



Social Security Departmental Report

The Government's Expenditure Plans
2001–02 to 2003–04 and
Main Estimate 2001–02



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2001-02 to 2003-04 and
Main Estimate 2001-02

Presented to Parliament by the Secretary of State for Social Security and
the Chief Secretary to the Treasury by Command of Her Majesty
March 2001

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Foreword by the Secretary of State

In last year's Departmental Report, I set out how we are re-shaping the Department to meet the different needs of our client groups: children, people of working age and pensioners. And how those changes will make a real difference to people's lives, as well as to the way we do business.

The past year has been an important transition period for the DSS, as we move from getting the right policies in place, to focusing on how those policies are delivered on the ground. Since the last Report, the Government has published its spending plans for the years 2001–04 and the objectives and targets against which we'll be judged.

The Department's objectives for the next three years will contribute to our overall aims of tackling poverty, promoting opportunity for all, and modernising the delivery of services. And they will build on the steps we have already taken to reform social security over the past few years.

Last year, we introduced the Child Support, Pensions and Social Security Act 2000. This included the new legislation for reform of the child support system, which will benefit a million children. And it also paved the way for a new State Second Pension from 2002, helping 18 million people on low incomes to start building a good second pension for their retirement.

We have also continued our drive to eradicate child poverty, with further rises in Child Benefit, extra money for the most severely disabled children, and for taxpaying families – the new Children's Tax Credit starting in April 2001. From 2003, we will bring together financial support for children into a new integrated child credit, paid on top of Child Benefit. This will provide families with a secure income, and is designed to help with the transition from welfare to work.

At the same time, we are determined to tackle pensioner poverty. So from April, we are raising the Minimum Income Guarantee to over £92, alongside other help like the Winter Fuel Payments and free TV licences which are of particular value to those on lower incomes.

In November, I set out our proposals for a new Pension Credit. For too long, the benefit system has penalised saving, instead of rewarding it. When it is introduced from 2003, the Credit will ensure that pensioners are rewarded for their thrift. And as a result, half of all pensioner households will be better off.

For people of working age, we believe that work is the best route out of poverty. This year, as this report shows, we've continued to make good progress in helping more people into jobs, contributing to the lowest unemployment figures in 25 years. To date, the New Deals have helped over 450,000 people into work – many of whom would have been written off under the old system.

And we have begun to turn the corner in the fight against fraud and error. New figures published last year, showed that for the first time, there has been a significant fall in the amount of fraud and error in Jobseeker's Allowance and Income Support. That 6.5 per cent reduction means we are on target to meet our commitment to cutting fraud by half in five years time.

Legislation now before Parliament will bring in a 'two strikes and you're out' policy, so that anyone who is convicted of benefit fraud twice will lose their right to benefit. And new powers will allow the DSS – where it suspects fraud – to get information on suspects' bank accounts.

As a result of lower unemployment and less fraud and error, social security spending is now under control for the first time in three decades. This year, and next, we are saving £4 billion on the costs of unemployment-related benefits, compared with 1997. In turn, that allows us to go on spending more where it is needed: tackling child and pensioner poverty, and providing more help for people with severe disabilities and their carers.

Whilst getting the right policies is important, so too is getting the delivery right. Later this year, we plan to launch the new working age agency, bringing together the Employment Service and parts of the Benefits Agency dealing with those of working age. This will mark a further step forward in changing the culture: more opportunities and more choices, matched by a greater responsibility on the part of individuals to help themselves. This year we will also launch a dedicated new service for pensioners.

As we prepare for the new organisations, this report shows that we are already taking important steps to modernise delivery and improve customer service.

First, we have secured funds to modernise the Department's outdated computer systems. Staff and customers will start to see the benefits of this investment later this year. And next year, we will install a new computer system to support the new child support system, as a first step to replacing all of the Department's computer systems.

Second, we are directing more resources to focus on delivery. Last year we announced we would reduce the number of central services posts by 3,000 and redirect that money towards strengthening the management and delivery of benefits in local offices. This has meant a period of uncertainty and change for many staff, but the results are now beginning to show. We have already freed up money by cutting over 2,500 central posts, and switching those resources to support front-line delivery. And we are on course to reach the full target saving of 3,000 posts this year.

And third, we have delivered a number of early improvements to services, including the introduction of a national tele-claims service for the Retirement Pension last October. We are also improving the letters that the Department sends out to its customers, as well as cutting down the size of the Minimum Income Guarantee claim form from 40 pages to just 10 pages.

In the run up to the new system from 2002, the Child Support Agency has also delivered a wide range of service improvements, including the new Face to Face service. All of these – and other changes – are helping to ensure the right people get the right money, as quickly as possible.

This report shows the progress we have made over the last year, as well as demonstrating what more we have still to do. As we look to the year ahead, we will continue the process of changing the DSS – change for the purpose of improving services for our customers.



Alistair Darling
March 2001

The Department's Ministers

Secretary of State for Social Security



The Right Honourable Alistair Darling MP

Minister of State



The Right Honourable Jeff Rooker MP

Parliamentary Under Secretary of State (Lords)



The Right Honourable Baroness Hollis of Heigham

Parliamentary Under Secretaries of State (Commons)



Angela Eagle MP



Hugh Bayley MP

Overview

- 1 This is the eleventh annual report of the Department of Social Security (the Department, DSS). It presents the Government's expenditure plans for the social security programme in Great Britain (England, Scotland and Wales) for 2001–02 to 2003–04 and describes what is to be delivered in that period.
- 2 This overview sets out the high level challenges for the Department, the key activities and outputs from the last year, and summarises the trends in social security benefit spending in recent years.
- 3 The main body of the report is divided into six parts:
 - **Part One** describes the progress made against Public Service Agreement (PSA) targets in 2000–01, and sets out the aims, objectives and targets for the period 2001–02 to 2003–04 (published in the Department's new PSA on 31 July 2000);
 - **Part Two** summarises progress on the Modernising Government agenda;
 - **Part Three** provides an overview of human resource issues and other Departmental activities;
 - **Part Four** looks at the Department's Agencies and Independent Statutory Bodies – focusing, in particular, on performance;
 - **Part Five** sets out, in detailed tables, the Department's expenditure plans in resource terms; and
 - **Part Six** sets out the Department's Main Estimate for 2001–02 in resource terms.
- 4 The Department's new Public Service and Service Delivery Agreements set out the challenge for the next three years:
 - tackling child poverty;
 - promoting work as the best form of welfare – whilst protecting those in greatest need;
 - combating poverty and promoting security for today's and tomorrow's pensioners; and
 - modernising welfare delivery to improve accessibility and accuracy.
- 5 Getting the delivery of this right will be critical because virtually every citizen will be personally affected. To meet this challenge the Department is:
 - re-engineering its services around client groups rather than individual benefits to allow more secure, integrated and responsive services – focused on people and outcomes – to be delivered; and
 - modernising its outdated and unreliable infrastructure.
- 6 Over the coming years people will see significant changes:
 - Pension Credit will be introduced and pensioners will receive an integrated dedicated service delivered through the new pensions organisation;
 - working age clients will receive an integrated dedicated service delivered through a new working age agency;
 - a radically simpler child support system will be introduced;
 - an integrated child credit will be introduced;
 - payment arrangements will be modernised; and
 - fraud and error will be reduced significantly.
- 7 And in terms of customer service new systems will enable staff to provide customers with the service they want – making better use of the

