

# The efficiency challenge

**The Comprehensive Spending Review 2007 (covering April 2008 to March 2011) brought greater demands on the way the DWP manages its business. It imposed a 5 per cent year on year reduction in the resources available to deliver services to our customers.**



We have responded to this challenge by investing to create a more efficient operation. We have done so without levels of customer service being adversely affected during the year. The cost of delivering benefits to our customers has reduced from £1,083 million in 2007/08 to £974 million in 2008/09, a reduction of 10 per cent.

The number of staff in the agency reduced by 1,280 full-time equivalent (FTE) from 16,297 FTE at end of March 2008 to 15,017 FTE at end of March 2009. We closed Birmingham and Dearne Valley Pension Centres and Edinburgh Disability Benefits Centre as part of our continuous programme of managing overheads in line with staffing reductions. By the end of the year, we agreed plans to further rationalise our estate in line with planned reductions in staffing levels, which means that during 2009/10, we shall transfer to Jobcentre Plus the current staff and buildings in Wembley and Stockport, and the staff in Manchester (a total of about 1,100 staff).

We met our commitment to try and redeploy people where their current job role had ceased to exist, working with our trades unions to avoid compulsory redundancies through other voluntary measures. Our specialist redeployment unit supported the people affected, redeploying them as quickly as possible and minimising the length of time between one role ceasing and the next starting. The unit worked closely with the DWP Human Resource team to redeploy staff or put exit arrangements in place where redeployment was not possible.

## Productivity

The DWP's measure of overall productivity is based on the methodology recommended by the Atkinson review into the measurement of Government Output.

We have adopted this methodology and created a productivity index, which measures changes in the total output produced by the resources used. In 2008/09 our headcount was forecast to reduce while workloads were forecast to increase, resulting in a required productivity increase of 9.6 per cent. In the event, headcount reduced by 7.8 per cent, workloads increased by 6.3 per cent and productivity increased by 14.9 per cent. These figures have been calculated by weighting the individual benefit processing activities in proportion to the amount of resource they consume, to give a single measure for the agency.

