



## 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.

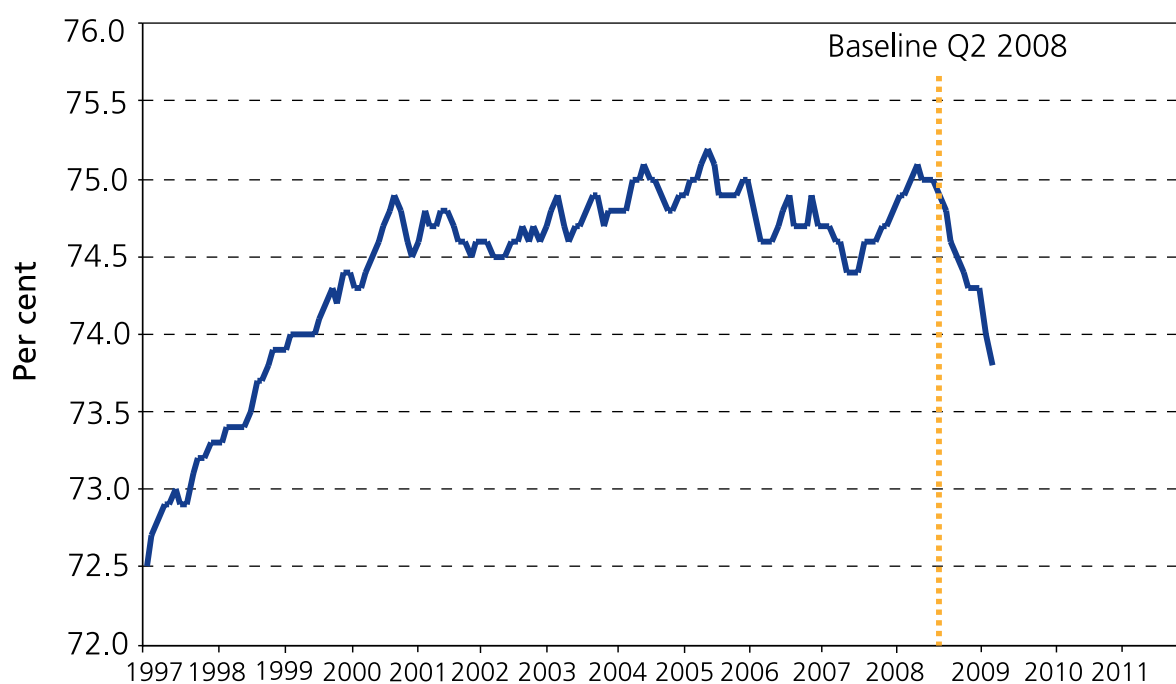
## PSA 8: Maximise employment opportunity for all

### 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).

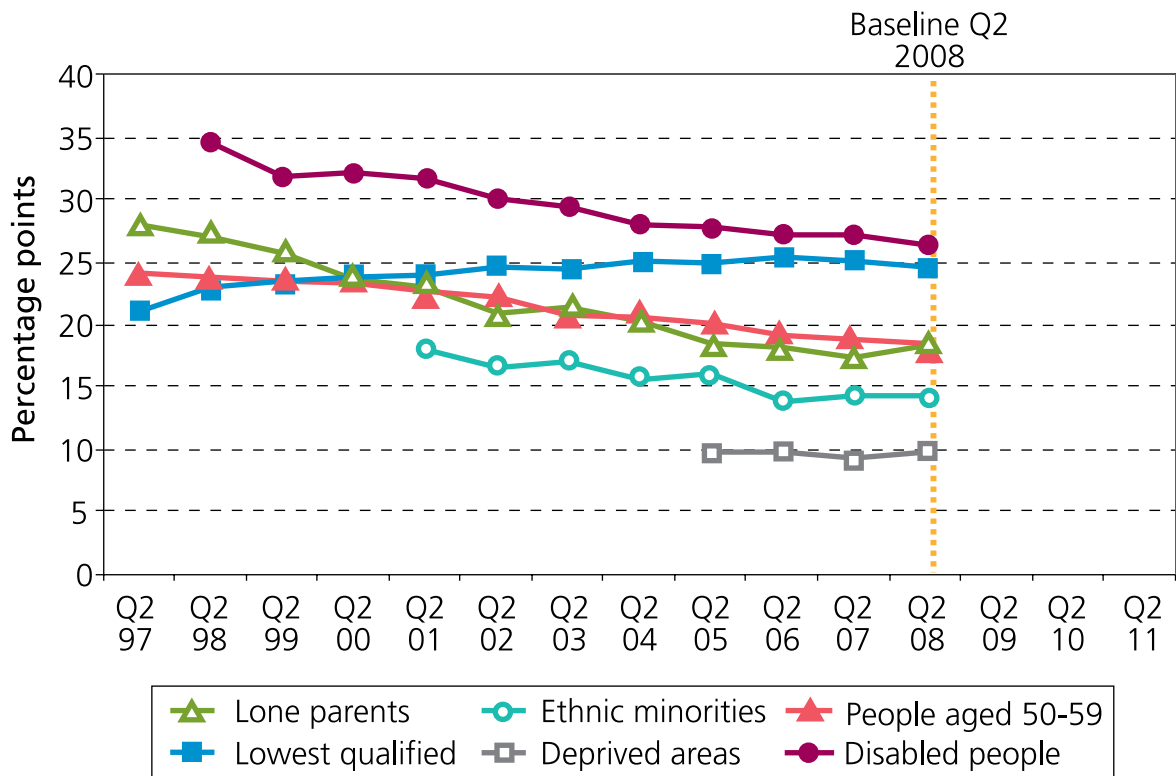


<sup>22</sup> Q2 represents Quarter 2 of the calendar year, i.e. April-June.

