <b>721</b>       | <b>1,267</b>     |
|   |                    |                    |                    |                    |                    |                                 |                  |                  |
| <b>Total resource budget DEL</b>                              | <b>7,787</b>       | <b>7,958</b>       | <b>7,966</b>       | <b>7,816</b>       | <b>7,998</b>       | <b>7,987</b>                    | <b>8,972</b>     | <b>9,850</b>     |
| <i>of which:</i>  |                    |                    |                    |                    |                    |                                 |                  |                  |
| Near-cash   | 7,688              | 7,850              | 7,732              | 7,539              | 7,767              | 7,830                           | 8,815            | 9,698            |
| <i>of which:</i> <sup>(15)</sup>                              |                    |                    |                    |                    |                    |                                 |                  |                  |
| Pay   | 2,960              | 3,081              | 3,263              | 3,140              | 3,198              | 3,106                           |                  |                  |
| Procurement   | 3,566              | 3,614              | 3,342              | 3,116              | 3,172              | 3,509                           |                  |                  |
| Current grants and subsidies to the private sector and abroad | 358                | 441                | 342                | 433                | 454                | 473                             |                  |                  |
| Current grants to local authorities                           | 684                | 653                | 745                | 729                | 753                | 618                             |                  |                  |
| Depreciation  | 114                | 144                | 139                | 185                | 155                | 127                             | 168              | 163              |

|  | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>estimated<br>outturn | 2009-10<br>plans | 2010-11<br>plans |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|
| <b>Resource AME</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |
| <b>Children</b>  | 1                  | 1                  | 5                  | #                  | -                  | -                               | -                | -                |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Children benefits <sup>(16)</sup>                                    | #                  | -                  | #                  | -                  | -                  | -                               | -                | -                |
| Children administration <sup>(17)</sup>                              | 1                  | 1                  | 5                  | #                  | -                  | -                               | -                | -                |
| <b>Working age</b>   | <b>36,422</b>      | <b>38,396</b>      | <b>38,488</b>      | <b>39,473</b>      | <b>40,288</b>      | <b>43,146</b>                   | <b>49,798</b>    | <b>53,180</b>    |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Working age benefits <sup>(6,18)</sup>                               | 22,610             | 22,052             | 21,232             | 21,034             | 20,883             | 22,139                          | 25,886           | 27,715           |
| Working age administration <sup>(17)</sup>                           | 6                  | 5                  | 10                 | 2                  | #                  | -                               | -                | -                |
| Employment Programmes  | 139                | 87                 | 72                 | 86                 | 110                | 110                             | 90               | 47               |
| Grants to local authorities  | 13,666             | 16,252             | 17,175             | 18,351             | 19,295             | 20,897                          | 23,822           | 25,418           |
|  |                    |                    |                    |                    |                    |                                 |                  |                  |
| <b>Pensioners</b>  | <b>55,245</b>      | <b>59,336</b>      | <b>62,888</b>      | <b>65,085</b>      | <b>71,347</b>      | <b>75,686</b>                   | <b>79,867</b>    | <b>81,439</b>    |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Pensioners benefits <sup>(19)</sup>                                  | 53,033             | 56,875             | 60,509             | 62,016             | 66,382             | 71,575                          | 76,779           | 78,923           |
| Social Fund <sup>(20)</sup>  | 2,209              | 2,244              | 2,345              | 2,343              | 2,495              | 3,327                           | 3,034            | 2,457            |
| Pensioners administration <sup>(21)</sup>                            | 4                  | 217                | 34                 | 726                | 2,470              | 785                             | 54               | 59               |
|  |                    |                    |                    |                    |                    |                                 |                  |                  |
| <b>Disability</b>  | <b>12,089</b>      | <b>12,854</b>      | <b>13,700</b>      | <b>14,514</b>      | <b>15,587</b>      | <b>16,666</b>                   | <b>18,010</b>    | <b>18,560</b>    |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Disability benefits and grants to independent bodies <sup>(22)</sup> | 12,090             | 12,854             | 13,700             | 14,514             | 15,587             | 16,666                          | 18,010           | 18,560           |
|  |                    |                    |                    |                    |                    |                                 |                  |                  |
| <b>Corporate and shared services</b>                                 | <b>1</b>           | <b>3</b>           | <b>14</b>          | <b>2</b>           | <b>-</b>           | <b>-</b>                        | <b>-</b>         | <b>-</b>         |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Corporate and shared services administration <sup>(17)</sup>         | 1                  | 3                  | 14                 | 2                  | -                  | -                               | -                | -                |

|   | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>estimated<br>outturn | 2009-10<br>plans | 2010-11<br>plans |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|
| <b>Total resource<br/>budget AME</b>                                      | <b>103,759</b>     | <b>110,591</b>     | <b>115,094</b>     | <b>119,074</b>     | <b>127,222</b>     | <b>135,499</b>                  | <b>147,676</b>   | <b>153,179</b>   |
| <i>of which:</i>  |                    |                    |                    |                    |                    |                                 |                  |                  |
| Near-cash   | 103,665            | 110,255            | 114,832            | 118,177            | 124,373            | 134,357                         | 147,243          | 152,737          |
| <i>of which: <sup>(15)</sup></i>  |                    |                    |                    |                    |                    |                                 |                  |                  |
| Current grants<br>and subsidies<br>to the private<br>sector and<br>abroad | 89,579             | 93,561             | 97,300             | 99,515             | 104,768            | 113,112                         | 122,982          | 126,861          |
| Current<br>grants to local<br>authorities                                 | 13,674             | 16,258             | 17,183             | 18,364             | 19,302             | 20,894                          | 23,819           | 25,414           |
| Depreciation  | 9                  | 9                  | 28                 | 4                  | #                  | 43                              | 89               | 91               |
|   |                    |                    |                    |                    |                    |                                 |                  |                  |
| <b>Total resource<br/>budget</b>  | <b>111,546</b>     | <b>118,549</b>     | <b>123,060</b>     | <b>126,890</b>     | <b>135,220</b>     | <b>143,485</b>                  | <b>156,648</b>   | <b>163,029</b>   |

## Notes for Table 2

- 1 Totals may not sum due to rounding.
- 2 Amounts below £0.5m are indicated by #.
- 3 See note 4 in Table 1.
- 4 Includes Working Ventures (UK) Ltd (formally National Employment Panel (NEP) Ltd) and Health and Safety Executive/Laboratory (HSE/HSL).
- 5 See note 5 in Table 1.
- 6 See note 6 in Table 1.
- 7 See note 7 in Table 1.
- 8 Employment Programme administration costs moved into the Working Age administration line in 2004-05. The total planned spend on Employment Programmes during CSR07 is around £1.3bn per year, although elements of this expenditure appear in different lines of the financial tables. For example, area-based grants are within Grants to local authorities and Remploy is shown as a Public corporation.
- 9 Relates to payments made by the Financial Assistance Scheme (FAS).
- 10 Includes Office of the Pensions Regulatory Authority (to 2004-05) and The Pensions Regulator (from 2005-06).
- 11 See note 8 in Table 1.
- 12 See note 9 in Table 1.
- 13 See note 10 in Table 1.
- 14 Grants payable to the Pensions Protection Fund are offset by income from levy funding imposed by the pensions industry.
- 15 The breakdown of near-cash in Resource DEL by economic category may exceed the total near-cash Resource DEL reported above because of other income and receipts that score in near-cash Resource DEL but are not included as pay, procurement, or current grants and subsidies to the private sector, abroad and local authorities.



- 16 Relates to Guardian's Allowance and Child's Special Allowance.
- 17 See note 14 in Table 1.
- 18 Working age benefits include: Severe Disablement Allowance, Industrial Injuries Benefits, Income Support (under 60 years of age), Jobseeker's Allowance, Job Grant, Earnings Top Up, Statutory Sick Pay, Statutory Maternity Pay, Incapacity Benefit. In addition, Employment and Support Allowance, In Work Credit and Return to Work Credit are also included from 2008-09 onwards.
- 19 Pensioner benefits include: State Pension, non-contributory Retirement Pension, Christmas Bonus, Pension Credit, TV Licences for the over 75s and Widows Benefits.
- 20 Relates to all Social Fund resource expenditure for working age as well as pensioners, including Winter Fuel payments. The increases in 2008-09 and 2009-10 reflect the one off payment to the elderly announced in the Budget 2008 and 2009, and unprecedented levels of cold weather payments in 2008-09.
- 21 The increase in Financial Assistance Scheme provision between 2006-07 and 2008-09 reflect previously announced extensions to the scheme.
- 22 Disability benefits include: Attendance Allowance, Disability Living Allowance, Disability Working Allowance, Invalid Care Allowance, Vaccine Damage. Grants to independent bodies refers to grants to Motability. See note 8 in Table 1 with regard to Independent Living Fund.

