



Annex

This annex provides more detail on how we plan to distribute our resources across our businesses; strategic objectives and major categories of spend. It also provides an overview of our planned headcount reduction.

Where our resources will be spent

The following tables set out our best estimates of how our resources will be distributed by the end of the three-year period. Plans and priorities will change over time so the analysis set out below should not be treated as a set of fixed financial allocations but rather as estimates of the costs of our plans as we know them today.

How we will be funded over the period

In addition to our core spending review settlement we will draw on additional funds which will help to transform our services to customers, implement the process changes which will enable us to deliver our value for money savings and be used to invest in new services such as the Employment and Support Allowance:

£ million	2008–09	2009–10	2010–11
Settlement*	7,525	7,341	7,024
End year flexibility**	265	265	265
Other funding***	65	77	80
Total	7,855	7,683	7,369

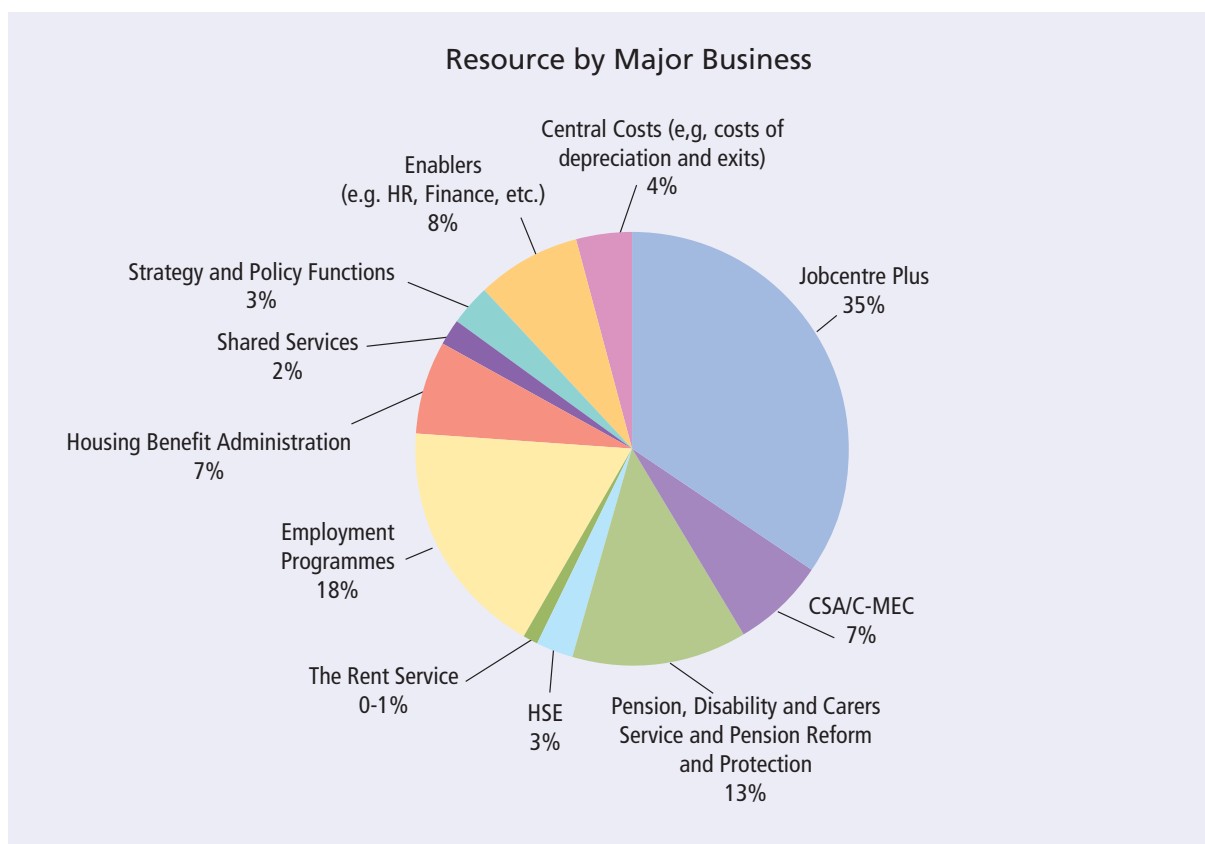
*Excludes Modernisation Fund of £550m agreed as part of Spending Review 2007 – draw down of funding is subject to joint agreement with HM Treasury.