## 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**

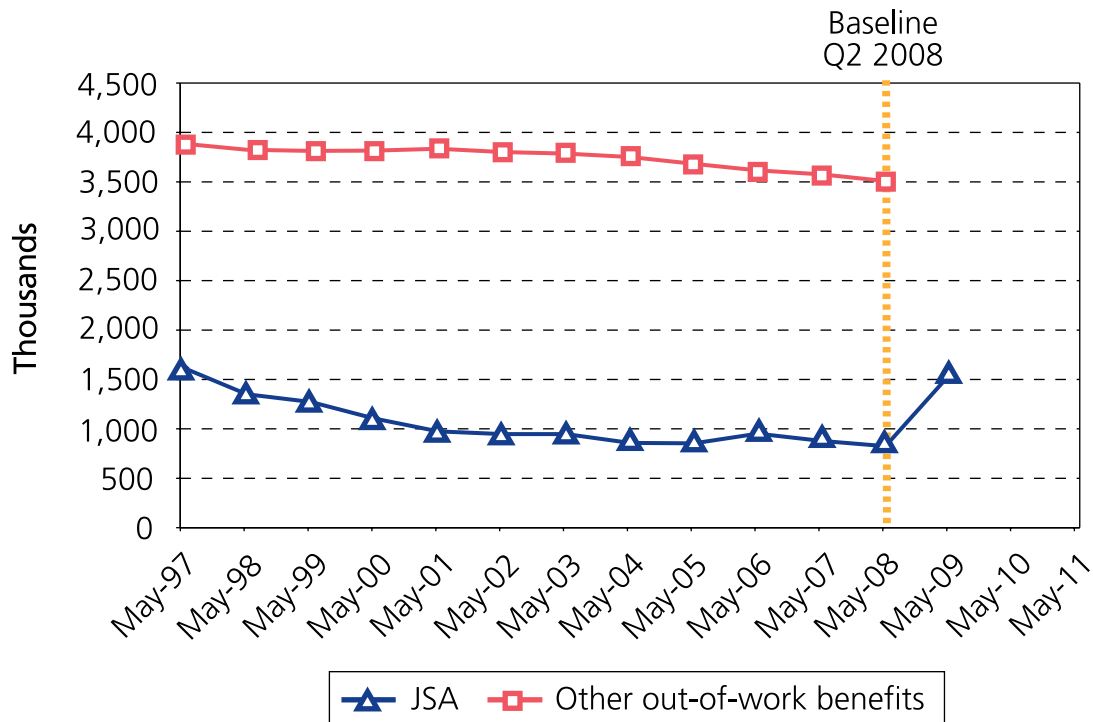
- This indicator is measured by comparing the seasonally unadjusted employment rates for the different disadvantaged groups with the GB unadjusted working-age employment rate, both taken from the Labour Force Survey published quarterly by the ONS. 95% confidence intervals vary for each gap: disabled 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

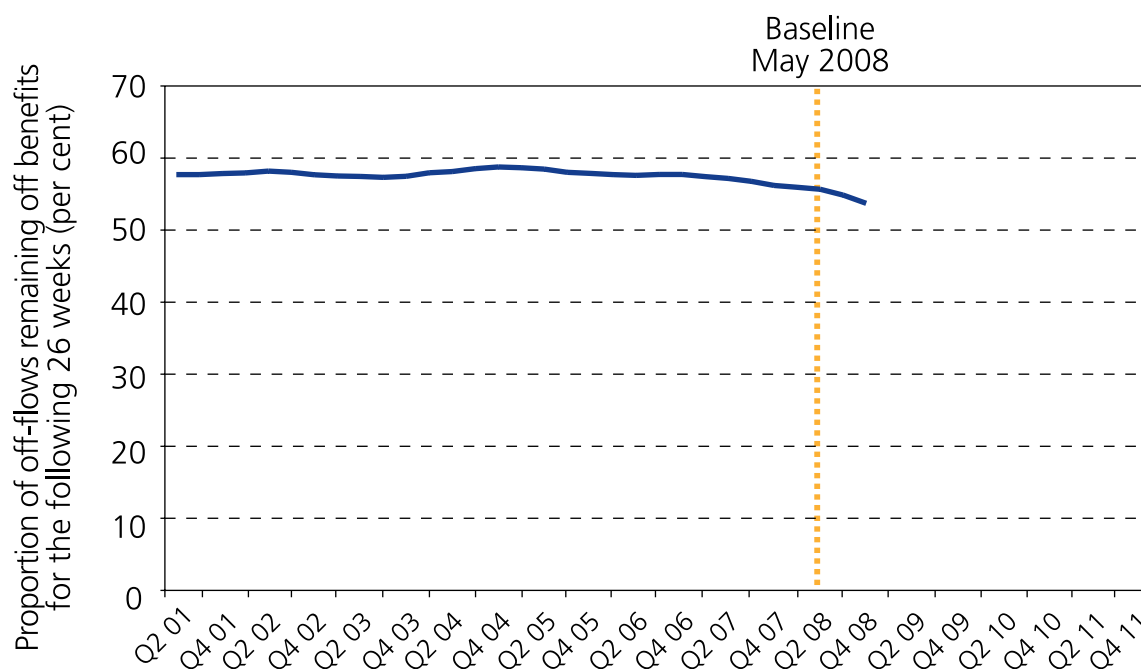
- Working age out-of-work benefits are defined as Jobseeker’s Allowance (JSA), incapacity benefits/Employment Support Allowance (IB/ESA), lone parent benefits and other income-related benefits.
- The number of people claiming JSA is measured using 100% administrative data from the monthly seasonally-adjusted 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.