**Table 3: Capital Budget DEL and AME for the Department  
for Work and Pensions**

£ million <sup>(1,2)</sup>

|  | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>estimated<br>outturn | 2009-10<br>plans | 2010-11<br>plans |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|
| <b>Capital DEL</b>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| <b>Children</b>  | #                  | #                  | #                  | -                  | 3                  | 6                               | -                | -                |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Children<br>administration   | #                  | #                  | #                  | -                  | 3                  | 6                               | -                | -                |
| <b>Working age</b>   | 275                | 152                | 289                | 125                | 27                 | 22                              | 22               | 22               |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Working Age<br>administration<br>( <sup>3,4</sup> )                        | 268                | 150                | 289                | 125                | 27                 | 22                              | 22               | 22               |
| Employment<br>Programmes   | 6                  | 2                  | #                  | #                  | #                  | -                               | -                | -                |
| <b>Pensioners</b>  | 1                  | 7                  | 34                 | 58                 | 45                 | 24                              | 2                | 1                |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Pensioner<br>administration<br>( <sup>5</sup> )                            | 1                  | 7                  | 34                 | 58                 | 45                 | 24                              | 2                | 1                |
| <b>Disability</b>  | -                  | #                  | 1                  | #                  | 1                  | -                               | -                | -                |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Disability<br>administration   | -                  | #                  | 1                  | #                  | 1                  | -                               | -                | -                |
| <b>Corporate and<br/>shared services</b>                                   | -27                | 131                | 29                 | 34                 | 17                 | 3                               | 52               | 43               |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Corporate<br>services<br>administration<br>( <sup>6</sup> )                | -27                | 131                | 29                 | 34                 | 17                 | 3                               | 52               | 43               |
| <b>Total capital<br/>budget DEL</b>  | 248                | 290                | 353                | 217                | 94                 | 55                              | 77               | 67               |
| <i>of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Capital<br>expenditure on<br>fixed assets net<br>of sales ( <sup>7</sup> ) | 235                | 281                | 350                | 199                | 66                 | 44                              | 58               | 48               |

|   | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>estimated<br>outturn | 2009-10<br>plans | 2010-11<br>plans |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|
| Capital grants to the private sector and abroad <sup>(8)</sup>  | 22                 | #                  | -                  | 13                 | 23                 | 9                               | 10               | 10               |
| Capital support to public corporations                          | 7                  | 7                  | 3                  | 5                  | 4                  | 1                               | 8                | 8                |
| Capital support to local authorities                            | -16                | 1                  | #                  | #                  | #                  | -                               | -                | -                |
| <b>Capital AME</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |
| <b>Pensioners</b>   | <b>90</b>          | <b>80</b>          | <b>101</b>         | <b>185</b>         | <b>140</b>         | <b>142</b>                      | <b>206</b>       | <b>227</b>       |
| <i>of which:</i>  |                    |                    |                    |                    |                    |                                 |                  |                  |
| Social Fund <sup>(9)</sup>                                      | 90                 | 80                 | 101                | 185                | 140                | 142                             | 206              | 227              |
| <b>Total capital budget AME</b>                                 | <b>90</b>          | <b>80</b>          | <b>101</b>         | <b>185</b>         | <b>140</b>         | <b>142</b>                      | <b>206</b>       | <b>227</b>       |
| <b>Total capital budget</b>                                     | <b>339</b>         | <b>370</b>         | <b>454</b>         | <b>402</b>         | <b>234</b>         | <b>197</b>                      | <b>283</b>       | <b>294</b>       |
| <i>of which:</i>  |                    |                    |                    |                    |                    |                                 |                  |                  |
| Capital expenditure on fixed assets net of sales <sup>(7)</sup> | 235                | 281                | 350                | 199                | 66                 | 44                              | 58               | 48               |
| Less depreciation   | 123                | 153                | 167                | 189                | 155                | 171                             | 256              | 254              |
| Net capital expenditure on tangible fixed assets                | 112                | 128                | 183                | 10                 | -89                | -127                            | -198             | -205             |

### Notes for Table 3

- 1 Totals may not sum due to rounding.
- 2 Amounts below £0.5m are indicated by #.
- 3 See note 15 in Table 1.
- 4 See note 4 in Table 2.
- 5 See note 16 in Table 1.
- 6 See note 17 in Table 1.
- 7 Expenditure by the Department and NDPBs on land, buildings and equipment, net of sales. Excludes spending on financial assets, grants and public corporations' capital expenditure.
- 8 Grants to support expenditure on Financial Inclusion, Invest to Save Programmes and Working age Employment Programmes.
- 9 See note 18 in Table 1.

**Table 4: Capital Employed for the Department  
for Work and Pensions**

£ million

|  | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>estimated<br>outturn | 2009-10<br>plans | 2010-11<br>plans |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|
| <b>Assets and liabilities on the balance sheet at end of year:</b> |                    |                    |                    |                    |                    |                                 |                  |                  |
| <b>Assets</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |
| Fixed assets <sup>(1)</sup>  | 610                | 767                | 1,005              | 991                | 879                | 816                             | 885              | 756              |
| Intangible   | 1                  | 26                 | 40                 | 52                 | 50                 | 59                              | 59               | 59               |
| Tangible   |                    |                    |                    |                    |                    |                                 |                  |                  |
| of which:  |                    |                    |                    |                    |                    |                                 |                  |                  |
| Land and buildings   | 11                 | 65                 | 62                 | 62                 | 64                 | 80                              | 80               | 80               |
| Leasehold improvements <sup>(2)</sup>                              | 330                | 378                | 580                | 524                | 512                | 429                             | 381              | 309              |
| Plant and machinery  | 6                  | 6                  | 5                  | 5                  | 5                  | 5                               | 5                | 5                |
| Furniture and fittings   | 15                 | 16                 | 14                 | 13                 | 12                 | 10                              | 9                | 8                |
| Transport equipment  | 20                 | 19                 | 17                 | 15                 | 2                  | 2                               | 2                | 2                |
| Information Technology   | 224                | 162                | 191                | 177                | 132                | 158                             | 275              | 219              |
| Payments on accounts and assets under construction                 | 2                  | 95                 | 95                 | 142                | 100                | 73                              | 73               | 73               |
| Investments <sup>(3)</sup>   | 1                  | -                  | 1                  | 1                  | 1                  | 1                               | 1                | 1                |
| Current assets   | 4,261              | 4,228              | 4,129              | 4,011              | 4,109              | 3,554                           | 3,554            | 3,554            |
| <b>Liabilities</b>   |                    |                    |                    |                    |                    |                                 |                  |                  |
| Creditors (<1 year) <sup>(4)</sup>                                 | -3,606             | -4,603             | -3,579             | -3,766             | -3,298             | -3,466                          | -3,466           | -3,466           |
| Creditors (>1 year)  | -274               | -340               | -349               | -342               | -376               | -504                            | -504             | -504             |
| Provisions <sup>(5)</sup>  | -165               | -338               | -399               | -1,107             | -3,689             | -4,506                          | -4,506           | -4,506           |
| <b>Capital employed within main department</b>                     | <b>826</b>         | <b>-286</b>        | <b>807</b>         | <b>-213</b>        | <b>-2,375</b>      | <b>-4,106</b>                   | <b>-4,037</b>    | <b>-4,166</b>    |
| NDPB net assets <sup>(6)</sup>                                     | 4                  | 2                  | 1                  | 3                  | -2                 | -2                              | -2               | -2               |
| Public corporation net assets                                      | 32                 | -140               | -166               | -158               | -74                | -66                             | -57              | -55              |
| <b>Total capital employed in departmental group</b>                | <b>862</b>         | <b>-424</b>        | <b>642</b>         | <b>-368</b>        | <b>-2,451</b>      | <b>-4,174</b>                   | <b>-4,096</b>    | <b>-4,223</b>    |

## Notes for Table 4

- 1 From 2004-05 the Department capitalised software licenses and software development. As a consequence, intangible assets and payments on account and assets under construction increased due to the purchase of software licenses and the development of software to support the Department's Change Programme.
- 2 From 2003-04 the Department reviewed its accounting policy in respect of the capitalisation of expenditure on improvements to leasehold properties. As a result, expenditure in respect of major capital refurbishment and improvements of properties occupied but not owned by the Department is capitalised and reported under Leasehold Improvements.
- 3 Previously investments were not separately disclosed but were included in fixed assets.
- 4 2004-05 includes two exceptional items – a balance owing to the Contingencies Fund and an amount owed to paying agents.
- 5 The increase in provisions between 2006-07 and 2008-09 relates to extensions to the Financial Assistance Scheme (see note 21 in Table 2).
- 6 From 2004-05 the Department's Non-Departmental Public Bodies and Public Corporations implemented FRS 17 'Retirement Benefits' and recognised a liability for funding existing and future pensions increases on their Balance Sheet.