- telephone and internet and ensuring a simpler approach to information gathering.
- 8** Much has already been done to prepare for this modernisation challenge through the ongoing Focus on Delivery initiative:
- the Department has been reorganised around three key client groups to reflect the different policy and service strategies of each;
 - a new joined-up structure has been created to deliver shared corporate services and this has driven out duplication in Finance, Human Resources and other supporting functions;
 - as a result over 2,500 staff have been moved to front-line services and modernisation projects;
 - a Welfare Modernisation Fund (WMF), of almost £2 billion over three years has been established to invest in modernising the Department's systems. Outside the WMF, the Department's expenditure limit will be flat in real terms over the next three years;
 - new business management teams have been set up to improve decision making across the Department;
 - greater professionalism in project management has been introduced; and
 - Performance Improvement Action Teams have been set up and are actively helping to reduce variations in, and drive up, performance.
- 9** Over the past year the Department has also continued to deliver a high level of service across the range of its functions. For example:
- both the speed and accuracy of service in the Benefits Agency has improved;
 - the Child Support Agency has made significant progress in preparing for the introduction of Child Support Reforms whilst at the same time maintaining service delivery levels;
 - significant progress in combating fraud in Jobseeker's Allowance and Income Support has been made – the Department is now well positioned to achieve its PSA target;
 - a range of initiatives have been introduced, in partnership with local authorities, to improve the delivery of Housing Benefit;
 - the ONE service has been piloted in twelve locations, and cross-departmental activity on a range of other initiatives has been successful.
- 10** In terms of benefit expenditure, spending on benefits and the Working Families' Tax Credit and Disabled Person's Tax Credit taken together will grow on average by 1.4 per cent in real terms over this Parliament. This growth rate is the lowest for any Parliament since the war. Indeed if the extra discretionary spending on new measures for pensioners, families and children is removed, social security expenditure has actually fallen in real terms over this Parliament.
- 11** In 1993–94 benefit expenditure in Great Britain reached a peak of just over 12½ per cent of UK Gross Domestic Product (GDP). Since then spending has fallen as a percentage of GDP, and in 2000–01 it accounted for less than 11½ per cent, including expenditure on Working Families' Tax Credit and Disabled Person's Tax Credit.
- 12** Social security is still the largest single area of Government spending. In 2000–01 expenditure on benefits and the Working Families' Tax Credit and Disabled Person's Tax Credit taken together represented 28½ per cent of total Government expenditure. More than half of this expenditure goes to people over working age and around 13 per cent supports children, including Child Benefit and child amounts in income-related benefits. Spending to support unemployed people accounts for only 4 per cent of total expenditure.

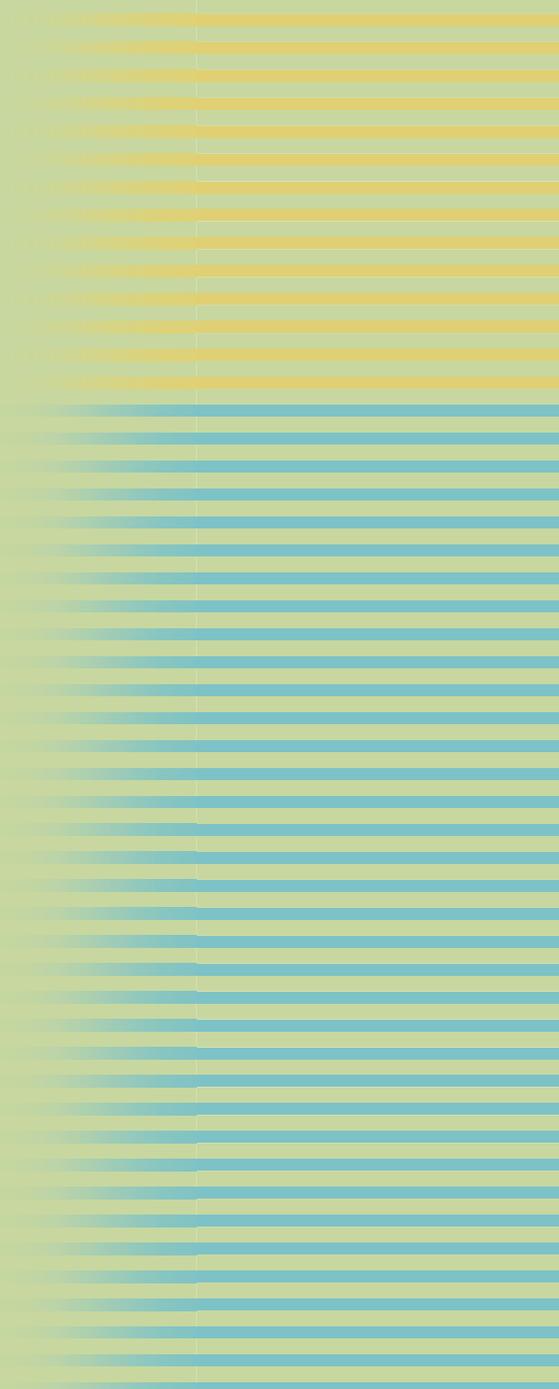
Departmental structure and organisation

PERMANENT SECRETARY RACHEL LOMAX		
Communications Director Simon MacDowall	Director of Change Management Gordon Hextall	Principal Private Secretary to the Secretary of State Neil Couling
CORPORATE SERVICES	CLIENT GROUPS	EXECUTIVE AGENCIES
Corporate Services Director Stephen Hickey Business Management Director Andrew Stott Finance Director John Codling Human Resources Director Mark Fisher Director of Service Strategy and Commercial Partnerships Stuart Lord Audit and Assurance Director Chris Turner Modernising Government, Payments and Partnership Director Sarah Graham	Working Age Group Director Ursula Brennan Strategy Director Robert Devereux Change Director Stephen Hewitt Pensions, Children and Disabled Group Director Paul Gray Pensions Strategy and Stewardship Director Steve Heminsley Pensions Specification and Change Director Hilary Reynolds Pensions Credit Programme Director George McCorkell Children's Director Helen Ghosh Disability Extra Costs Benefits Director Don Brereton	Benefits Agency Chief Executive Alexis Cleveland Child Support Agency Chief Executive Doug Smith War Pensions Agency Acting Chief Executive Alan Burnham The Appeals Service Chief Executive Neil Ward
HEADS OF PROFESSION		
The Solicitor Marilynne Morgan Analytical Services Director David Stanton Chief Medical Adviser Dr Mansell Aylward		



Part One

Delivering better public services:
progress



Introduction

- 1 In setting out its spending plans for 1999–00 to 2001–02 in the 1998 Comprehensive Spending Review (CSR), the Government set new priorities for public spending with significant extra resources for key services such as education and health. The Government also committed to linking this extra investment to modernisation and reform, to raise standards and improve the quality of public services. The White Paper, *Public Services for the Future: Modernisation, Reform, Accountability* (Cm 4181, December 1998) and its supplement (Cm 4315, March 1999) delivered this commitment by publishing for the first time measurable targets – Public Service Agreements (PSAs) – for the full range of the Government's objectives.
- 2 A full and detailed report on all of these targets was published in the *Social Security Departmental Report* (Cm 4614, March 2000).
- 3 As the Government recognised at the time of the 1998 CSR, setting targets for central government was a process that would need to be refined over time. In the Spending Review 2000 (SR 2000), which set new plans for public spending for 2001–02 to 2003–04, the Government has further developed PSAs in order to prioritise the most important goals and reforms it wants to deliver. These targets are set out in the White Paper, *Spending Review 2000: Public Service Agreements 2001–04* (Cm 4808, July 2000) and will be fully reported on in the 2002 departmental reports.
- 4 The White Paper *Modernising Government* (Cm 4310, March 1999), is a statement of the Government's vision for reform and modernisation of the delivery of public services. These principles provide a means of achieving the results of the PSA targets.
- 5 Part One contains:
 - details of the 2000 PSA which comes into effect from April 2001 (Figure 1);
 - progress against the 1998 PSA which came into effect from April 1999 (Figure 2); and
 - a summary of the Department's key business achievements since publication of the last Departmental Report (Figure 3).
- 6 Further information on progress against the Modernising Government agenda is provided in Part Two of the Report.