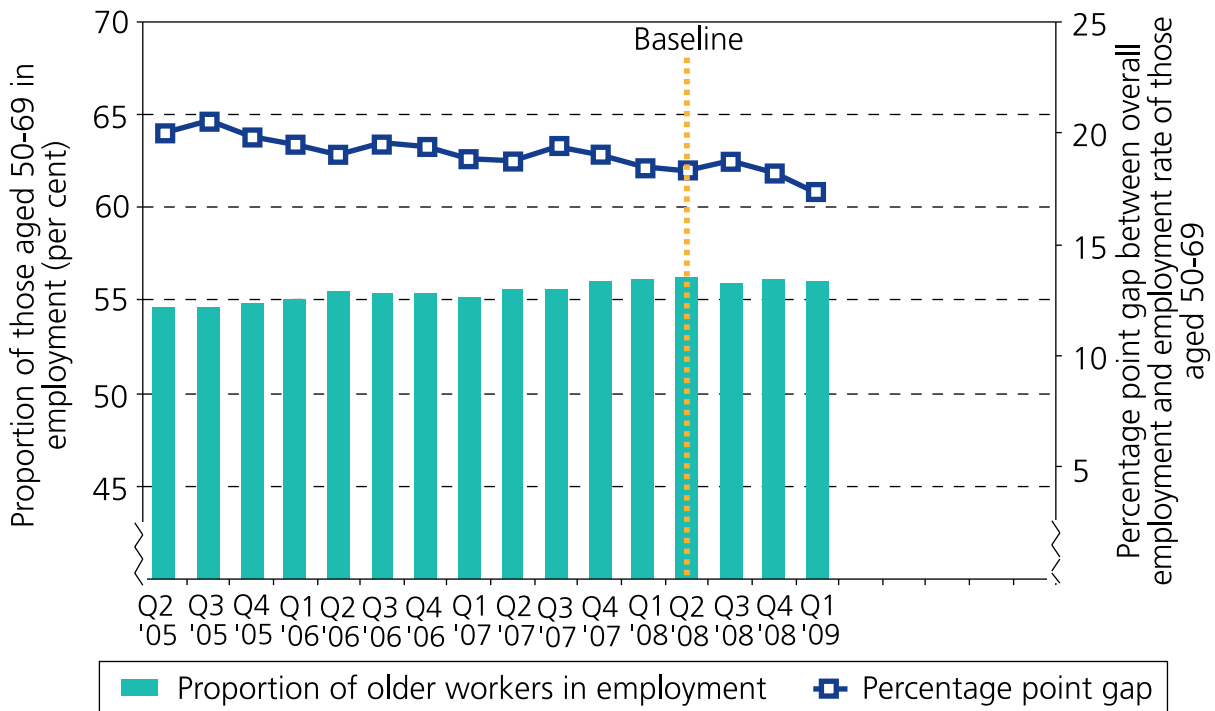
# PSA 17: Tackle poverty and promote greater independence and well-being in later life