**Table 5: Administration Costs for the Department  
for Work and Pensions**

 £ million <sup>(1,2)</sup>

|   | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>estimated<br>outturn | 2009-10<br>plans | 2010-11<br>plans |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|
| <b>Administration expenditure <sup>(3)</sup></b>  |                    |                    |                    |                    |                    |                                 |                  |                  |
| Paybill   | 2,941              | 3,050              | 3,200              | 3,070              | 3,029              | 3,026                           |                  |                  |
| Other   | 3,105              | 3,067              | 2,813              | 2,930              | 2,831              | 2,931                           |                  |                  |
| <b>Total<br/>administration<br/>expenditure</b>   | <b>6,046</b>       | <b>6,117</b>       | <b>6,013</b>       | <b>6,001</b>       | <b>5,859</b>       | <b>5,957</b>                    | <b>6,565</b>     | <b>7,008</b>     |
| Administration<br>income                          | -137               | -137               | -173               | -144               | -162               | -197                            | -200             | -200             |
| <b>Total<br/>administration<br/>budget</b>        | <b>5,909</b>       | <b>5,981</b>       | <b>5,839</b>       | <b>5,857</b>       | <b>5,697</b>       | <b>5,759</b>                    | <b>6,365</b>     | <b>6,808</b>     |
| <b>Analysis by activity</b>                       |                    |                    |                    |                    |                    |                                 |                  |                  |
| Children <sup>(4,5)</sup>                         | 247                | 255                | 390                | 490                | 546                | 578                             | 565              | 574              |
| Working age <sup>(5,6)</sup>                      | 2,354              | 2,485              | 2,691              | 3,474              | 3,345              | 3,406                           | 3,333            | 3,412            |
| Pensioners <sup>(5)</sup>                         | 484                | 571                | 618                | 663                | 646                | 598                             | 571              | 563              |
| Disability <sup>(5,7)</sup>                       | 172                | 166                | 197                | 258                | 245                | 235                             | 235              | 213              |
| Corporate and<br>shared services <sup>(5,8)</sup> | 2,652              | 2,503              | 1,944              | 972                | 916                | 943                             | 940              | 778              |
| Unallocated<br>provision                          | -                  | -                  | -                  | -                  | -                  | -                               | 721              | 1,267            |
| <b>Total<br/>administration<br/>budget</b>        | <b>5,909</b>       | <b>5,981</b>       | <b>5,839</b>       | <b>5,857</b>       | <b>5,697</b>       | <b>5,759</b>                    | <b>6,365</b>     | <b>6,808</b>     |

## Notes for Table 5

- 1 Totals may not sum due to rounding.
- 2 Amounts below £0.5m are indicated by #.
- 3 Administration costs detailed here will not match the administration costs in Table 2 as the latter included additional items outside the definition of the administration budget.
- 4 See note 4 in Table 1.
- 5 See note 5 in Table 1.
- 6 See note 6 in Table 1.
- 7 See note 7 in Table 1.
- 8 See note 9 in Table 1.

**Table 6: Full time equivalent staff resources 2002-03 to 2009-10 averaged over each year**

|                              | 2002-03<br>actual | 2003-04<br>actual | 2004-05<br>actual | 2005-06<br>actual | 2006-07<br>actual | 2007-08<br>actual | 2008-09<br>actual | 2009-10<br>plans |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| <b>Permanent Staff</b>       |                   |                   |                   |                   |                   |                   |                   |                  |
| Children                     | 13,180            | 11,149            | 10,004            | 10,125            | 11,205            | 10,286            | 5,463             | 100              |
| Working age                  | 80,729            | 76,213            | 75,651            | 73,980            | 70,803            | 67,774            | 66,673            | 76,300           |
| Pensions                     | 13,330            | 18,820            | 17,250            | 15,284            | 13,691            | 11,958            | 10,738            | 9,600            |
| Disability                   | 7,225             | 7,031             | 6,658             | 6,394             | 6,243             | 5,784             | 5,248             | 5,000            |
| Corporate                    | 10,031            | 10,259            | 11,260            | 9,994             | 8,681             | 3,986             | 5,146             | 6,230            |
| Shared services              |                   |                   |                   |                   |                   | 4,185             | 3,962             | 3,600            |
| <b>Total permanent staff</b> | <b>124,495</b>    | <b>123,472</b>    | <b>120,823</b>    | <b>115,777</b>    | <b>110,622</b>    | <b>103,973</b>    | <b>97,231</b>     | <b>100,830</b>   |
| Overtime                     | 2,683             | 2,652             | 2,491             | 1,927             | 2,111             | 2,534             | 2,687             | 3,500            |
| Temporary staff              | 4,231             | 4,662             | 3,674             | 2,268             | 1,767             | 1,491             | 2,456             | 3,100            |
| <b>Total</b>                 | <b>131,409</b>    | <b>130,786</b>    | <b>126,988</b>    | <b>119,972</b>    | <b>114,500</b>    | <b>107,998</b>    | <b>102,374</b>    | <b>107,430</b>   |

## Notes for Table 6

1. Figures may not sum due to rounding.
2. Child Benefit Centre staff (around 2,000) transferred to HM Revenue and Customs from April 2003.
3. All figures are shown on a full-time equivalent basis. Figures for years up to 2004-05 are based on the Cabinet Office definition used at the time. Figures for 2005-06 and subsequent years reflect the current Office for National Statistics definition for civil service staff which includes staff on paid leave.
4. Appeals Service staff (around 750) transferred to the Department for Constitutional Affairs from April 2006.
5. Child Support Agency staff (around 9,300) transferred to the Child Maintenance and Enforcement Commission from 1 November 2008. DWP retain a small team looking after Child Poverty and Maintenance Policy and CMEC stewardship.
6. A separate Shared Services Directorate became operational April 2007.
7. In 2008/09 the Department restructured its IT Function. This restructure resulted in the transfer of around 1,500 FTE staff from delivery businesses to the Corporate IT function. Corporate plans for 2009/10 also reflect this restructure.
8. The Rent Service Staff (around 400), part of Working age, transferred to the Valuation Office Agency from 1 April 2009.
9. Planned figures for 2009-10 are based on latest available agreed headcount plans. These are subject to review and may change.



**Table 7: Department for Work and Pensions' identifiable expenditure on services, by country and region**

£ million

|  | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>estimated<br>outturn | 2009-10<br>plans | 2010-11<br>plans |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|
| North East                                       | 5,034              | 5,143              | 5,235              | 5,303              | 5,532              | 5,850                           | 6,172            | 6,318            |
| North West                                       | 12,691             | 13,128             | 13,525             | 13,732             | 14,364             | 15,210                          | 16,015           | 16,353           |
| Yorkshire and<br>Humberside                      | 8,641              | 8,901              | 9,153              | 9,282              | 9,696              | 10,228                          | 10,823           | 11,063           |
| East Midlands                                    | 6,787              | 7,131              | 7,428              | 7,562              | 7,966              | 8,476                           | 9,001            | 9,208            |
| West Midlands                                    | 9,110              | 9,503              | 9,885              | 10,059             | 10,542             | 11,180                          | 11,850           | 12,129           |
| Eastern  | 8,180              | 8,638              | 9,033              | 9,241              | 9,765              | 10,350                          | 10,986           | 11,246           |
| London   | 10,831             | 11,208             | 11,363             | 11,401             | 11,735             | 12,189                          | 12,725           | 12,912           |
| South East                                       | 11,352             | 11,990             | 12,589             | 12,853             | 13,618             | 14,377                          | 15,249           | 15,611           |
| South West                                       | 8,101              | 8,517              | 8,970              | 9,194              | 9,716              | 10,275                          | 10,866           | 11,126           |
| <b>Total England</b>                             | <b>80,726</b>      | <b>84,159</b>      | <b>87,180</b>      | <b>88,628</b>      | <b>92,933</b>      | <b>98,135</b>                   | <b>103,687</b>   | <b>105,966</b>   |
| Scotland   | 9,327              | 9,745              | 10,025             | 10,163             | 10,602             | 11,261                          | 11,908           | 12,168           |
| Wales  | 5,750              | 5,995              | 6,174              | 6,262              | 6,532              | 6,994                           | 7,407            | 7,567            |
| Northern Ireland                                 | 10                 | 10                 | 11                 | 12                 | 12                 | 13                              | 14               | 14               |
| <b>Total UK<br/>identifiable<br/>expenditure</b> | <b>95,812</b>      | <b>99,909</b>      | <b>103,390</b>     | <b>105,064</b>     | <b>110,079</b>     | <b>116,404</b>                  | <b>123,015</b>   | <b>125,715</b>   |
| Outside UK                                       | 2,007              | 2,190              | 2,312              | 2,438              | 2,634              | 2,807                           | 3,039            | 3,126            |
| <b>Total identifiable<br/>expenditure</b>        | <b>97,819</b>      | <b>102,099</b>     | <b>105,702</b>     | <b>107,501</b>     | <b>112,713</b>     | <b>119,210</b>                  | <b>126,055</b>   | <b>128,840</b>   |
| Non-identifiable<br>expenditure                  | 0                  | 0                  | 0                  | 0                  | 2                  | 86                              | 309              | 456              |
| <b>Total expenditure<br/>on services</b>         | <b>97,819</b>      | <b>102,099</b>     | <b>105,702</b>     | <b>107,501</b>     | <b>112,716</b>     | <b>119,296</b>                  | <b>126,364</b>   | <b>129,296</b>   |

## Notes for Table 7

1. **Tables 7, 8 and 9** show analyses of the Department's spending by country and region, and by function. The data presented in these tables are consistent with the country and regional analyses (CRA) published by HM Treasury in Chapter 9 of Public Expenditure Statistical Analyses (PESA) 2009. The figures were taken from the HM Treasury public spending database in December 2008 and the regional distributions were completed in January and February 2009. Therefore, the tables may not show the latest position and are not consistent with other tables in the Departmental Report.
2. The analyses are set within the overall framework of Total Expenditure on Services (TES). TES broadly represents the current and capital expenditure of the public sector, with some differences from the national accounts measure Total Managed Expenditure. The tables show the central government elements of TES. They include current and capital spending by the Department and its NDPBs. They do not include payments to local authorities or local authorities' own expenditure.
3. TES is a near-cash measure of public spending. The tables do not include depreciation, cost of capital charges, or movements in provisions that are in departmental budgets. They do include pay, procurement, capital expenditure, and grants and subsidies to individuals and private sector enterprises. Further information on TES can be found in Appendix E of PESA 2009.
4. The data are based on a subset of spending – identifiable expenditure on services – which is capable of being analysed as being for the benefit of individual countries and regions.
5. Across government, most expenditure is not planned or allocated on a regional basis. Social security payments are paid to eligible individuals irrespective of where they live, and access to the Department's programmes is generally not dependent on place of residence. So the analyses show the regional outcome of spending decisions that on the whole have not been made primarily on a regional basis.
6. The functional analyses of spending in Table 9 are based on the United Nations Classification of the Functions of Government (COFOG), the international standard. The presentations of spending by function are consistent with those used in Chapter 9 of PESA 2009. These are not the same as the strategic priorities shown elsewhere in the report.