Spending Review 2000 targets

Figure 1 – Spending Review 2000 – Aim, objectives, and PSA targets

<p>Aim</p> <p>The Department of Social Security (DSS) will actively contribute to the Government's overall aims of:</p> <ul style="list-style-type: none"> ● tackling poverty; ● promoting opportunity; and ● modernising Government.
<p>Objective I: Ensuring the best start for all children and ending child poverty in 20 years.</p> <p>PSA targets</p> <ol style="list-style-type: none"> 1. Make substantial progress towards eradicating child poverty by reducing the number of children in poverty by at least a quarter by 2004. (Joint target with HM Treasury [HMT].) 2. Introduce the reformed Child Support scheme for new cases by April 2002 so that, by April 2003 for such cases: <ul style="list-style-type: none"> ● the accuracy rate for assessments and reviews is not less than 90%; ● payment arrangements will have been established on average within six weeks; and ● the level of compliance will be at least 75%.
<p>Objective II: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need.</p> <p>PSA targets</p> <ol style="list-style-type: none"> 3. Increase employment over the economic cycle. (Joint target with HMT and Department for Education and Employment ([DfEE].) 4. Reduce the number of children in households with no one in work over the three-year period to 2004. (Joint target with DfEE.) 5. Over the three-year period to 2004 increase the employment rates of disadvantaged areas and groups, taking account of the economic cycle – people with disabilities, lone parents, ethnic minorities and the over 50s, the 30 local authority districts with the poorest initial labour market position – and reduce the difference between their employment rates and the overall rate. (Joint target with DfEE.)
<p>Objective III: Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners.</p> <p>PSA targets</p> <ol style="list-style-type: none"> 6. Reform second-tier pension provision, working with pension providers and employers, so that by 2004: <ul style="list-style-type: none"> ● stakeholder pensions have given more people access to good value funded second pensions; ● 2 million carers and 2 million disabled people with broken work records have, for the first time, started to build up a second pension; and ● 14 million low and moderate earners have started to build up a better second pension than would be possible under the State Earnings-Related Pensions Scheme (SERPS).

Figure 1 – Spending Review 2000 – Aim, objectives, and PSA targets (continued)

7. Introduce an improved, integrated modern service for delivering benefits and information to pensioners. This service will be by 2004:

- reduce the average cost of processing Retirement Pension claims and maintaining the caseload by 20%;
- reduce the average cost of processing Minimum Income Guarantee (MIG) claims and maintaining the caseload by 15%;
- ensure that 90% of MIG claims are processed within 13 days once evidence requirements are met; and
- reduce by 20% the amount of MIG that is incorrectly paid. (Target also contributes to Objective IV.)

Objective IV: Modernising welfare delivery so as to improve the accessibility and accuracy of services.

PSA targets

8. Make significant progress towards modernising welfare delivery so that:

- by 2005, 85% of our customers have their benefits paid into their bank account;
- by 2004, 60% of the computer systems which support the delivery of pensions and Income Support (IS) have been replaced;
- by 2004, to have made available an electronic claims facility, for IS, Jobseeker's Allowance (JSA) and Incapacity Benefit (IB); and
- from 2001, to commence the roll-out of new IT equipment to all staff dealing with customers so as to improve the services provided.

9. Reduce by 50% losses from fraud and error in IS and JSA by 2006, with a 25% reduction by 2004.

Value for money

PSA target

10. Increase the efficiency of social security administration through:

- improving the performance of the Child Support Agency in line with target 2;
- improving the efficiency of services to pensioners in line with target 7;
- improving the efficiency of services to working age claimants in line with target 8 and through the new working age agency; and
- reducing error and fraud in line with target 9.

1998 Comprehensive Spending Review (CSR) targets

- 7 The DSS had 30 CSR targets of which 17 are classed as performance targets linked to welfare reform aims and objectives. The rest are classed as productivity targets, concerned with efficiency of delivery and including a number of cross-government issues. The CSR PSA was set for the period April 1999 to March 2002. The PSA drawn up in the course of the SR 2000 has now superseded the final year of the CSR period – SR 2000 targets run from April 2001 to March 2004.
- 8 The majority of targets have been met or are on course to be met.

Figure 2 – CSR – Aim, objectives, and PSA targets

Aim																										
<p>As part of the Government's determination to reform the welfare state, to modernise the social security system, to encourage work for those who can and provide security for those who cannot, the modern social security system will provide clear and enforceable gateways to enable people to meet their responsibilities and to take the opportunities available to them. The system will be reformed to ensure that benefits go to those for whom they were intended by:</p> <ul style="list-style-type: none"> ● reducing error and preventing fraud; ● providing a system that is efficient and effective and easy for people to use; and ● by making the best use of the resources available. 																										
PSA target	Achievement																									
1. To work with HMT with the aim of ensuring that the ratio of in-work income from earnings and benefits, to out of work benefits does not worsen.	<p>Achieved</p> <p>The table below shows the proportion of the workforce with high replacement ratios (the ratio of out of work to in work income). The proportion in the highest bands has fallen, while it has remained stable in the 70%+ band: slight movements have been within the bounds of statistical significance.</p> <p>Because of the method chosen, lone parents on IS along with the unemployed and the sick and disabled on out of work benefits are not included in the analysis. All of these groups will have significantly improved work incentives as a result of recently introduced tax and benefit changes and the National Minimum Wage. This is demonstrated by independent evidence which estimates that Working Families' Tax Credit (WFTC) alone will move between 27,500¹ and 32,770² people into jobs because of their improved gains from work.</p> <p><u>% of workforce with replacement ratios at or above each level:</u>^{3, 4, 5}</p> <table border="1"> <thead> <tr> <th>Level</th> <th>1997–98</th> <th>1998–99</th> <th>1999–00</th> <th>2000–01</th> </tr> </thead> <tbody> <tr> <td>100%</td> <td>0.2</td> <td>0.2</td> <td>0.0</td> <td>0.0</td> </tr> <tr> <td>90%+</td> <td>0.6</td> <td>0.6</td> <td>0.4</td> <td>0.1</td> </tr> <tr> <td>80%+</td> <td>2.2</td> <td>2.0</td> <td>1.7</td> <td>1.5</td> </tr> <tr> <td>70%+</td> <td>5.0</td> <td>4.9</td> <td>4.9</td> <td>5.1</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> 1. Blundell <i>et al.</i> (2000), 'The Labour Market Impact of the Working Families' Tax Credit', Fiscal Studies 21(1). 2. Gregg <i>et al.</i> (1999), 'Entering Work and the British Tax and Benefit System', London: IFS 3. Calculated for people who work 30 hours or more a week. Excludes the self-employed and pensioners. Estimates are cumulative. Proportions are rounded to the nearest 0.1%. 4. Estimates assume full receipt of Housing Benefit, Council Tax Benefit and WFTC entitlement. 5. 2000–01 estimates extrapolated from the 1997–98 Family Resources Survey. 	Level	1997–98	1998–99	1999–00	2000–01	100%	0.2	0.2	0.0	0.0	90%+	0.6	0.6	0.4	0.1	80%+	2.2	2.0	1.7	1.5	70%+	5.0	4.9	4.9	5.1
Level	1997–98	1998–99	1999–00	2000–01																						
100%	0.2	0.2	0.0	0.0																						
90%+	0.6	0.6	0.4	0.1																						
80%+	2.2	2.0	1.7	1.5																						
70%+	5.0	4.9	4.9	5.1																						