## 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

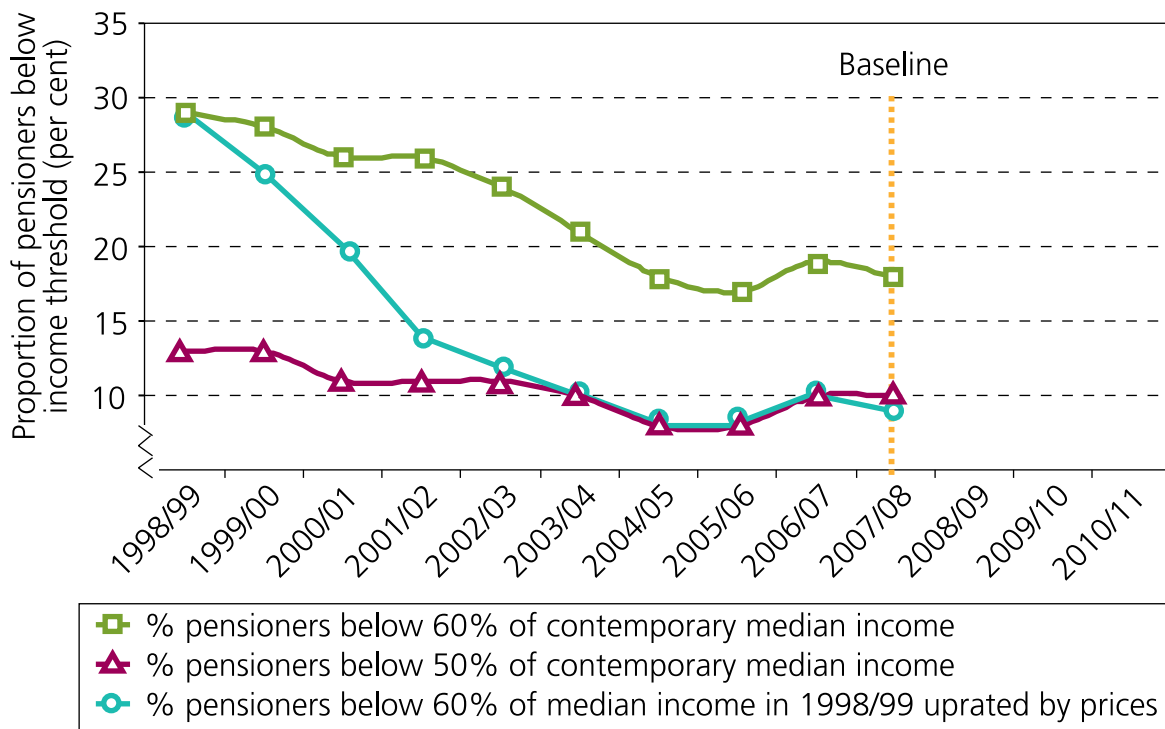
- This indicator is measured using seasonally unadjusted quarterly Labour Force Survey data for GB. A statistically significant change based upon a 95% confidence interval is around one percentage point.
- The baseline is Q2 2008 when the employment rate of those aged 50-69 was 56.3% and the gap between 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

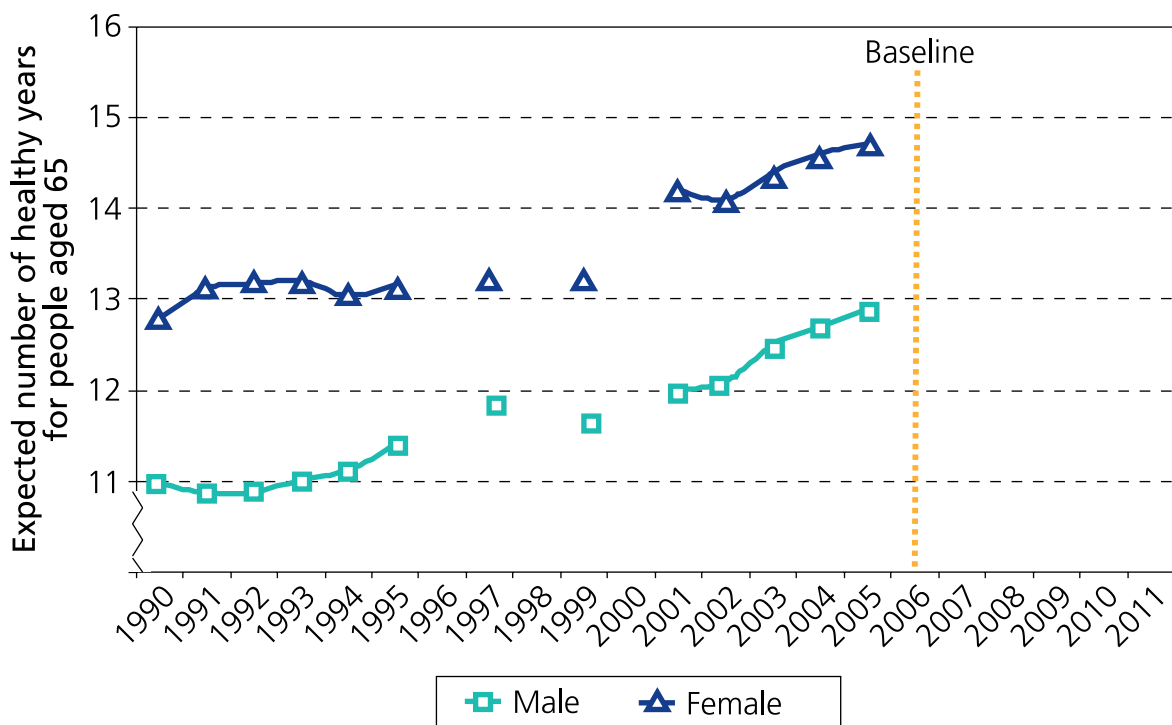
- Performance is measured using Household Below Average Income (HBAI) statistics. Income is measured after housing costs are deducted. Data are annual with approximately a 12-month time lag.
- The baseline is HBAI statistics from the 2007-08 Family Resources Survey. Historical data indicate that pensioner 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).