**Table 8: Department for Work and Pensions identifiable expenditure on services, by country and region per head**

£ per head

|  | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>estimated<br>outturn | 2009-10<br>plans | 2010-11<br>plans |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|
| North East                                       | 1,981              | 2,023              | 2,053              | 2,075              | 2,157              | 2,278                           | 2,396            | 2,444            |
| North West                                       | 1,866              | 1,925              | 1,977              | 2,004              | 2,093              | 2,201                           | 2,306            | 2,343            |
| Yorkshire and<br>Humberside                      | 1,719              | 1,758              | 1,792              | 1,805              | 1,873              | 1,955                           | 2,050            | 2,077            |
| East Midlands                                    | 1,595              | 1,662              | 1,716              | 1,733              | 1,811              | 1,904                           | 2,001            | 2,026            |
| West Midlands                                    | 1,715              | 1,784              | 1,847              | 1,874              | 1,959              | 2,064                           | 2,176            | 2,215            |
| Eastern  | 1,494              | 1,567              | 1,624              | 1,648              | 1,725              | 1,811                           | 1,903            | 1,928            |
| London   | 1,471              | 1,517              | 1,524              | 1,518              | 1,553              | 1,599                           | 1,656            | 1,666            |
| South East                                       | 1,404              | 1,476              | 1,538              | 1,560              | 1,639              | 1,721                           | 1,811            | 1,840            |
| South West                                       | 1,619              | 1,689              | 1,763              | 1,794              | 1,876              | 1,969                           | 2,063            | 2,092            |
| <b>Total England</b>                             | <b>1,619</b>       | <b>1,679</b>       | <b>1,728</b>       | <b>1,746</b>       | <b>1,819</b>       | <b>1,906</b>                    | <b>1,998</b>     | <b>2,026</b>     |
| Scotland   | 1,844              | 1,919              | 1,968              | 1,986              | 2,063              | 2,184                           | 2,301            | 2,344            |
| Wales  | 1,962              | 2,035              | 2,090              | 2,111              | 2,192              | 2,337                           | 2,463            | 2,503            |
| Northern Ireland                                 | 6                  | 6                  | 6                  | 7                  | 7                  | 8                               | 8                | 8                |
| <b>Total UK<br/>identifiable<br/>expenditure</b> | <b>1,609</b>       | <b>1,669</b>       | <b>1,716</b>       | <b>1,734</b>       | <b>1,805</b>       | <b>1,895</b>                    | <b>1,989</b>     | <b>2,018</b>     |

## Notes for Table 8

See notes to Table 7.

**Table 9: Department for Work and Pensions identifiable expenditure on services by function, country and region for 2007-08** £ million

|   | North East   | North West    | Yorkshire and Humberside | East Midlands | West Midlands | Eastern      |
|---|--------------|---------------|--------------------------|---------------|---------------|--------------|
| <b>Work and Pensions</b>  |              |               |                          |               |               |              |
| <b>General public services</b>  |              |               |                          |               |               |              |
| Executive and legislative organisations   | 0            | 0             | 0                        | 0             | 0             | 0            |
| General public services n.e.c.  | 0            | 0             | 0                        | 0             | 0             | 0            |
| <b>Total general public services</b>  | <b>0</b>     | <b>0</b>      | <b>0</b>                 | <b>0</b>      | <b>0</b>      | <b>0</b>     |
| <b>Economic affairs</b>   |              |               |                          |               |               |              |
| General economic, commercial and labour affairs                                       | 206          | 448           | 308                      | 195           | 321           | 208          |
| Research and Development economic affairs   | 0            | 0             | 0                        | 0             | 0             | 0            |
| Economic affairs n.e.c.   | 1            | 2             | 2                        | 1             | 1             | 1            |
| <b>Total economic affairs</b>   | <b>207</b>   | <b>450</b>    | <b>309</b>               | <b>196</b>    | <b>322</b>    | <b>209</b>   |
| <b>Housing and community amenities</b>  |              |               |                          |               |               |              |
| Community development   | 0            | 0             | 0                        | 0             | 0             | 0            |
| <b>Total housing and community amenities</b>  | <b>0</b>     | <b>0</b>      | <b>0</b>                 | <b>0</b>      | <b>0</b>      | <b>0</b>     |
| <b>Social protection</b>  |              |               |                          |               |               |              |
| Sickness and disability   | 1,315        | 3,497         | 2,087                    | 1,678         | 2,205         | 1,708        |
| of which: personal social services (sickness and disability)                          | 16           | 46            | 28                       | 21            | 27            | 21           |
| of which: incapacity, disability and injury benefits                                  | 1,299        | 3,451         | 2,059                    | 1,657         | 2,177         | 1,688        |
| Old age   | 2,987        | 7,832         | 5,660                    | 4,937         | 6,207         | 6,513        |
| of which: personal social services (old age)  | 0            | 0             | 0                        | 0             | 0             | 0            |
| of which: pensions  | 2,987        | 7,832         | 5,660                    | 4,937         | 6,206         | 6,512        |
| Survivors   | 36           | 97            | 66                       | 57            | 73            | 68           |
| Family and children   | 602          | 1,608         | 927                      | 653           | 1,019         | 776          |
| of which: personal social services (family and children)                              | 76           | 120           | 18                       | 8             | 71            | 21           |
| of which: family benefits, income support and tax credits (family and children)       | 527          | 1,488         | 909                      | 645           | 947           | 755          |
| Unemployment  | 207          | 477           | 348                      | 243           | 430           | 269          |
| of which: personal social services (unemployment)                                     | 72           | 180           | 126                      | 88            | 151           | 108          |
| of which: other unemployment  | 136          | 297           | 222                      | 155           | 279           | 161          |
| Housing   | 3            | 6             | 4                        | 3             | 4             | 3            |
| Social exclusion n.e.c.   | 81           | 199           | 136                      | 104           | 146           | 107          |
| of which: personal social services (social exclusion n.e.c.)                          | 73           | 178           | 124                      | 95            | 132           | 99           |
| of which: family benefits, Income Support and tax credits (social exclusion n.e.c.)   | 8            | 21            | 13                       | 9             | 14            | 9            |
| Research and Development social protection  | 0            | 0             | 0                        | 0             | 0             | 0            |
| Social protection n.e.c.  | 93           | 197           | 158                      | 95            | 137           | 113          |
| <b>Total social protection</b>  | <b>5,325</b> | <b>13,913</b> | <b>9,386</b>             | <b>7,770</b>  | <b>10,220</b> | <b>9,556</b> |
| <b>EU transactions</b> GNI-based contribution (net of abatement and collection costs) | 0            | 0             | 0                        | 0             | 0             | 0            |
| <b>Total EU transactions</b>  | <b>0</b>     | <b>0</b>      | <b>0</b>                 | <b>0</b>      | <b>0</b>      | <b>0</b>     |
| <b>Total Work And Pensions</b>  | <b>5,532</b> | <b>14,364</b> | <b>9,696</b>             | <b>7,966</b>  | <b>10,542</b> | <b>9,765</b> |

Notes for Table 9 – See notes to Table 7.