Figure 2 – CSR – Aim, objectives, and PSA targets (continued)

PSA target	Achievement
<p>2. To embark on the modernisation of service delivery and in particular to introduce:</p> <ul style="list-style-type: none"> reformed decision making and appeals processes in 1999, provide a more efficient, speedier service; to launch from April 2000 the Appeals Service, a new Executive Agency of DSS for the administration of appeals; and to set demanding targets for the new Agency; and the first tranche of new systems to modernise Income Support and child support processing, during 2001–02. The new systems will contribute towards the achievement of the reduction in fraud and error in Income Support set out below, and will provide the building blocks for joined-up customer service. 	<p>On course</p> <p>The Appeals Service was launched on 3 April 2000. Its business plan for 2000–01 included targets aimed at delivering more efficient and speedier processing of appeals. The Appeals Service is on course to meet the majority of targets in the business plan. There is more information about the Appeals Service in Part Four.</p> <p>The ONE pilots have transformed the way the Department interacts with clients, providing them with a single access point to the benefit system and personalised advice and support to find work.</p> <p>As a result of the SR 2000, DSS has almost £2 billion (over three years) to invest in modernising services. This includes providing new systems to modernise IS and child support processing. The contract for developing the new child support system was awarded to Affinity in August 2000. The new system should be ready to support the implementation of the radically simpler scheme for child support maintenance for new cases by April 2002.</p>
<p>3. By 1999 to legislate for the introduction of a reformed system of bereavement benefits with the aim of ensuring equality of treatment.</p>	<p>Achieved</p> <p>The existing Widows' Benefits scheme will be replaced with a Bereavement Benefits scheme for widows and widowers, from 9 April 2001.</p> <p>Subject to qualifying conditions:</p> <ul style="list-style-type: none"> A Bereavement Payment of £2,000 will be payable to all widows and widowers of working age and to those over state pension age if their spouse was not retired. Widowed Parent's Allowance will be payable to widowed mothers and fathers with dependants aged under 19 in full-time relevant education. Bereavement Allowance will be payable to widows and widowers over age 45 with no dependent children, for up to one year.
<p>Objective 1: To reduce the cost of economic failure by actively helping people without a job into work, and providing them with financial support while they are unable to support themselves through work, ensuring that rights are matched with responsibilities.</p>	
PSA target	Achievement
<p>4. The DfEE and DSS will test the case for ONE (formerly the Single Work-Focused Gateway) as a means of increasing the proportion of people of working age in work and not dependent on benefit, by piloting. Four pilots will be introduced in June 1999, and eight more in November 1999, with a view to implementing a national scheme thereafter.</p>	<p>Achieved</p> <p>Four ONE pilots were launched in June 1999 and a further eight started in November. Participation became compulsory for benefit claimants other than job seekers in April 2000. The pilots are planned to run until March 2002.</p> <p>Evaluation is continuing, however, early feedback from both before and after participation became compulsory has highlighted that many clients have been helped into work or to take steps to find work as a result of the support of their ONE personal adviser. It also highlights the improvements in customer service as a result of ONE and strong support from clients and staff for the principles of the service.</p>

Figure 2 – CSR – Aim, objectives, and PSA targets (continued)

PSA target	Achievement
<p>5. DSS will co-operate with DfEE to deliver the targets for the New Deals for the unemployed, lone parents and disabled people*, by meeting the targets published each April for which the two departments are responsible, the figures being updated annually for each succeeding financial year.</p> <p>* see target 7</p>	<p>On course</p> <p>The DSS and the DfEE are working together to deliver the New Deals. More information on the New Deals can be found in the <i>Department for Education and Employment Departmental Report (Cm 5102)</i>.</p> <p><i>New Deal for Long-term Unemployed People aged 25 and over</i> This New Deal was introduced nationally in June 1998. It is targeted on those unemployed people aged 25 and over who have been claiming JSA for two years or more. In the period June 1998 to the end of December 2000, 62,570 people gained jobs.</p> <p><i>New Deal for Young People</i> The New Deal for Young People (NDYP) offers intensive support to 18–24-year-olds who have been receiving JSA for six months to help them find and retain employment.</p> <p>The target of helping a quarter of a million young people into jobs through the NDYP by autumn 2000 has been achieved. By the end of December 2000, 274,230 young people moved into jobs.</p> <p><i>New Deal 50plus</i> The New Deal 50plus is an important package of back-to-work help comprising:</p> <ul style="list-style-type: none"> ● an Employment Credit (paid to the individual) of £60 a week for up to 12 months (£40 for part-time work); ● help with an in-work Training Grant of up to £750; ● personal advice; and ● Jobsearch help. <p>The programme is aimed at unemployed and economically inactive people in receipt of benefit for six months or more and their dependent partners. The programme is voluntary.</p> <p>It was introduced on a pathfinder basis in October 1999 and was launched nationally in April 2000. By the end of December 2000, 24,806 people aged 50 and over had gone back to work drawing on the Employment Credit.</p> <p><i>New Deal for Lone Parents</i> This is a package of advice and support, including assistance with training and childcare, to help lone parents on IS find work. It became available to all lone parents on IS in October 1998. The New Deal for Lone Parents is a joint DSS and DfEE policy and is operated through Employment Service (ES) Jobcentres with the support of the Benefits Agency.</p> <p>Originally sent to lone parents with children of school age, from May 2000, invitation letters have been sent to all lone parents on IS with a youngest child aged 3 or over. Lone parents with younger children may, as before, join the programme if they wish.</p> <p>Between October 1998 (the start of the full national programme) and December 2000, 205,490 lone parents attended an initial interview, of which 89% decided to participate in the programme with 75,040 finding jobs.</p>

Figure 2 – CSR – Aim, objectives, and PSA targets (*continued*)

PSA Target	Achievement
<p>5. <i>Continued</i> . . .</p>	<p><i>New Deal for Partners of Unemployed People</i> The New Deal for Partners of Unemployed People (NDPU) aims to reduce workless households by giving both partners in a couple access to the help and support of the ES to get them into work.</p> <p>This voluntary New Deal was launched nationally in April 1999, preceded by three pathfinders, and is offered to all partners of JSA claimants who have been unemployed for six months (with early entry provided for certain disadvantaged groups). Partners in the 18–24 age range who do not have children are offered access to NDYP on a voluntary basis. All other partners, that is all those aged 25 and over and those in the younger age range who have children are offered a range of help and guidance already available to job seekers.</p> <p>From April 2001 the voluntary NDPU will be extended to partners of claimants of other benefits, including IS and incapacity benefits.</p> <p>In addition, measures were included in the Welfare Reform and Pensions Act 1999 to require childless couples, where at least one member is aged 18 and born after 19 March 1976, to make a joint claim to JSA. Regulations to support this have been laid and this measure will be introduced from 19 March 2001. Both members of the couple will have the same rights and responsibilities. Those in the 18–24 age group (or who fall into an early entry group) will be required to join the NDYP. Older members of a joint claim couple will have access to the help and guidance currently available at the appropriate point, such as the New Deal for Long-term Unemployed. As the starting point for joint claims has been set by date, the age range will increase each year (18–24 in the first year, 18–25 in the second year, and so on).</p>
<p>6. To reduce the total number of lone parents dependent on IS by 10% by 2002, and the number of lone parents dependent on IS for more than five years by 7%, by the same date.</p>	<p>On course</p> <p>In 1997–98 about a million lone parents were in receipt of IS, around 280,000 having received the benefit for five years or more as a lone parent.</p> <p>In 1999–00 there were about 930,000 lone parents on IS, a fall of 6% over two years. The number of lone parents receiving IS as a lone parent for five years or more fell to 275,000, a drop of 2% over the same period.</p> <p>The Budget forecasts predict the total number of lone parents on IS to have fallen by over 12% from 1997–98 to 2001–02. The target to reduce the number of lone parents in receipt of IS for five years or more by 7% from the baseline of 1997–98, is forecast to be met by 2002–03.</p> <p>Target 5 covers the number of lone parents who found jobs with the NDLP. From October 2000 in three pathfinder areas (Shropshire, South Tyneside and Fife) lone parents making claims to IS have been required to take part in a personal adviser meeting to discuss the possibility of work in the short, or longer term. The personal adviser meeting requirement will be extended nationally from 30 April 2001.</p>