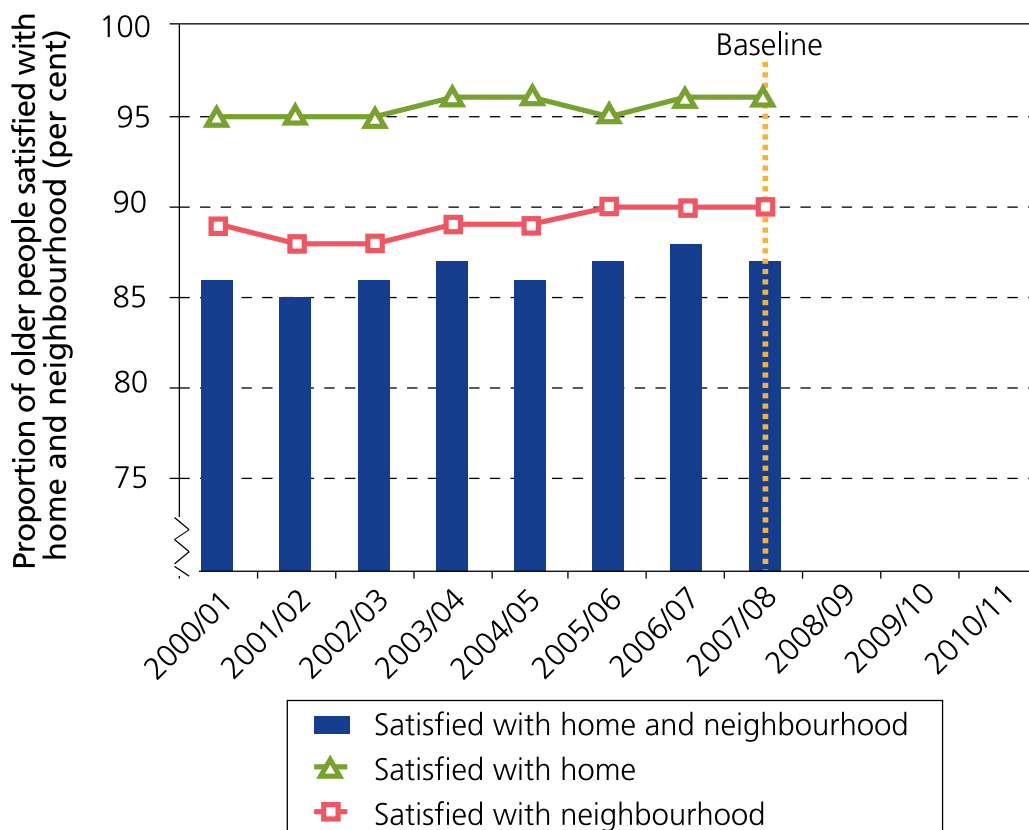
Notes:

- 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> <p style="text-align: right;"><i>continued</i></p>

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

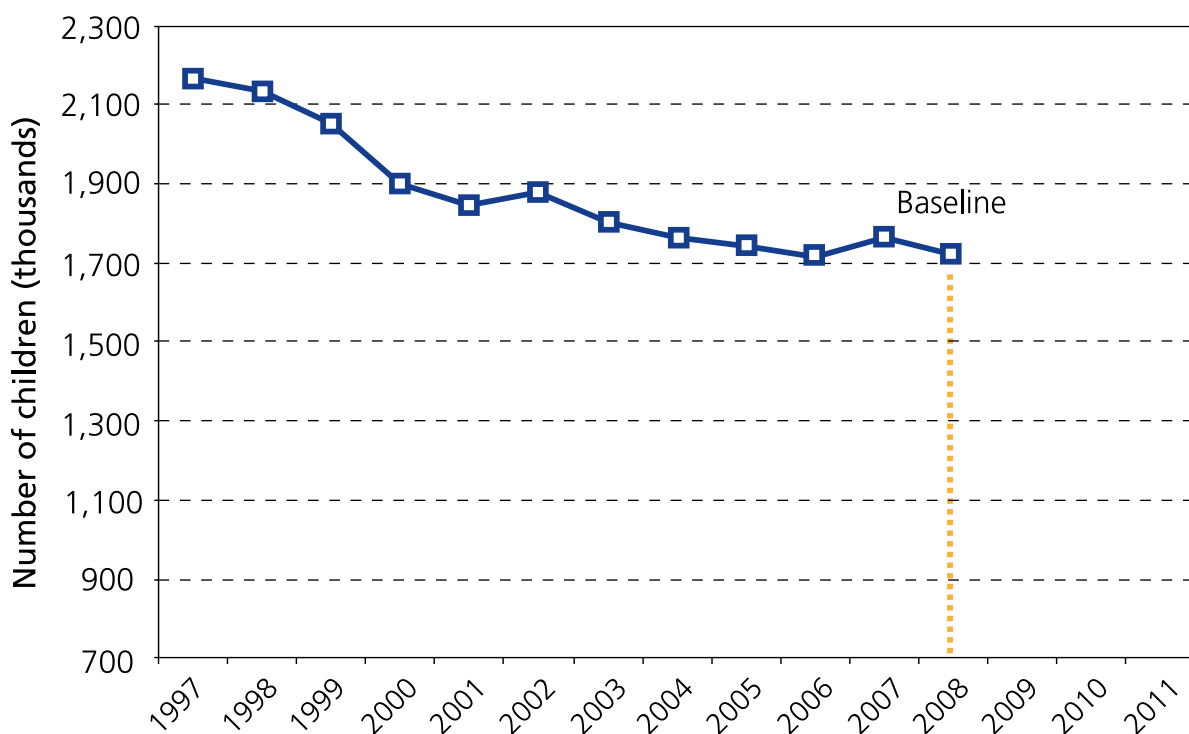
### DSO 1: Reduce the number of children living in poverty