| London        | South East    | South West   | England       | Scotland      | Wales        | Northern Ireland | UK identifiable expenditure | Outside UK   | Total identifiable expenditure | Not identifiable | Total expenditure on services |
|---------------|---------------|--------------|---------------|---------------|--------------|------------------|-----------------------------|--------------|--------------------------------|------------------|-------------------------------|
| 0             | 0             | 0            | 0             | 0             | 0            | 0                | 0                           | 0            | 0                              | 2                | 2                             |
| 0             | 0             | 0            | 0             | 0             | 0            | 0                | 0                           | 0            | 0                              | 0                | 0                             |
| <b>0</b>      | <b>0</b>      | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>     | <b>0</b>         | <b>0</b>                    | <b>0</b>     | <b>0</b>                       | <b>2</b>         | <b>2</b>                      |
| 435           | 256           | 181          | 2,558         | 277           | 136          | 0                | 2,971                       | 0            | 2,971                          | 0                | 2,971                         |
| 0             | 0             | 0            | -1            | 0             | 0            | 0                | -1                          | 0            | -1                             | 0                | -1                            |
| 2             | 1             | 1            | 12            | 0             | 0            | 0                | 12                          | 0            | 12                             | 0                | 12                            |
| <b>437</b>    | <b>256</b>    | <b>182</b>   | <b>2,569</b>  | <b>277</b>    | <b>136</b>   | <b>0</b>         | <b>2,982</b>                | <b>0</b>     | <b>2,982</b>                   | <b>0</b>         | <b>2,982</b>                  |
| 0             | 0             | 0            | 2             | 0             | 0            | 0                | 2                           | 0            | 2                              | 0                | 2                             |
| <b>0</b>      | <b>0</b>      | <b>0</b>     | <b>2</b>      | <b>0</b>      | <b>0</b>     | <b>0</b>         | <b>2</b>                    | <b>0</b>     | <b>2</b>                       | <b>0</b>         | <b>2</b>                      |
| 2,165         | 2,224         | 1,807        | 18,686        | 2,594         | 1,820        | 0                | 23,101                      | 63           | 23,164                         | 0                | 23,164                        |
| 32            | 28            | 22           | 240           | 34            | 22           | 0                | 297                         | 0            | 297                            | 0                | 297                           |
| 2,134         | 2,196         | 1,785        | 18,446        | 2,560         | 1,798        | 0                | 22,804                      | 63           | 22,867                         | 0                | 22,867                        |
| 6,191         | 9,281         | 6,413        | 56,020        | 5,955         | 3,604        | 12               | 65,591                      | 2,439        | 68,031                         | 0                | 68,031                        |
| 0             | 0             | 0            | 2             | 0             | 0            | 0                | 2                           | 0            | 2                              | 0                | 2                             |
| 6,191         | 9,280         | 6,413        | 56,019        | 5,955         | 3,603        | 12               | 65,590                      | 2,439        | 68,029                         | 0                | 68,029                        |
| 70            | 100           | 63           | 630           | 78            | 41           | 0                | 748                         | 18           | 766                            | 0                | 766                           |
| 1,884         | 1,135         | 845          | 9,449         | 1,113         | 596          | 0                | 11,157                      | 1            | 11,158                         | 0                | 11,158                        |
| 4             | 60            | 81           | 459           | 86            | 6            | 0                | 552                         | 0            | 552                            | 0                | 552                           |
| 1,879         | 1,075         | 764          | 8,989         | 1,026         | 590          | 0                | 10,605                      | 1            | 10,606                         | 0                | 10,606                        |
| 631           | 331           | 201          | 3,138         | 325           | 172          | 0                | 3,635                       | 31           | 3,666                          | 0                | 3,666                         |
| 250           | 142           | 91           | 1,207         | 121           | 62           | 0                | 1,390                       | 31           | 1,421                          | 0                | 1,421                         |
| 381           | 189           | 111          | 1,931         | 204           | 110          | 0                | 2,245                       | 0            | 2,245                          | 0                | 2,245                         |
| 5             | 3             | 3            | 32            | 5             | 3            | 0                | 40                          | 0            | 40                             | 0                | 40                            |
| 167           | 133           | 99           | 1,172         | 140           | 93           | 0                | 1,405                       | 0            | 1,405                          | 0                | 1,405                         |
| 142           | 124           | 91           | 1,058         | 118           | 84           | 0                | 1,261                       | 0            | 1,261                          | 0                | 1,261                         |
| 24            | 9             | 8            | 114           | 22            | 8            | 0                | 144                         | 0            | 144                            | 0                | 144                           |
| 0             | 0             | 0            | 0             | 0             | 0            | 0                | 0                           | 0            | 0                              | 0                | 0                             |
| 186           | 154           | 102          | 1,236         | 116           | 67           | 0                | 1,419                       | 81           | 1,500                          | 0                | 1,500                         |
| <b>11,298</b> | <b>13,361</b> | <b>9,533</b> | <b>90,363</b> | <b>10,325</b> | <b>6,396</b> | <b>12</b>        | <b>107,096</b>              | <b>2,634</b> | <b>109,730</b>                 | <b>0</b>         | <b>109,730</b>                |
| 0             | 0             | 0            | 0             | 0             | 0            | 0                | 0                           | -1           | -1                             | 0                | -1                            |
| <b>0</b>      | <b>0</b>      | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>     | <b>0</b>         | <b>0</b>                    | <b>-1</b>    | <b>-1</b>                      | <b>0</b>         | <b>-1</b>                     |
| <b>11,735</b> | <b>13,618</b> | <b>9,716</b> | <b>92,933</b> | <b>10,602</b> | <b>6,532</b> | <b>12</b>        | <b>110,080</b>              | <b>2,634</b> | <b>112,713</b>                 | <b>2</b>         | <b>112,716</b>                |

Table 10: Expenditure on the New Deals and Action Teams

£ million

|   | 2002-03<br>outturn | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>forecast<br>outturn | 2009-10<br>plans |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------------------|------------------|
| <b>Administrative<br/>expenditure<br/>(see notes 1-4)</b> |                    |                    |                    |                    |                    |                    |                                |                  |
| New Deal for<br>young people                              | 93                 |                    |                    |                    |                    |                    |                                |                  |
| New Deal 25 plus  | 71                 |                    |                    |                    |                    |                    |                                |                  |
| New Deal for over<br>50s                                  | 5                  |                    |                    |                    |                    |                    |                                |                  |
| New Deal for lone<br>parents                              | 44                 |                    |                    |                    |                    |                    |                                |                  |
| New Deal for<br>disabled people                           | 15                 |                    |                    |                    |                    |                    |                                |                  |
| New Deal for<br>partners                                  | 6                  |                    |                    |                    |                    |                    |                                |                  |
| Sub-total total for<br>New Deals                          | 234                | 111                | 113                | 121                | 94                 | 87                 | 77                             | 170              |
| Action Teams<br>(see note 5)                              | 23                 | 11                 | 13                 | 14                 | 7                  | 0                  | 0                              | 0                |
| <b>Sub-total</b>  | <b>256</b>         | <b>122</b>         | <b>126</b>         | <b>134</b>         | <b>101</b>         | <b>87</b>          | <b>77</b>                      | <b>170</b>       |
| <b>Programme<br/>expenditure<br/>(DEL)</b>                |                    |                    |                    |                    |                    |                    |                                |                  |
| New Deal for<br>young people<br>(see note 8)              | 178                | 215                | 211                | 153                | 134                | 208                | 219                            | 159              |
| New Deal 25 plus  | 114                | 137                | 135                | 98                 | 86                 | 81                 | 85                             | 112              |
| Flexible New Deal<br>(see note 9)                         | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                              | 286              |
| New Deal for over<br>50s                                  | 3                  | 3                  | 3                  | 1                  | 0                  | 0                  | 0                              | 0                |
| New Deal for lone<br>parents                              | 18                 | 20                 | 24                 | 26                 | 42                 | 60                 | 30                             | 34               |
| New Deal for<br>disabled people                           | 16                 | 28                 | 65                 | 68                 | 73                 | 78                 | 36                             | 49               |
| New Deal for<br>partners                                  | 0                  | 0                  | 1                  | 1                  | 1                  | 0                  | 0                              | 0                |
| Sub-total total for<br>New Deals                          | 328                | 404                | 439                | 347                | 335                | 428                | 369                            | 640              |
| Action Teams<br>(see note 5)                              | 30                 | 32                 | 23                 | 31                 | 13                 | 0                  | 0                              | 0                |
| <b>Sub-total</b>  | <b>358</b>         | <b>437</b>         | <b>462</b>         | <b>378</b>         | <b>349</b>         | <b>428</b>         | <b>369</b>                     | <b>640</b>       |

|  | 2002-03<br>outturn | 2003-04<br>outturn | 2004-05<br>outturn | 2005-06<br>outturn | 2006-07<br>outturn | 2007-08<br>outturn | 2008-09<br>forecast<br>outturn | 2009-10<br>plans |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------------------|------------------|
| <b>Programme<br/>expenditure<br/>(AME)</b>   |                    |                    |                    |                    |                    |                    |                                |                  |
| New Deal for<br>young people<br>(see note 6) | 43                 | 49                 | 43                 | 35                 | 48                 | 60                 | 63                             | 63               |
| New Deal 25 plus<br>(see note 6)             | 53                 | 52                 | 44                 | 36                 | 39                 | 49                 | 51                             | 51               |
| New Deal for over<br>50s (see note 7)        | 79                 | 38                 | 0                  | 0                  | 0                  | 0                  | 0                              | 0                |
| <b>Sub-total</b>                             | <b>174</b>         | <b>139</b>         | <b>87</b>          | <b>72</b>          | <b>86</b>          | <b>110</b>         | <b>114</b>                     | <b>114</b>       |
| <b>Total</b>                                 | <b>789</b>         | <b>698</b>         | <b>676</b>         | <b>584</b>         | <b>536</b>         | <b>625</b>         | <b>561</b>                     | <b>924</b>       |

All figures are rounded to the nearest £million; totals may not sum due to rounding; expenditure of less than £500,000 shown as zero.