** These are assumptions only. Actual draw down of these funds will be agreed with HM Treasury (and, where appropriate, approved by Parliament, e.g. through the estimate process) in the usual way.

*** For example, receipts from the European Social Fund. This excludes savings from the Pathways to Work programme, a proportion of which will be transferred to the department subject to negotiation with HM Treasury.

Our spending plans by 2010–11 – by business

The following chart and table set out how, currently, we expect our resources to be distributed across our major agencies and corporate functions in the final year of the 2007 Spending Review period.



Resource by Major Business

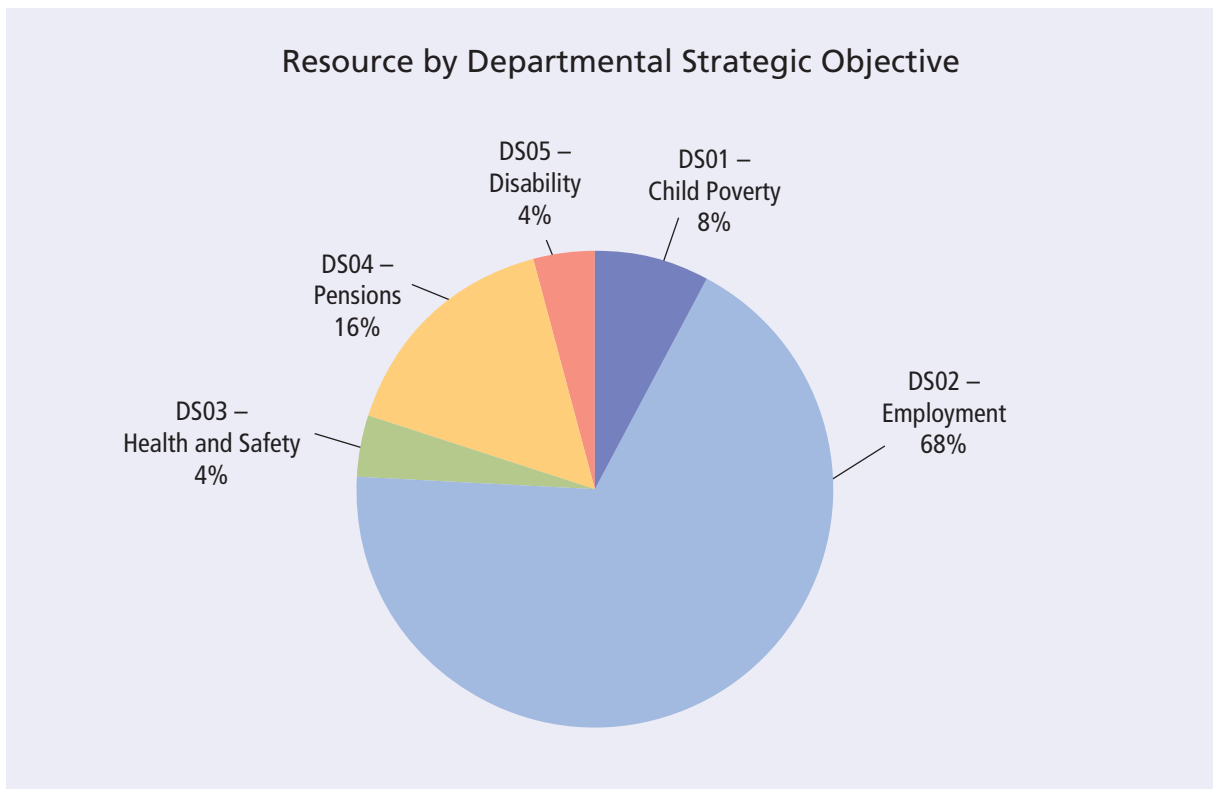
£ million	2008/09	2009/10	2010/11
Jobcentre Plus	3,051	2,897	2,705
CSA/C-MEC	589	507	517
Pension, Disability and Carers Service and Pension Reform and Protection	928	947	986
HSE	247	234	230
The Rent Service	37	29	27
Employment Programmes	1,351	1,376	1,381
Housing Benefit Administration	541	528	515
Shared Services	149	139	134
Strategy and Policy Functions	240	212	209
Enablers (e.g. HR, finance, etc.)	811	757	602
Central costs (e.g. costs of depreciation and exits)	189	306	308
Total	8,134	7,932	7,613

Figures may not sum due to rounding.