Figure 2 – CSR – Aim, objectives, and PSA targets (continued)

PSA target	Achievement
7. Through the New Deal for Disabled People (NDDP), in conjunction with DfEE, the DSS will encourage and provide support for more disabled people to make a transition into the world of work and reduce their dependency on benefits such as IB and IS.	<p>On course</p> <p>NDDP is a joint initiative between the DSS and the DfEE which has so far consisted of pilots. These have been testing a range of approaches: a personal adviser service in 12 areas, covering over 250,000 people receiving an incapacity benefit; 24 innovative schemes to test ways of helping disabled people who want to work; and benefit changes. By the end of December 2000 the NDDP pilots had helped over 6,200 people into work. The final evaluation reports on the pilots are planned for publication in late spring 2001.</p> <p>From July 2001 a national network of Job Brokers will be set up to explore ways of giving those on incapacity benefits the support, guidance and preparation they need to find paid work and move off benefit dependence.</p> <p>As part of the extended NDDP there will also be further job retention and rehabilitation pilots to help people who become ill whilst in work. The pilots will start early in 2002, and will test the effectiveness of early work-focused help, involving health, employment and other services.</p>
8. Legislate and introduce by April 2001 reforms which will modernise benefits for people with a long-term illness or disability, which will encourage all those who can work to do so, which will ensure that IB goes primarily to people who have recently been in work and which will establish a fair balance between private and public provision.	<p>Achieved</p> <p>Powers were taken in the Welfare Reform and Pensions Act 1999 to reform and modernise incapacity benefits.</p> <p>Provisions which come into force on 6 April 2001:</p> <ul style="list-style-type: none"> ● change the first contribution condition to refer to contributions paid in one of the last three tax years; ● take account of 50% of pensions over £85 when assessing the amount of IB payable; ● remove the availability of Severe Disablement Allowance for new claimants; and ● provide access to IB for young people aged under 20 (aged under 25 if they have been in education or training) without the need to satisfy the contributions conditions.
Objective 2: To support families with the costs of raising children whilst recognising that the primary responsibility rests with parents.	
PSA target	Achievement
9. To simplify the system so that by the end of 2002, on average, a new assessment of liability to pay child support maintenance shall be completed within seven weeks.	<p>On course</p> <p>The legislation for the new, radically simpler, child support scheme is now in place. The major programme of reform that will bring significant changes to the child support IT systems and to the way the Child Support Agency (CSA) operates and is organised is on course to deliver the new scheme to new cases from April 2002.</p>
10. To increase the collection of maintenance from non-resident parents (NRPs) who pay the CSA's collection service to 75% by 2002–03.	<p>On course</p> <p>The legislative and operational changes will make compliance easier to enforce in new cases from April 2002. Some compliance and enforcement measures in the new legislation came into force from 31 January 2001 and 2 April 2001 and will help to improve compliance in existing cases. The CSA is, therefore, on course to achieve the target by 2002–03.</p>

Figure 2 – CSR – Aim, objectives, and PSA targets (*continued*)

PSA target	Achievement
11. Maintaining the value of the basic state pension and Child Benefit (CHB) relative to the Retail Price Index (RPI).	<p>Achieved</p> <p>In November 2000, the Government announced that there would be an above prices increase in April 2001 and April 2002 of £5 and £3 respectively for single pensioners. Couples will receive increases of £8 and £4.80 respectively.</p> <p>Increases in CHB for 2001 in line with inflation take the rate for the first child to £15.50 and to £10.35 for all other children. This follows above inflation rises in CHB over the previous two years – the 1999 increase was the biggest ever. Since May 1997 the overall cash increase in CHB for the first child is £3.95, a 26% increase in real terms.</p>
Objective 3: To provide disabled people with the support and financial security they need to lead a fulfilling life with dignity.	
PSA target	Achievement
12. Maintain a Minimum Income Guarantee (MIG) for (i) pensioners and (ii) severely disabled people.	<p>(i) Achieved (ii) On course</p> <p>The Government has decided to raise and simplify the MIG into a single, higher rate from April 2001. This means that the MIG has been updated over and above the increase in earnings.</p> <p>The rate of the MIG payable to pensioners from April 2001 is £92.15 for single people and £140.55 for couples.</p> <p>The Government's consultation document <i>A new contract for welfare: SUPPORT FOR DISABLED PEOPLE</i> (Cm 4103, October 1998) proposed the setting up of a Disability Income Guarantee (DIG). The DIG will be paid through a new enhanced disability premium in IS, income-based JSA, Housing Benefit (HB) and Council Tax Benefit (CTB). It will be introduced in April 2001.</p> <p>The new premium will be worth £11.05 a week for single adults or a child and £16 a week for couples, on top of the basic IS disability premium of £22.60 (£32.25 for a couple). It will be available to people aged under 60 who receive the highest rate care component of Disability Living Allowance (DLA).</p> <p>The DIG is the minimum amount of money that someone aged under 60 who qualifies for the highest care rate of DLA and meets the normal IS conditions can expect to have to live on, including the amount of DLA that is payable.</p> <p>The rate of DIG payable from April 2001 is £142 for single people and £186.80 for couples.</p> <p>Disabled people over the age of 60 will not be eligible to receive the DIG. Instead, they will benefit from the extra help for pensioners provided by the MIG. Pensioners with disabled children entitled to the highest rate of the care component of DLA will also be entitled to the new enhanced disability premium at the child rate for each child that qualifies.</p>

Figure 2 – CSR – Aim, objectives, and PSA targets (continued)