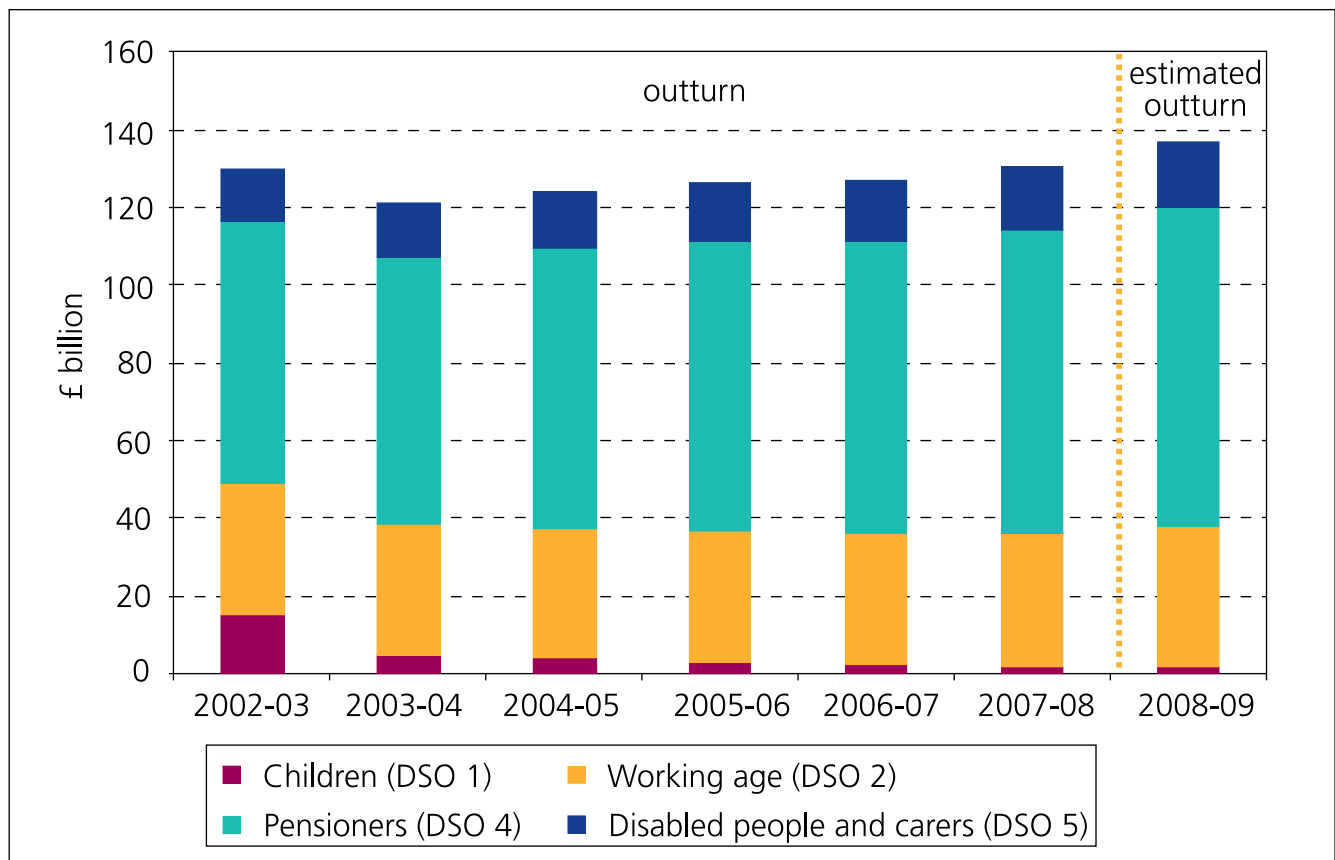
## Notes for Table 10

- Following agreement with HM Treasury to remove the 'ring fences' from the New Deals in 2002-03, the Department no longer manages administrative budgets for the individual New Deals allowing managers extended flexibility in deploying the resources available to them. Consequently information on administrative expenditure by individual New Deal is not available for 2003-04 and later years.
- Administrative expenditure for 2002-03 is estimated.
- Administrative expenditure for 2003-04 onwards is for staff costs only; they are not comparable to earlier years' figures which include all administrative expenditure.
- The 2009-10 plan figure of £170m on administrative costs for the New Deals is significantly greater than the 2008-09 outturn. This is due to the impact of the recession and its effect on the numbers of customers being considered for New Deal by Jobcentre Plus staff. This plan will be reviewed throughout 2009-10 to ensure it is still appropriate to the state of the economy and the labour market.
- Action Teams ended in autumn 2006.
- Allowance payments to New Deal for young people and New Deal 25 plus participants.
- Subsumed within the working Tax Credits from 2003-04.
- Progress 2 Work is not included in this table.
- 2009-10 planned budgets cover the transition to Flexible New Deal provision in around half the country from October 2009. The figures also include £65m additional funding from the Pre-Budget Report and £150m in Budget 2009 to cover rising costs due to the recession.

# Annex C – Trends in benefit expenditure from 2002-03 to 2008-09

148. This figure shows how expenditure on benefits relates to the Department for Work and Pensions Comprehensive Spending Review 2007 objectives.

Figure 11: Benefit expenditure by objective (2008-09 prices)

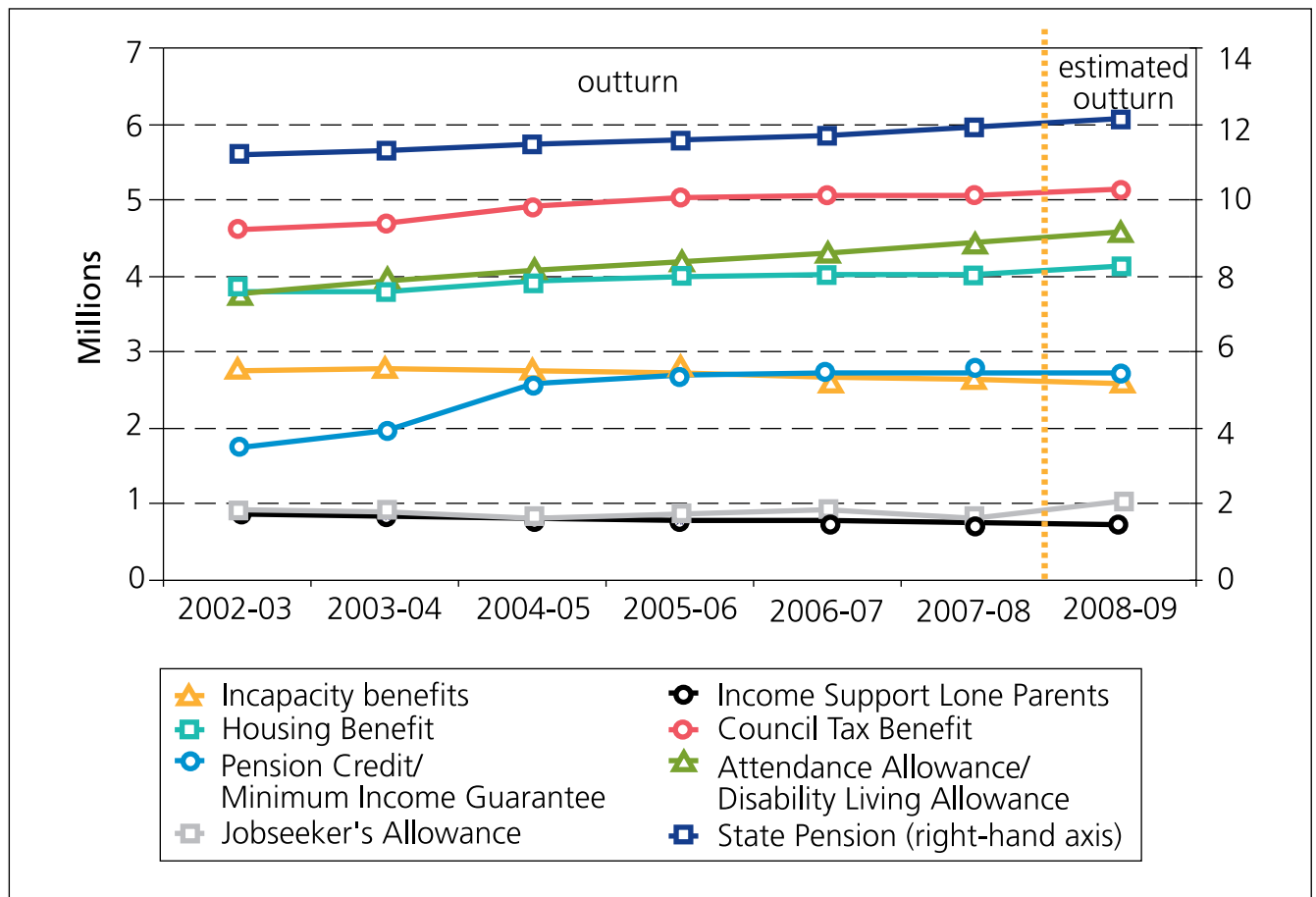


Notes

- 1 Includes non-DWP spending on Housing Benefit and Council Tax Benefit.
- 2 Expenditure in 2008-09 and every year reflects the latest estimate of outturn, and not the amounts voted by Parliament.



Figure 12: Numbers in receipt of key benefits



## Notes

1. Council Tax Benefit, Housing Benefit, Jobseeker's Allowance, Income Support and Pension Credit/Minimum Income Guarantee are all paid on a household basis. Attendance Allowance/Disability Living Allowance, Incapacity Benefit and State Pension are paid on an individual basis. Therefore, for some benefits the above chart represents the number of households in receipt.
2. The chart shows all benefits with a caseload of at least 0.8 million in any year, except Winter Fuel Payments (where the caseload is similar to that of the Basic State Pension in all years) and free TV licences for the over-75s (where expenditure is relatively small and the main drivers are simply the cost of the TV licence and the number of people over 75).
3. Beneficiaries may receive more than one benefit at a time.
4. Figures are based on Work and Pensions Longitudinal Study (WPLS), except for Housing Benefit and Council Tax Benefit which come from the Single Benefit Extract.
5. Incapacity benefits (IB) includes credits-only cases. Most IB credits-only cases are in receipt of Income Support.
6. Jobseeker's Allowance figures are the non-seasonally adjusted Great Britain claimant count as published by the Office for National Statistics in May 2009.
7. Housing Benefit and Council Tax Benefit figures are estimates for both 2007-08 and 2008-09. In order to produce more up-to-date and accurate data, we are currently changing our data sources. In the transition period, there will be no new figures available for publication.

## Analysis of benefit expenditure by Departmental objective

149. All expenditure figures discussed in this section are in 2008-09 prices.
150. Figure 11 (benefit expenditure) presents information according to the four benefit expenditure-related Departmental Strategic Objectives in the Department's performance framework put in place as part of the 2007 Comprehensive Spending Review.
151. Since it is possible to receive more than one benefit at a time, Figure 12 simply shows numbers of recipients for a range of key benefits.
152. More detail on benefit expenditure (covering outturn, medium-term forecasts and long-term projections) is published on the Department's website<sup>23</sup>. The website tables are being updated to coincide with this report and will include estimated outturn for 2008-09 and forecasts for the years 2009-10 and 2010-11.