Our spending plans by 2011 – by Departmental Strategic Objective

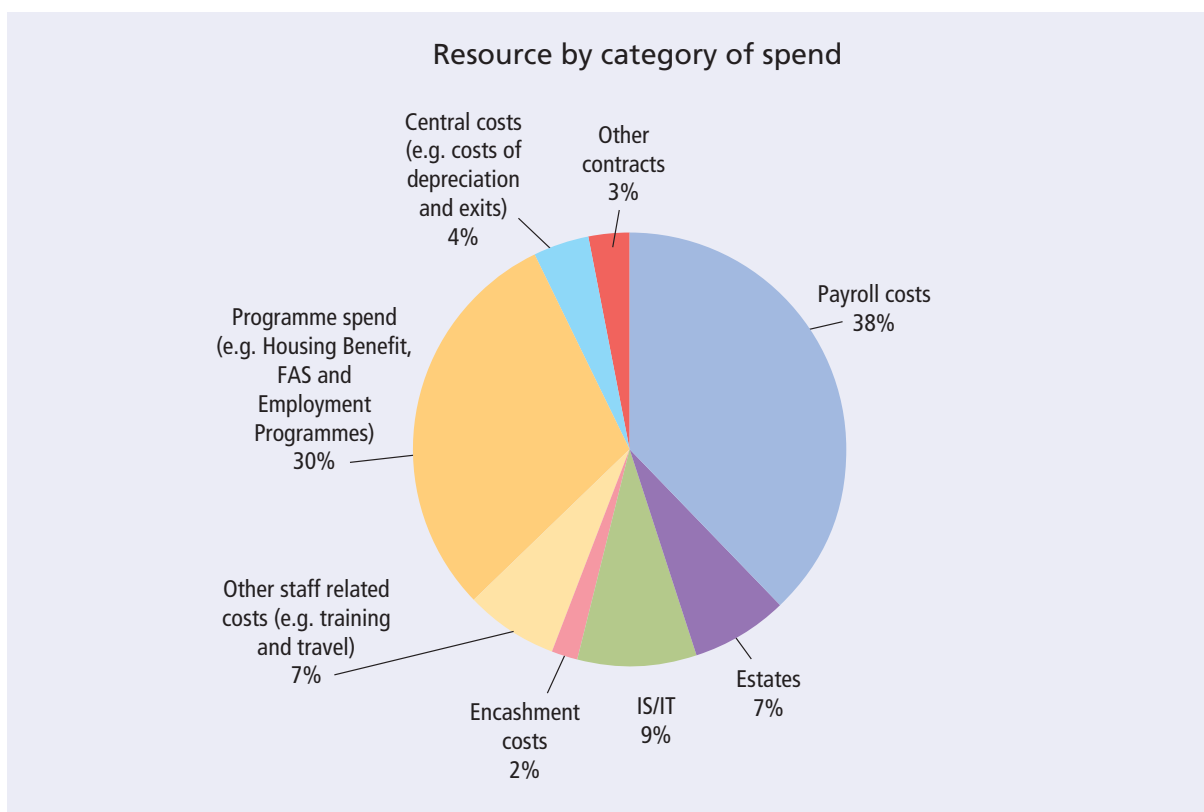
Many of our Departmental Strategic Objectives are mutually supportive; delivering against one specific outcome will have an impact on several others. For example, when Jobcentre Plus helps a disabled lone parent into work, it helps contribute to our Departmental Strategic Objectives on Child Poverty, Employment and Equality of Opportunity for disabled people; if their employment is sustained, the evidence suggests that that person is more likely to save for retirement too. To try to split the cost of the interventions that led to the lone parent entering work across all these outcomes is not possible to do in a meaningful way.

The analysis below therefore distributes our Departmental Expenditure Limited (DEL) resource across our Departmental Strategic Objectives by attributing spend to the principal objective behind our intervention. In the example above, this would be to find the customer employment (Departmental Strategic Objective 2). Resource is attributed across our first five Objectives which cover the ‘what’ we are here to deliver, rather than the ‘how’, which is covered by our DSO6 (Pay our customers the right benefit at the right time) and DSO7 (Make DWP an exemplar of effective service delivery to individuals and employers).