PSA target	Achievement
<p>Objective 4: To promote financial security in retirement, encourage provision of funded pensions and own savings, establish clearly the responsibilities of individuals, employees and the state, strike a fair and clear balance between generations, secure a more efficient and equitable distribution of public support for pension provision, and take into account the manifesto aims that pensioners should have an adequate income in retirement, that they should share fairly in the increasing prosperity of the nation, and that public finances should be both sustainable and affordable.</p>	
<p>13. Maintain or improve average pensioner income (in total from all sources) as a percentage of average earnings.</p>	<p>Ongoing</p> <p>Reforms to the pension system will take some time to impact on pensioner incomes. It will take at least five years before achievement of the target can begin to be assessed.</p> <p>So far increases to the MIG, together with other reforms, such as the increased Winter Fuel Payment, will mean that from April 2001 the poorest pensioner households will be at least £15 a week better off in real terms, compared with 1997.</p> <p>Significant support has been directed at pensioners across the board, through reform of both taxes and benefits. Over this Parliament, pensioner households will be on average £580 a year better off – equal to £11 a week.</p> <p>Policies are being introduced to increase the incomes of future pensioners. Stakeholder pensions, to be introduced from April 2001, will provide an opportunity for moderate earners without access to an occupational pension scheme to build up a funded private pension for the first time.</p> <p>The Child Support, Pensions and Social Security Act 2000, contains legislation that will allow the reform of the State Earnings-Related Pension Scheme (SERPS) and introduce the more generous State Second Pension from April 2002. In the longer term, the State Second Pension will provide lower earners (those earning between the Lower Earnings Limit and around £10,000 in today's terms) with at least twice the amount of additional pension than they would have got from SERPS. And for the first time, carers looking after a disabled person or a young child, and disabled people with broken work records will be able to build up a second pension.</p> <p>From 2003 more than half of pensioner households will benefit from the introduction of the Pension Credit which will guarantee a minimum income of at least £100 a week for single pensioners and £154 for couples.</p>
<p>14. Promote policies consistent with a change in the ratio of spending on pensions by the State to spending on pensions by the private sector from around 60:40 now, to 50:50 by 2025 and to 40:60 in 50 years' time.</p>	<p>On course</p> <p>The measures that are being introduced to encourage people to save for private pensions will take several years to alter significantly the balance between State and private sector provision. The measures will lead to gradual change in the ratio over a long period of time. Evaluation of changes in the ratio will therefore be undertaken every five years beginning in 2004–05.</p> <p>Occupational pensions have contributed substantially to the growth in pensioner average incomes over the last 20 years. Flourishing occupational pensions are vital to the achievement of the Government's objective to provide adequate support for pensioners today and tomorrow. One of the Department's aims is to help remove unnecessary regulation that might discourage employers from offering occupational schemes.</p>

Figure 2 – CSR – Aim, objectives, and PSA targets (*continued*)

PSA target	Achievement
15. Enable the first stakeholder pension schemes to be set up from April 2001 in order, <i>inter alia</i> , to contribute to target 14.	<p>Achieved</p> <p>The detailed legislative framework for stakeholder pension schemes was set out in the Stakeholder Pension Scheme Regulations 2000, laid before Parliament in May 2000. The first stakeholder schemes were able to apply for registration with the Occupational Pensions Regulatory Authority (Opra) and the Inland Revenue Pension Schemes Office from 2 October 2000 and a number of schemes have since been placed on the official register. Other arrangements, including the Financial Services Authority's marketing and authorisation rules, are on track to allow schemes to begin operating from 6 April 2001.</p>
16. Minimise the regulatory burden on private sector arrangements whilst giving proper protection to members' interests.	<p>On course</p> <p>The Child Support, Pensions and Social Security Act 2000 contained a number of measures designed to minimise the regulatory burden on employers while protecting the interests of scheme members. The main private pension measures in the Act are:</p> <p>Member-Nominated Trustees – all schemes must have one-third Member-Nominated Trustees (MNTs) by a process laid out in regulations or under procedures devised by the employer and approved by scheme members. The purpose is to increase confidence in the schemes. The new arrangements will be phased in from autumn 2001;</p> <p>Winding-up of schemes – a package of measures introducing accountability and giving Opra a more active role in the winding-up process. These measures will ensure that prompt decisions are made about the future of the scheme and will allow Opra to direct action to ensure that winding-up is undertaken as quickly as possible. The new arrangements will be phased in from 2002; and</p> <p>Clarification, simplification and flexibility for those operating schemes – a range of detailed technical changes intended to make scheme administration easier or more flexible. These measures are part of an ongoing programme of change to the legislation, mainly in response to pensions industry representations. Some will be brought into force by the end of 2001, and others as soon as possible thereafter.</p>
17. To encourage saving for retirement by providing, from 2002, the facility to enable participating employers and pension providers to give people their current and projected state pension entitlement with existing annual pension statements.	<p>On course</p> <p>The DSS has been working in partnership with employers and pension providers to introduce, by October 2001, new combined pension forecasts giving both state and private pension details. Statements will be provided through employers and pension providers, who are best placed to provide the additional information that individuals need on company or private pensions options. For the first time individuals will have a clear statement of their current and projected pension rights. This information will help people make informed decisions about any further provision they might need to make for their retirement.</p> <p>Pilot exercises are already underway. The first combined forecasts were issued by the Prudential in April 2000. Once the full service is introduced the number of combined forecasts provided is expected to increase to around 15 million a year by 2005.</p>

Figure 2 – CSR – Aim, objectives, and PSA targets (continued)

Departmental operations and CSR PSA productivity targets	
PSA target	Achievement
18. Develop better measures of efficiency and extend these to cover a wider range of Departmental initiatives.	<p>Ongoing</p> <p>The DSS has trialled two alternative approaches for a single Agency level efficiency measure and will continue to explore alternative measures of efficiency focusing its efforts on supporting the client groups, in particular around the resource allocation process and in the comparison of unit costs.</p>
19. Achieve a better alignment of resources with services delivered, through more systematic use of output prices, and the wider disciplines of Resource Accounting and Budgeting (RAB).	<p>Achieved</p> <p>The DSS has introduced a Resource Model for 2001–02 onwards which focuses on allocating resources and monitoring performance of operational business units, based on clearly defined standard-priced outputs. Prices for each output were selected by choosing the unit with the lowest unit cost which met the required quality criteria. This enables the DSS to highlight variations in performance and drive out efficiencies.</p> <p>In addition, a financial management regime is being adopted which will make managers more accountable for the full resource they consume, by recharging the costs of internal services over which they can influence some control.</p>
20. Publish Service First charters and baseline performance and achieve the agreed targets.	<p>Achieved</p> <p>Service First charters were published by the Benefits Agency in November 1999 and the Appeals Service in April 2000. The War Pensions Agency published a revised charter in August 2000 and the Child Support Agency will be publishing its charter by May 2001.</p> <p>Details of agency procedures for monitoring progress against charter standards are in Part Four.</p>
21. Reduce by 30% benefit losses from fraud and error in IS and JSA by March 2007, with at least a 10% reduction by March 2002.	<p>On course</p> <p>The baseline from which improvement will be measured is 9%. (This is the estimated level of benefit incorrectly overpaid on IS and JSA as a percentage of the total expenditure on both benefits during the baseline period October 1997 to September 1998.) The target by 2002 is therefore a reduction to 8.1%. The latest results published in November 2000 show a fall to 8.4% and indicate that the DSS is on course to meet the first stage of the PSA target, a reduction of programme loss due to fraud and error of 10% by March 2002.</p>
22. Deliver existing services within the running costs total, implying an annual efficiency gain of at least 4% and aiming particularly to ensure tighter control of central costs and overheads.	<p>On course</p> <p>The Department is on course to deliver its planned services within its running costs budget for 2000–01.</p> <p>Under Focus on Delivery (FOD), the Department has radically changed the way its work is managed and organised to improve its ability to deliver the Government's modernisation agenda. In addition, the Department is on course to deliver its FOD financial targets in 2001–02 which aim to redeploy resources from central and support services to front-line service delivery.</p>

Figure 2 – CSR – Aim, objectives, and PSA targets (continued)