## Main trends

### Steepening growth reflecting the economic downturn

153. Expenditure on DWP benefits in 2008-09 is estimated to be £135.8 billion. With the transfer of benefits to other government departments, comparisons over time can prove difficult. From 2003-04 (when responsibility for Child Benefit transferred to HM Revenue and Customs) to 2008-09, benefit spending has risen by an average of 2.5% a year in real terms.
154. Reasons for growth vary from year to year, but the most significant have been:
- the introduction of Pension Credit (2003-04);
  - age-related payments (2004-05, 2005-06 and 2008-09);
  - the extension of the payment period for maternity benefits (2007-08);
  - an additional payment to Christmas Bonus recipients (2008-09); and
  - rising unemployment (2008-09).
155. In addition, caseloads for pensioner benefits increase throughout the period due to longer life-expectancy, greater coverage for women and post-World War Two baby boom women reaching pension age.
156. Offsetting these effects is the transfer of Income Support and Jobseeker's Allowance child amounts to HM Revenue and Customs tax credits.

<sup>23</sup> <http://www.dwp.gov.uk/asd/asd4/expenditure.asp>

157. Contributory benefits account for over half of DWP benefit spending, and income-related benefits about 30%. The remainder comes from non-contributory, non-income-related benefits, principally disability and carer benefits and the Winter Fuel Payment.

## Children

### Department for Work and Pensions spending falls as HM Revenue and Customs introduces Child Tax Credit

158. Department for Work and Pensions spending on children first fell significantly in 2003-04 with the transfer of Child Benefit (then worth over £10 billion in real terms) to HM Revenue and Customs.
159. The remaining expenditure (on child elements of Income Support and Jobseeker's Allowance) is gradually migrating to Child Tax Credit, which does not feature in this report as it is administered by HM Revenue and Customs. Spending peaked at £4.6 billion in 2002-03, but by 2008-09 had fallen to £1.4 billion.

## People of working age

### After a period of stability, spending increases with rising unemployment

160. The main reasons for benefit receipt among working-age people are unemployment, lone parenthood and sickness or disability. In 2008-09, spending on working-age benefits is estimated to be £36.2 billion.
161. Following a period of relatively low unemployment, the unemployed claimant count has risen sharply in 2008-09, pushing up spending on Jobseeker's Allowance. Spending on working-age recipients of Housing Benefit and Council Tax Benefit continues to rise as rents and Council Tax tend to rise faster than prices, and in 2008-09 the rise has steepened with higher unemployment.
162. However, spending on benefits for unemployed people remains relatively low, at around 11% of working-age spending in 2008-09. Lone parent benefits account for a further 22% (down from a peak of 29% in 2003-04) and incapacity-related benefits<sup>24</sup> 35%. The remainder is made up principally of bereavement and maternity benefits. Benefits for disabled people and carers are discussed separately below.

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<sup>24</sup> Incapacity Benefit, Employment and Support Allowance, Severe Disablement Allowance and Income Support paid because of sickness or disability.

163. Reforms taking effect during 2008-09 – the introduction of Employment and Support Allowance and the reduction in the age of the youngest child for lone parent claimants of Income Support – have had relatively little time to have an impact on expenditure, but will have an increasing effect in future years.
164. Declining caseloads in Income Support for lone parents and Incapacity Benefit have contributed to falling spending on these benefits.

## People over pension age

### Increasing spending reflecting an ageing population and new spending directed at retired people

165. Expenditure on people over pension age is growing at 3.2% a year on average over the period shown. Significant factors here have been the introduction of Pension Credit in 2003-04, and the linking of uprating to earnings rather than prices, as well as age-related payments in 2004-05 and 2005-06. Basic State Pension is by far the largest benefit (£50 billion in 2008-09) and above-inflation uprating from 2001-02 to 2003-04 has also contributed to growth.
166. Increases in the population over pension age, better contribution records for women and growing entitlements to Additional Pension further influence the rate of growth.

## Disabled people and carers

### Spending growing steadily as Disability Living Allowance progresses towards maturity

167. Disability and carer benefit expenditure grows by 4.1%<sup>25</sup> a year on average over the period shown, reaching £17 billion in 2008-09. The main factor is the maturing of Disability Living Allowance, where caseloads are still growing. This has a knock-on effect on the Carer's Allowance caseload, which in turn is also driven upwards by reforms including the abolition of the upper age limit for claiming the benefit. Attendance Allowance is also growing after a period of relative stability.

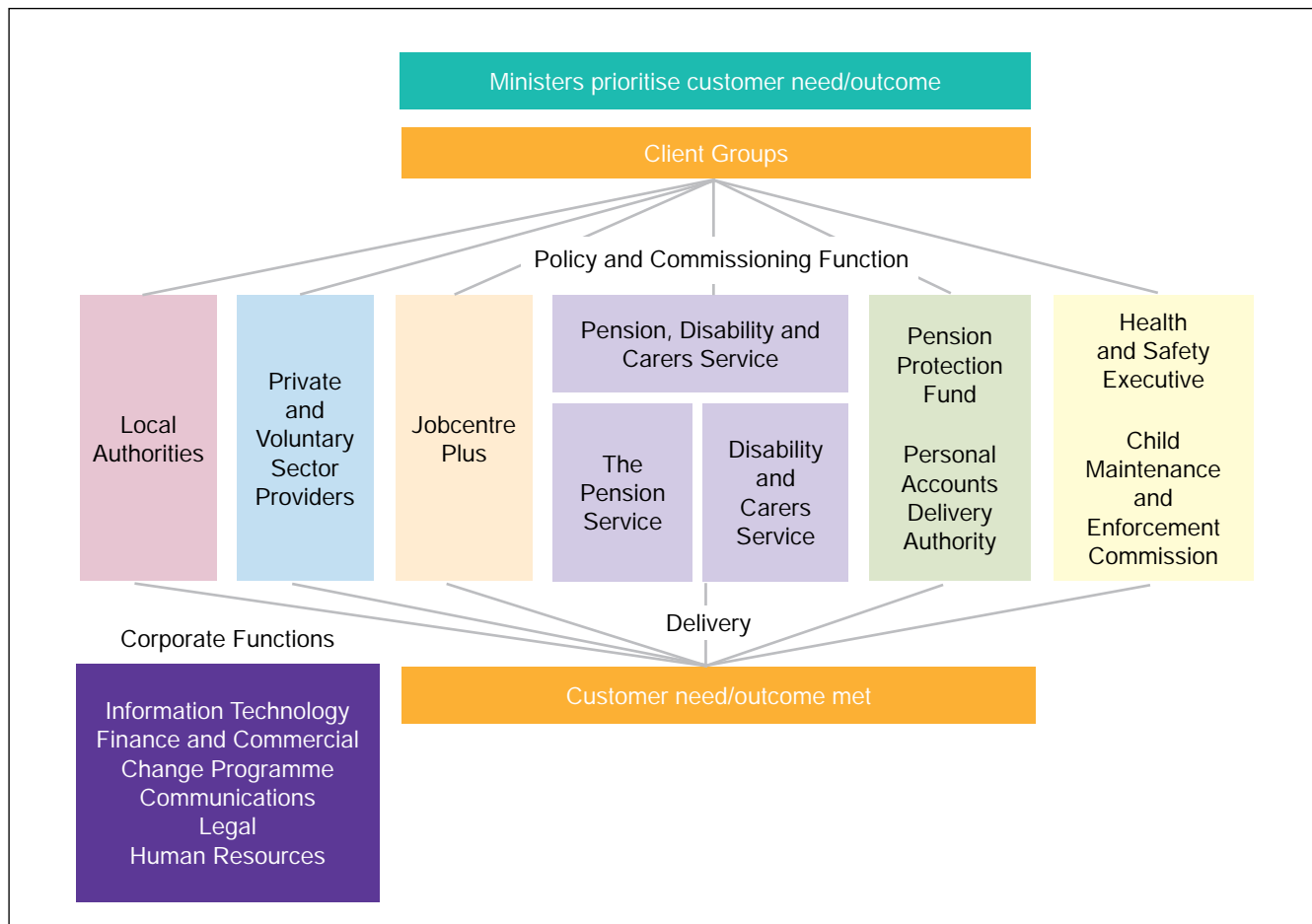
<sup>25</sup> This is significantly higher than the 2.8% quoted last year. This is because last year's comparison was for 2001-02 to 2007-08 and 2001-02 was the last year in which War Pensions were included in DWP spending, inflating spending on disabled people in that year by almost £1 billion and consequently reducing apparent annual growth.

# Annex D: The Department's organisation, agencies and Non-Departmental Public Bodies

## Organisation

168. The Department is organised into separate client group, corporate and delivery functions, as shown together with external delivery partners in Figure 13.

Figure 13: How the Department is organised



169. More information about how the Department is organised to fulfil its responsibilities is contained in the Departmental Framework. The latest version of the Framework was published in November 2008<sup>26</sup>.
170. The Framework explains:
- our purpose and values;
  - our organisation;
  - accountability and decision-making;
  - information about managing the business;
  - independent assurance;
  - how we manage our responsibilities to Parliament; and
  - delivering our services in partnership.