#### 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.

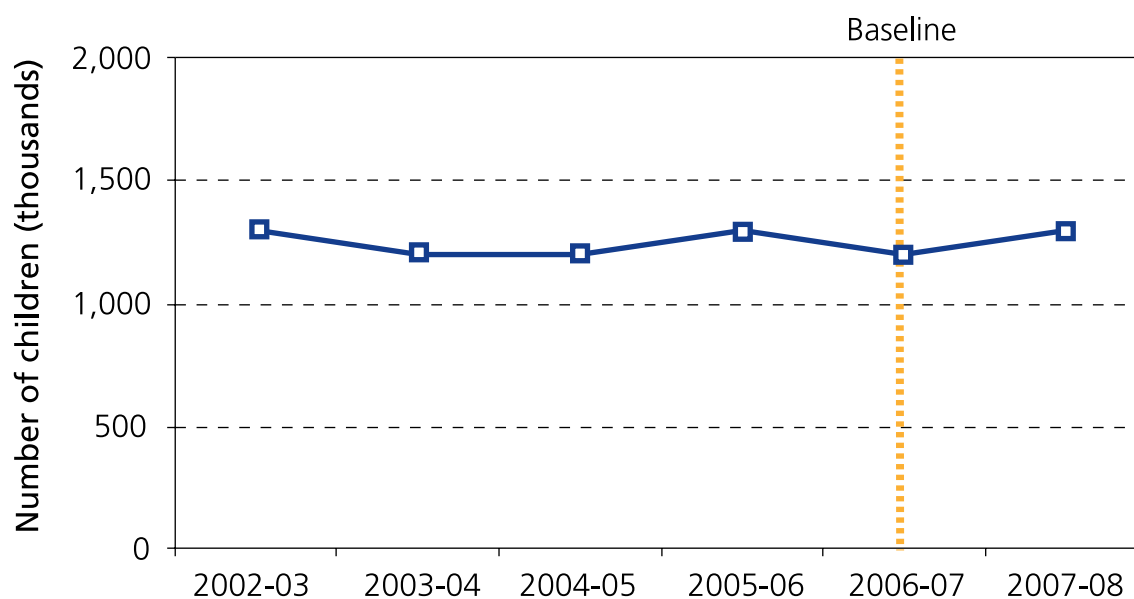


Source: Household Labour Force Survey, Q2.

## 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.

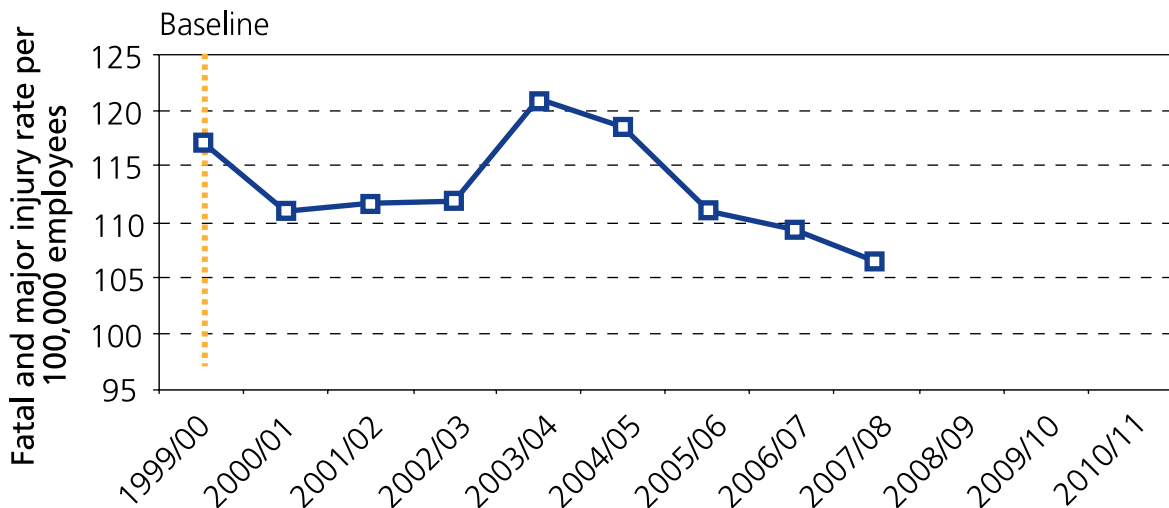
## DSO 3: Improve health and safety outcomes