PSA target	Achievement
<p>23. Invest in modernisation as the route to a more secure and efficient welfare system.</p>	<p>On course</p> <p>As a result of the Spending Review 2000 (SR 2000), DSS has almost £2 billion over three years to invest in modernising services. This represents a significant investment for the future that will deliver Ministers' key policy priorities and will transform service to the public through the way in which DSS staff work.</p> <p>Progress so far, includes:</p> <ul style="list-style-type: none"> ● developing a new computer system to support the Child Support Reforms. This will speed up and simplify the process for collecting information from customers and for calculating maintenance; ● providing a supply route for infrastructure such as data networks and telephone equipment; ● transforming internal communications – installing shared PCs into all offices to enable staff to access the DSS internal internet (the Intranet). This will enable staff to work more efficiently by providing on-line access to up-to-date manuals and handbooks; and ● improvements for customers with the introduction of Retirement Pension tele-claiming nationally from October 2000.
<p>24. DSS will develop its Better Quality Services (BQS) review programme by September 1999 setting out those services that will be reviewed each year with the intention to review at least 60% of services by March 2003.</p>	<p>Exceeded</p> <p>The DSS BQS Action Plan was agreed with Cabinet Office by September 1999. DSS has restructured to streamline and improve the quality of services and focus resources on front-line offices. Along with other reviews this has ensured that over 60% of services had been reviewed by the end of 2000.</p>
<p>25. The DSS will ensure that 25% of all business transactions should be capable of being carried out electronically by 2002.</p>	<p>On course</p> <p>DSS is on track to make a third of services electronically enabled by 2002. Specific achievements include:</p> <ul style="list-style-type: none"> ● development of an interactive pensions forecasting form launched on the website in July 2000; and ● launch of the national pensions tele-claims service in October 2000.
<p>26. The DSS will meet its targets for contributing to the reduction of public sector sickness absence rates by 20% by 2001 and 30% by 2003. The DSS is making proposals for targets for reduction, which will be agreed with Cabinet Office by June 1999.</p>	<p>More work to be done</p> <p>In order to make progress towards the 2001 and 2003 targets the DSS set milestone targets for 2000. The milestone reduction for December 2000 was not met.</p> <p>The DSS has reviewed all of the measures recommended by the Cabinet Office and implemented them as appropriate across the organisation as part of a range of initiatives. This has enabled DSS to make considerable progress in setting the foundations for better absence management:</p> <ul style="list-style-type: none"> ● from November 2000, senior managers in the DSS have been required to devote a dedicated additional resource to this area to provide advice to managers, and help ensure policy compliance;

Figure 2 – CSR – Aim, objectives, and PSA targets (continued)

PSA target	Achievement																					
26. Continued . . .	<ul style="list-style-type: none"> ● quicker and easier access to occupational health and rehabilitation services; ● better guidance and training for staff including an innovative communication strategy; ● sharing of best practice including case-conferencing across the DSS; and ● better management information to enable targeting of resources. <p>Details of average working days lost in business units during 2000 are shown below.</p> <table border="1"> <thead> <tr> <th>Business Unit</th> <th>Performance</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>HQ</td> <td>7.7</td> <td>8.2</td> </tr> <tr> <td>Appeals Service</td> <td>10.4</td> <td>11.4</td> </tr> <tr> <td>WPA</td> <td>11.0</td> <td>11.5</td> </tr> <tr> <td>CSA</td> <td>12.6</td> <td>11.3</td> </tr> <tr> <td>BA</td> <td>12.8</td> <td>10.9</td> </tr> <tr> <td>DSS Total</td> <td>12.6</td> <td>10.4</td> </tr> </tbody> </table> <p>Note: BA central services was absorbed in the Departmental re-organisation. ITSA ceased to be an agency from April 2000.</p>	Business Unit	Performance	Target	HQ	7.7	8.2	Appeals Service	10.4	11.4	WPA	11.0	11.5	CSA	12.6	11.3	BA	12.8	10.9	DSS Total	12.6	10.4
Business Unit	Performance	Target																				
HQ	7.7	8.2																				
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27. Transfer to the Government Procurement Card (GPC) in early 1999.	<p>Achieved</p> <p>The DSS GPC Agreement was awarded to Barclays in February 1999 and all existing cardholders had transferred to the GPC by March 1999. A cross-agency project completed roll out of the cards to all agencies by October 2000. Over 1,200 cards are now in use across DSS.</p>																					
28. Increase proportion of procurement staff qualified to at least Chartered Institute of Purchasing and Supply (CIPS) foundation level.	<p>Achieved</p> <p>The DSS has developed a tailored training package for procurement staff to develop potential and improve professionalism. Under a centrally managed training programme staff have attained both foundation and professional level CIPS qualifications and the proportion of qualified staff in DSS procurement has increased.</p>																					
29. Work with external partners to develop a process to benchmark contract management activity and measure value for money performance.	<p>Achieved</p> <p>All DSS contract management groups use the Contract Management Best Practice Model and had benchmarked their performance by the end of 1999.</p>																					
30. DSS will pay within 30 days of receipt of goods or services.	<p>Not achieved</p> <p>Final assessments must await data for the last two months of the 2000–01 financial year, but the results to January 2001 (93.9%) show that 100% compliance with the target will not be achieved. Increased usage of more efficient purchasing and payment processes such as electronic catalogues and the GPC is expected to improve the Department's performance.</p>																					

Key business achievements 2000–01

Figure 3 – Key business achievements 2000–01

Business area	Key achievements
The Children's Client Group	<ul style="list-style-type: none"> ● driven forward child support reform to simplify the assessment system for introduction in April 2002; ● introduced Sure Start Maternity Grants (SSMG) from March 2000 to replace the old Maternity Payment scheme. (The new grant of £200 which was double the old payment of £100, was further increased to £300 from September 2000 – 200,000 families a year are expected to benefit from SSMG, which is also linked to a contract with a healthcare professional to ensure that families receive expert advice on child and maternal health); ● introduced an above inflation rise in Child Benefit; ● continued development, with the Inland Revenue and the DfEE, on new tax credits for introduction from April 2003; and ● geared up to extend Disability Living Allowance (DLA) Higher-rate Mobility Component to severely disabled 3- and 4-year-old children who are unable, or virtually unable, to walk.
The Working Age Client Group	<ul style="list-style-type: none"> ● worked on the development of a new working age agency; ● introduced a number of work incentive measures to encourage people into work, plus further measures to help ensure that people do not lose out if they have to return to benefit because their job doesn't work out or ends quickly; ● continued working with the DfEE to deliver the New Deals for young unemployed people; long-term unemployed people; partners of the unemployed; lone parents; disabled people; and those over 50; ● piloted the ONE service in 12 locations; ● implemented changes to DLA and Attendance Allowance to ensure that people can continue to receive their benefit for both the day of their admission into hospital and the day of discharge. (This helps those disabled people and their carers who spend short but frequent spells in hospital); ● increased the level of the Vaccine Damage Payment to £100,000 – a threefold increase since 1997; ● targeted fraud – following the publication of the Government's anti-fraud strategy, <i>A new contract for welfare: SAFEGUARDING SOCIAL SECURITY</i> (Cm 4276, March 1999), steps have been taken to tighten the gateways to benefit, improve the training of fraud investigators, and modernise technology to identify fraud within the system. And the Fraud Bill currently before Parliament sets out new powers to toughen the penalties against persistent offenders and make it easier for investigators to gather the necessary information; and ● worked with the Inland Revenue to introduce Working Families' Tax Credit through the wage packet from April 2000. <p>In the area of Housing Benefit:</p> <ul style="list-style-type: none"> ● published, with the Department of the Environment, Transport and the Regions, <i>Quality and Choice: a decent home for all – the way forward for housing</i>, setting out the Government's strategy for reforming Housing Benefit;