## The Department's agencies

171. **Jobcentre Plus** helps people to find work and receive the benefits they are entitled to, and offers a dedicated service to employers to fill their vacancies quickly and successfully.

<http://www.jobcentreplus.gov.uk/JCP/>

The Annual Report and Accounts for 2007-08 is available at:

[http://www.jobcentreplus.gov.uk/JCP/stellent/groups/jcp/documents/websitecontent/dev\\_015683.pdf](http://www.jobcentreplus.gov.uk/JCP/stellent/groups/jcp/documents/websitecontent/dev_015683.pdf)

The Business Plan for 2009-10 is available at:

[http://www.jobcentreplus.gov.uk/JCP/stellent/groups/jcp/documents/websitecontent/dev\\_016293.pdf](http://www.jobcentreplus.gov.uk/JCP/stellent/groups/jcp/documents/websitecontent/dev_016293.pdf)

The Annual Report and Accounts for 2008-09 will be available in July 2009.

172. **The Pension, Disability and Carers Service** delivers frontline services to today's and future pensioners as well as a range of benefits to disabled people and their carers. In providing its service to customers the agency has retained the distinct branding of its constituent organisations.

<http://www.thepensionservice.gov.uk>

<http://www.dwp.gov.uk/dcs>

The Annual Reports and Accounts for 2007-08 are available at:

<http://www.thepensionservice.gov.uk/aboutus/annualreport/home.asp>

<http://www.dwp.gov.uk/publications/dwp/2008/dsc-annual-report-2007-08.pdf>

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<sup>26</sup> [www.dwp.gov.uk/aboutus/departmental\\_framework.asp](http://www.dwp.gov.uk/aboutus/departmental_framework.asp)

The Business Plan for 2009-10 is available at:  
<http://www.dwp.gov.uk/docs/dcs-business-plan0910.pdf>

The Annual Reports and Accounts for 2007-08 will be available in July 2009.

## The Department's main Non-Departmental Public Bodies

173. The Department has Ministerial responsibility for the **Child Maintenance and Enforcement Commission (C-MEC)**, a Crown Non-Departmental Public Body responsible for the child maintenance system in Great Britain. Its primary objective is to maximise the number of effective child maintenance arrangements in place for children who live apart from one or both of their parents. Parents may make arrangements privately or through the statutory scheme.

174. The Commission is responsible for the statutory maintenance scheme (operated by the Child Support Agency) which transferred to the Commission on 1 November 2008 and Child Maintenance Options which provides free, impartial information and support to enable parents to identify and set up the most suitable maintenance arrangement for their circumstances.

<http://www.childmaintenance.org/>

<http://www.csa.gov.uk/>

<http://www.cmoptions.org/>

The Child Support Agency Annual Report and Accounts for 2007-08 is available at:  
[http://www.csa.gov.uk/en/PDF/reports/annual\\_report\\_08.pdf](http://www.csa.gov.uk/en/PDF/reports/annual_report_08.pdf)

The Child Maintenance and Enforcement Commission Business Plan for 2009-10 is available at:  
[http://www.childmaintenance.org/pdf/Business\\_Plan.pdf](http://www.childmaintenance.org/pdf/Business_Plan.pdf)

The C-MEC Annual Report and Accounts for 2008-09 will be available in July 2009.

175. The Department has ministerial responsibility for the **Health and Safety Executive**, a crown Non-Departmental Public Body whose mission is the prevention of death, injury and ill-health to those at work and those affected by work activities.

<http://www.hse.gov.uk/>

The Annual Report and Accounts for 2007-08 is available at:  
<http://www.hse.gov.uk/aboutus/reports/0708/ar0708.pdf>

The Annual Report and Accounts for 2008-09 and Business Plan for 2009-10 will be available in July 2009 at:  
<http://www.hse.gov.uk/aboutus/reports/index.htm>

176. In addition the Department has responsibility for The Pensions Regulator, The Pension Protection Fund, the Personal Accounts Delivery Authority and The Pensions Advisory Service.
177. **The Pensions Regulator** is the UK regulator of work-based pension schemes. The Pensions Act 2008 introduces new duties on employers and gives the Pensions Regulator a new objective to maximise compliance with the duties, and ensure safeguards that protect employees are adhered to.
- <http://www.thepensionsregulator.gov.uk>
178. **The Pension Protection Fund's (PPF)** main function is to provide compensation to members of eligible defined benefit pension schemes when employer insolvency occurs and where there are insufficient assets in the pension scheme to cover the Pension Protection Fund level of compensation.
- <http://www.pensionprotectionfund.org.uk>
179. **The Personal Accounts Delivery Authority (PADA)** is responsible for designing and introducing the infrastructure for the new personal accounts pension scheme, which will be handed over and run by a new Trustee Corporation from 2012.
- <http://www.padeliveryauthority.org.uk>
180. **The Pensions Advisory Service (TPAS)**, is an independent voluntary organisation providing information and guidance to members of the public on all pension matters, covering state, company, personal and stakeholder schemes.
- <http://www.pensionsadvisoryservice.org.uk>

## The Department's associate bodies and public appointments

181. The Department sponsors a wide range of bodies to achieve its objectives, including executive, advisory and tribunal Non-Departmental Public Bodies (NDPBs), Public Corporations, and other arms-length and short-term bodies.
182. The Department's Annual Appointment Report details changes which have taken place across the NDPB landscape during the last year, as well as looking forward over the coming twelve months. The report also sets out the policy and practice relating to the appointment of chairs and members to the boards of the associate bodies, and provides detailed information on the public appointments made by the Secretary of State. The Department's Annual Appointment report can be found at:
- [http://www.dwp.gov.uk/ndpb/public\\_bodies.asp](http://www.dwp.gov.uk/ndpb/public_bodies.asp)
183. The Department ensures that public appointments are made through a fair, open and transparent process in accordance with The Commissioner for Public Appointments' regulatory framework.



# Annex E: Public Accounts Committee recommendations

- 184. Between May 2007 and September 2008 the Public Accounts Committee published 11 reports which involved the Department for Work and Pensions. In total the Committee made 75 recommendations, all of which required the Department to take action. All recommendations up to April 2008 have been cleared.
- 185. To date, the Department has successfully implemented 71 recommendations. Details of progress on the remaining four is shown in the following table:

**Figure 14: Outstanding PAC recommendations**

| The Pensions Regulator: Progress in Establishing its New Regulatory Arrangements   |  |
|--|--|
| Published 24 April 2008  |  |
| <p>The Pensions Regulator has information on 99% of final salary schemes by membership, but on only 32% of money purchase schemes. It has made good progress in regulating final salary schemes, but is only now implementing an approach to money purchase schemes. The Pensions Regulator expected to have largely completed its database of all pension schemes by March 2008. It should use it to identify those money purchase schemes presenting the highest risk and direct its regulatory effort towards them.</p> | <p>The Pensions Regulator has data on 80% of Defined Contribution (money purchase) Schemes and is developing plans for chasing the remainder. Typically, risk arises from a lack of knowledge; it has therefore recently published:</p> <ul style="list-style-type: none"> <li>Relations with Advisors guidance.</li> <li>Retirement Options guidance.</li> <li>FAQs for Defined Contribution Schemes.</li> <li>Member Communications best practice.</li> </ul> <p>Following the work undertaken by the industry-led Investment Governance Group, The Pensions Regulator will review gaps to see whether further work is required. During July 2009 it plans to publish a Defined Contribution Schemes landscape document, where small schemes are to be targeted with specific messages and information as part of 'Pensionwise', its new direct-relationship marketing campaign.</p> |
| <p>The Pensions Regulator has set itself a goal of year on year improvement in governance standards, but has not been clear about the extent of desired annual improvements or its ultimate goal for governance standards. The Pensions Regulator should set specific targets for the yearly improvements in overall governance standards that it seeks to achieve and for the minimum standard it aims to achieve in the longer term.</p>   | <p>The 2008 Governance Survey was published on 14 July 2008. Guidance has been issued on: winding up; conflicts of interest; relations with advisers; record keeping; and investment choices. Targets have been set for winding up (25% of schemes in flow should be wound up in two years) and the number of lay trustees who have successfully completed modules of the Trustee toolkit (5,300 per quarter). Further targets are under development.</p>  |

**Government on the Internet**

**Published 29 April 2008**

In taking over responsibility for Direct.gov.uk from April 2008, the Department for Work and Pensions should commission regular independent reviews of the risks and progress of the site's development. Given the importance of Direct.gov.uk to public service delivery, the results should be shared with the Cabinet Office and the National Audit Office.

Directgov has set up a Risk and Assurance Committee which will be part of the Department for Work and Pensions' overall Risk and Assurance programme. A programme of risk audits is being discussed and agreed. This programme will be in place by summer 2009.

**Progress with Tackling Benefit Fraud**

**Published 8 July 2008**

The cost-effectiveness of counter-fraud activity needs to be more routinely measured. The Department reported that it spent some £154 million combating fraud in 2006-07. It needs to understand the relative cost effectiveness of its different counter fraud actions in order to determine where best to target its resources. The Department should develop a robust methodology for measuring the cost effectiveness of its work, drawing on its new management information system and the approach used in the Comptroller and Auditor General's Report.

With the continued roll-out of the Fraud Referral and Intervention Management System (FRAIMS) to cover more areas of the Department for Work and Pensions' counter-fraud activity, the management information will be available to monitor the impact and cost effectiveness of the main activities. This will include for example prosecution data and debt information, although the Debt Manager system will be retained. Other activity, such as the targeting of fraud campaigns, is evaluated separately against pre-agreed criteria.