Our spending plans by 2011 – by category of spend

The following chart sets out how our resources will be consumed by major category of spend. By the end of the 2007 Spending Review period we will spend over 55 per cent of our resource through private and voluntary sector and local authority partners.



Planned headcount reductions

As set out in Chapter Four above, we are planning to reduce in size by the equivalent of around 12,000 full-time equivalent employees over the Spending Review 2007 period. Because we have not been set a headcount reduction target over the 2007 Spending Review, the totals set out below are not targets but planning assumptions. Over time we may decide to spend more (or less) on staffing and correspondingly more (or less) on other things.

	Range of headcount reduction (full-time equivalents)
Jobcentre Plus	7,000–8,000
The Pension, Disability and Carers Service	2,500–3,000
Strategy and policy functions	100–200
Enablers	900–1,300
Total range	10,500–12,500

Note: The Child Maintenance and Enforcement Commission and the Health and Safety Executive are regarded as outside the Department for this purpose.

In summary . . .

<p>Our vision is to:</p>	<p>Contribute towards fair, safe and fulfilling lives, free from poverty, for children, people in work and retirement, disabled people and carers</p>		<p>Reduce welfare dependency and increase economic competitiveness by helping people to work wherever they can and employers to secure the skills and employees they need</p>		<p>Provide greater choice and personalisation and higher quality of service for customers where it is in their interests and those of the taxpayer</p>		
<p>To deliver our vision we have prioritised seven strategic objectives:</p>	<p>Reduce the number of children living in poverty</p>	<p>Maximise employment opportunity for all and reduce the numbers on out-of-work benefits</p>	<p>Improve health and safety outcomes</p>	<p>Promote independence and well-being in later life, continuing to tackle pensioner poverty and implementing pension reform</p>	<p>Promote equality of opportunity for disabled people</p>	<p>Pay our customers the right benefits at the right time</p>	<p>Make DWP an exemplar of effective service delivery to individuals and employers</p>
<p>We lead on two Public Service Agreements:</p>	<p>Maximise employment opportunity for all, through: an increase in the overall employment rate taking account of the economic cycle; a narrowing of the gap between the employment rates of the following disadvantaged groups and the overall rate: disabled people, lone parents, ethnic minorities, people aged 50 and over, those with no qualifications and those living in the most deprived local authority wards; a reduction in the number of people of working-age out-of-work-benefits; and a reduction in the amount of time people spend on out-of-work benefits</p>			<p>Tackle poverty and promote greater independence and well-being in later life, measured by: the employment rate of those aged 50-69 and the difference between this and the overall employment rate; the percentage of pensioners in low income; healthy life expectancy at age 65; the proportion of people over 65 who are satisfied with their home and their neighbourhood; and the extent to which people over 65 receive the support they need to live independently at home</p>			
<p>Our success will be enabled through:</p>	<p>Building a positive work environment</p>		<p>Providing effective and appropriate communications</p>		<p>Improving our information systems and technology</p>		<p>Providing our workforce with the skills and capabilities they need to deliver</p>
	<p>Improving the skills of our senior leaders</p>		<p>Increasing the effectiveness of our policies</p>		<p>Focusing our resources on our priorities</p>		<p>Maximising the value for money we get from all our resources</p>
<p>And underpinned by a shared set of values:</p>	<p>Achieving the best: by using all our resources efficiently so that we provide high and consistent standards of service</p>		<p>Respecting people: by treating our customers and each other with respect, by welcoming diversity and by valuing others' ideas and responding fairly to individual needs</p>		<p>Making a difference: by supporting, challenging and inspiring our customers to improve their lives and helping each other to make a difference</p>		<p>Looking outwards: by working with others and learning how to get better at what we do</p>

This report can be accessed online at:

**[www.dwp.gov.uk/publications/
dwp/2008/3yrplan/](http://www.dwp.gov.uk/publications/dwp/2008/3yrplan/)**

For further information about this report, contact:

Planning and Performance
Management Directorate
Department for Work and Pensions
4th Floor
Caxton House
Tothill Street
London
SW1H 9NA

E-mail: mike.driver@dwp.gsi.gov.uk

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