### 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

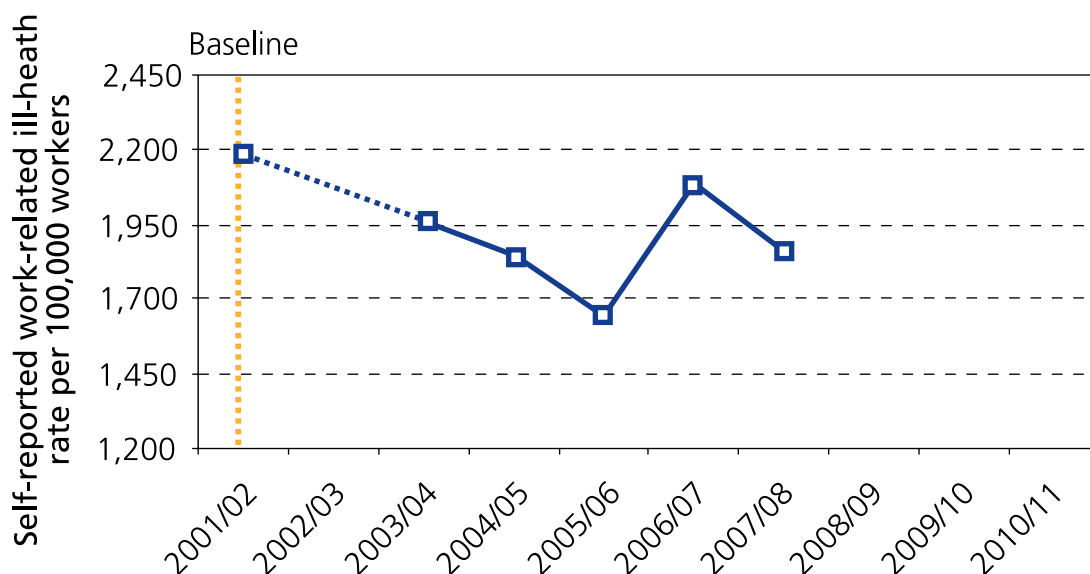
- This indicator is measured using all data on fatal and major injuries to employees reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), supported by data on self-reported reportable work-related injuries via the Labour Force Survey (LFS).
- Progress is 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

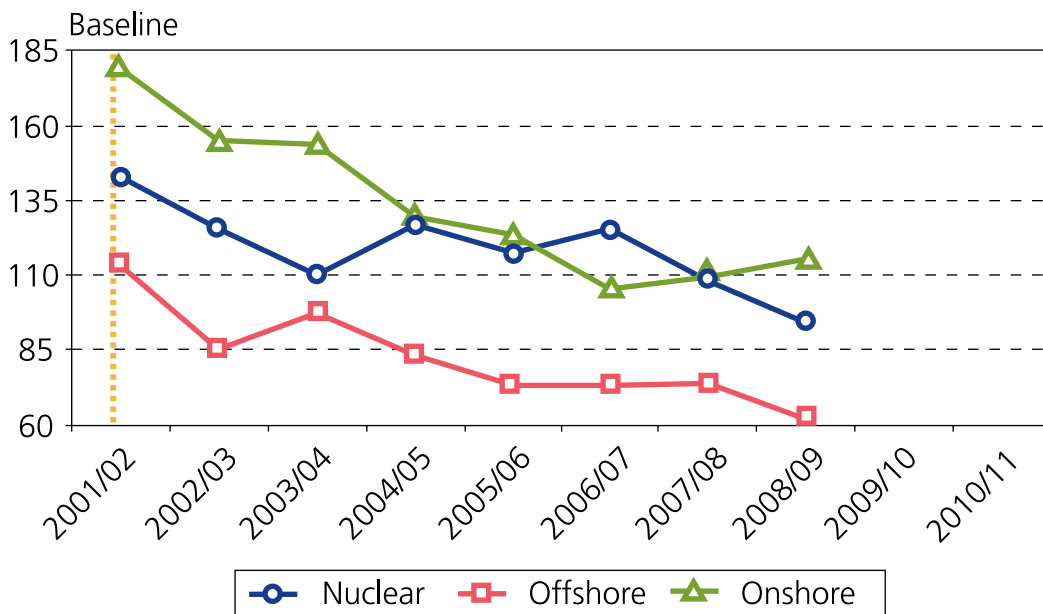
- This indicator is measured using self-reported work-related illness from a variety of sources including the LFS and specialist surveillance scheme data. Progress is published each autumn as part of the annual publication of the health and safety statistics and in HSE's annual report. The results are 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.

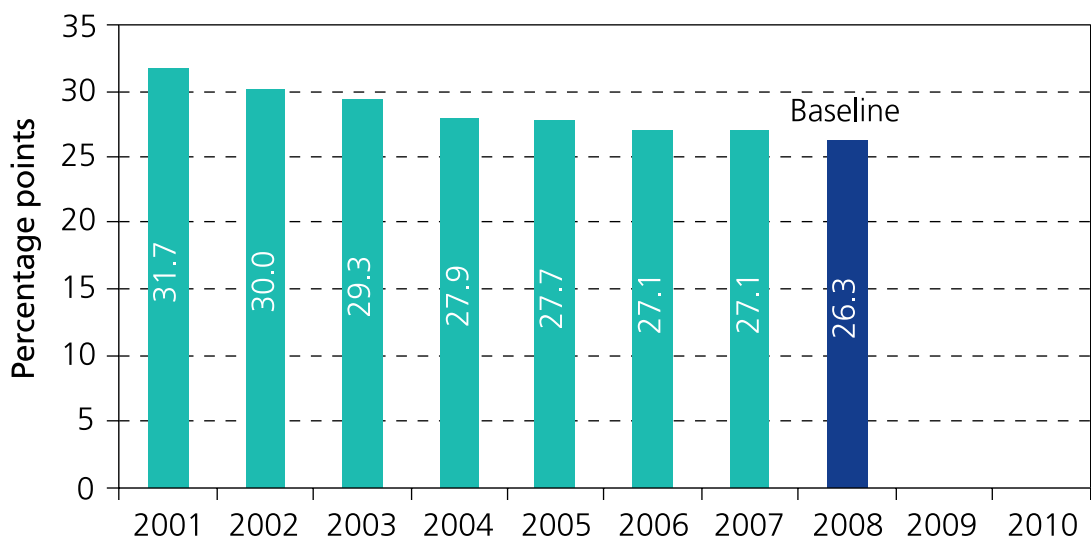
## DSO5: Promote equality of opportunity for disabled people

### 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.

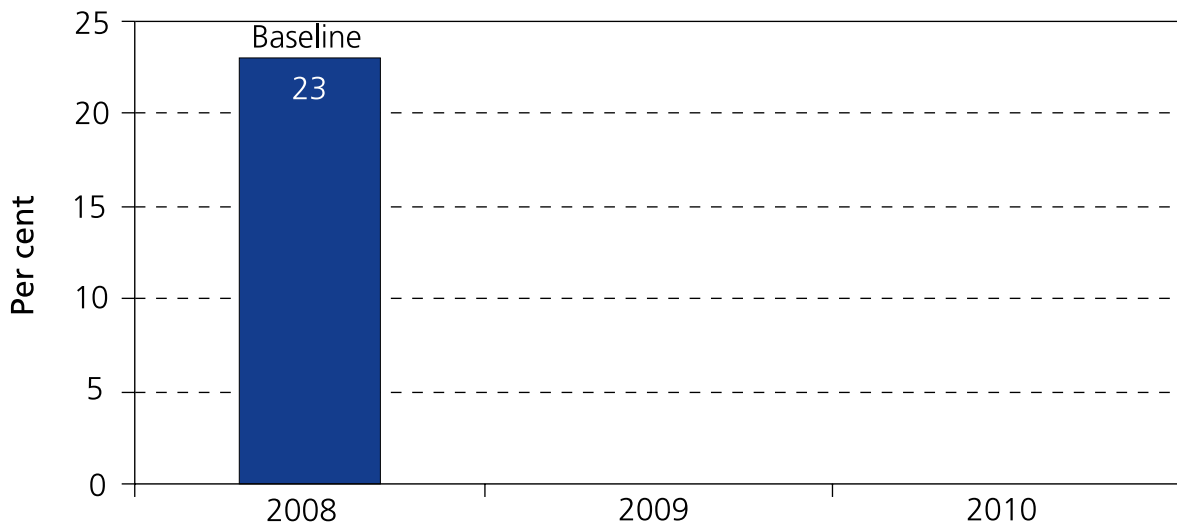


## DSO5: Promote equality of opportunity for disabled people (continued)

### 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.

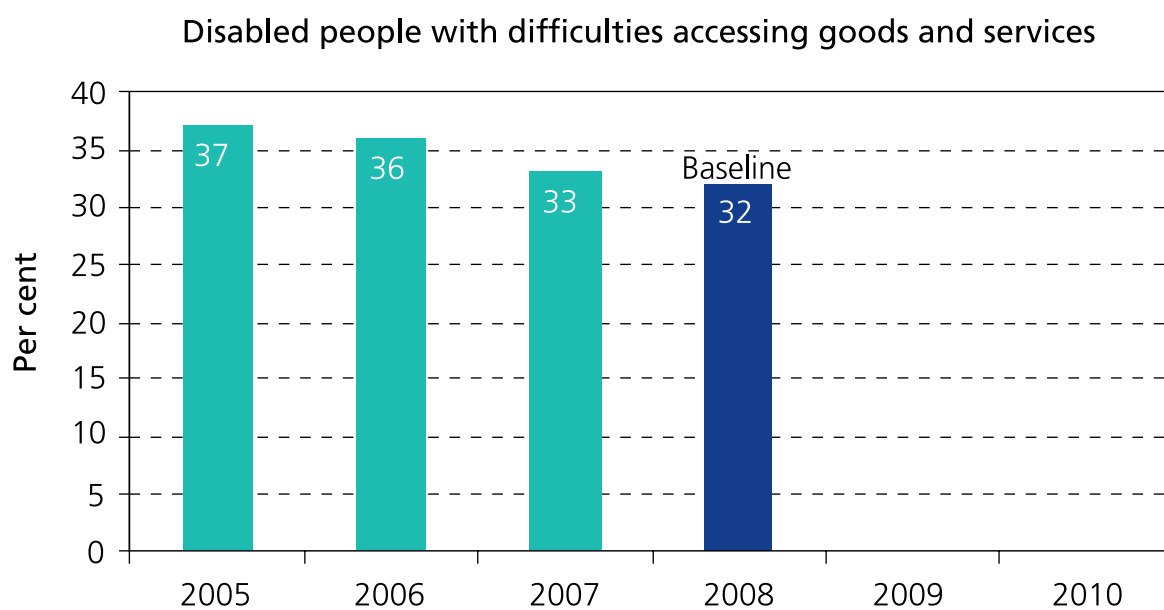
Disabled people without regular choice and control in their daily lives



## 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:

- Information on changes in circumstances is not currently available for AA, DLA, CA, PC and SP.
- 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.