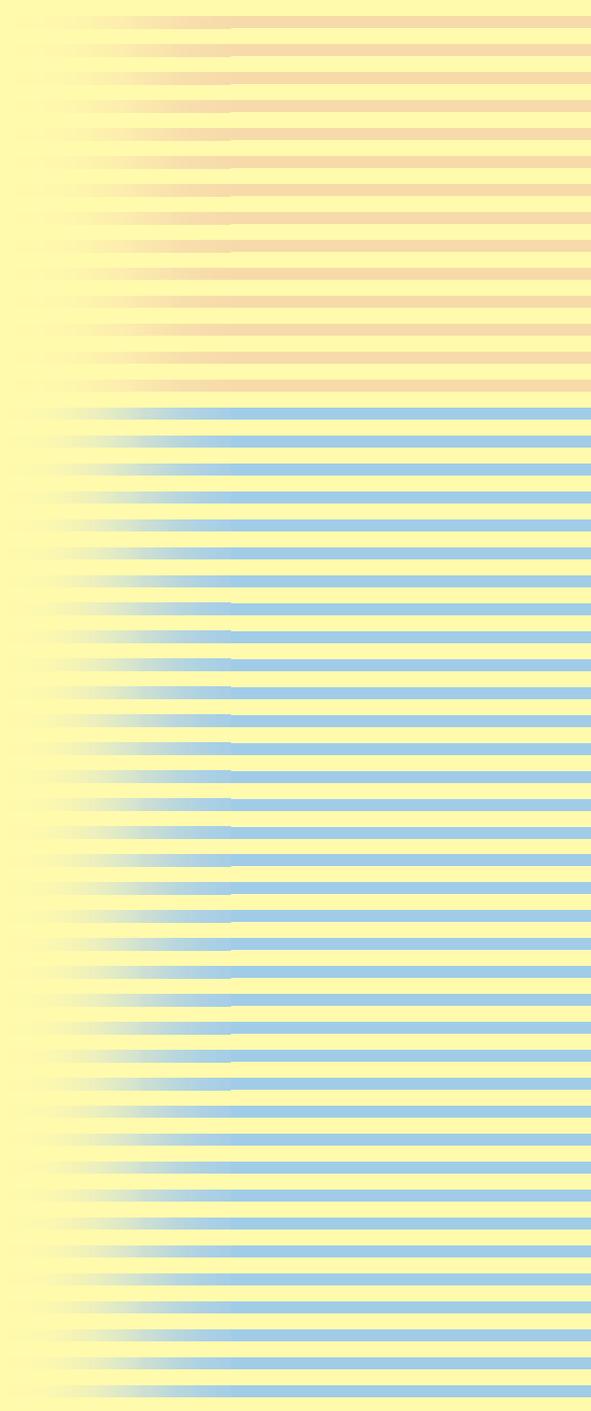
Figure 3 – Key business achievements 2000–01 (continued)

Business area	Key achievements
The Working Age Client Group <i>(continued)</i>	<ul style="list-style-type: none"> ● worked in partnership with local authorities to set up an Expert Help Team to support councils working to improve their Housing Benefit delivery; ● launched the Housing Benefit Improvement Programme implementing four initiatives, Integrated Enquiry Service, Shared Fraud Hotline, Local Authority/Department information flows and Overpayments Recovery; ● recommended to over 80 local authorities improvements they should make in the administration and security of Housing Benefit through a programme of Benefit Fraud Inspectorate inspections; ● announced the availability of an extra £2 million to train up to 900 local authority fraud investigators from April 2001; and ● made available to every local authority a new model claim form to streamline the way in which information is collected and checked.
The Pensions Client Group	<ul style="list-style-type: none"> ● implemented an increase in the Minimum Income Guarantee (MIG) in line with earnings and launched a national take-up campaign to encourage pensioners to claim; ● launched a national tele-claims service for Retirement Pension in autumn 2000; ● finalised arrangements for extending Winter Fuel Payments to those aged 60 and over and introduced special arrangements for identifying and paying retrospective payments from inception of the scheme in 1997. All payments were made by Christmas 2000; ● worked with the BBC to introduce free TV licences for those aged 75 and over from autumn 2000; ● geared up for launch of stakeholder pensions – to be introduced from April 2001. Regulations were put in place, guidance published for schemes and employers, and public awareness raised through a pensions advertising campaign; ● introduced new arrangements concerning pension sharing on divorce; ● developed new arrangements for the introduction of the State Second Pension from April 2002; and ● consulted on the Pension Credit due to be introduced in 2003; and piloted a new combined pension forecasting system with a number of employers and pension providers.
The Corporate Services Directorate	<ul style="list-style-type: none"> ● supported the welfare reform agenda by developing new Public Service and Service Delivery Agreements; ● drove forward the Department's restructuring programme; ● developed a strategy to deliver modernisation; ● successfully negotiated a new and strategic public private partnership to support the Department's current and future IT needs; and ● embarked on strategies to improve performance in a range of key areas such as recovery of debt and compensation, planning, resource management and Human Resources.



Part Two

Modernising Government



Modernising Government

Introduction

- 1 The White Paper *Modernising Government* (Cm 4310, March 1999), highlighted five key commitments:
 - to deliver policies that achieve the results that matter;
 - to deliver responsive public services that meet the needs of customers;
 - to deliver efficient, high quality public services;
 - to be proactive in the use of new technology to meet the needs of customers; and
 - to value public service.
- 2 The DSS is at the forefront of this agenda:
 - the Department's Public Service and Service Delivery Agreements clearly set out the objectives that policies must support: tackling poverty, promoting opportunity and modernising the delivery of services. Many of these are being developed and implemented jointly with other government departments;
 - the Department has been reorganised to focus on its principal client groups – children, people of working age and pensioners – on an end-to-end basis from policy formulation through to delivery. In terms of delivery:
 - a new working age agency will deliver an integrated service to working age customers and employers; and
 - a new pensions organisation will deliver a unified modern service for today's pensioners, and an improved service for tomorrow's pensioners by providing accurate information to help them make better decisions about future pension provision;
 - the Department is actively seeking ways to bring consumer views more directly into the design and delivery of services:
 - a consumer champion has been appointed at Board level;
 - a number of consultative events have been held with representative groups; and
 - focused customer strategies are being developed for each client group;
 - the Department's core business is about providing efficient, high quality public services. Over the past year the Department has focused on delivery, by moving staff from central posts to front-line roles. During this period improvements have been made to the speed and accuracy of services, and significant progress has been made to reduce the variations in performance that exist between different offices. This has been achieved despite outdated and unreliable computer systems, some of which date back to the 1970s;
 - the Department recognised the need to modernise its infrastructure. A welfare modernisation fund was established in the Spending Review 2000 to fund this modernisation. The aim is clear: to equip staff with the tools they need to deliver the secure, high quality service that customers want – face-to-face, over the telephone or through the internet; and
 - the Department is a large employer that values its staff. It aims to provide the necessary training and support that each member of staff requires in order to meet personal, team and departmental objectives. The Department is an equal opportunities employer that proactively seeks to create a diverse, motivated workforce.

Policy making

Evidence-based policy making

3 The Department is ensuring that policy makers and those developing services have the evidence they need to inform development of effective policies and services. Specific measures include:

- new ways of modelling and analysing data – for example by client groups across benefit types, and analysis of data over time;
- a programme of research into public attitudes to different aspects of the reform programme, both to anticipate emerging needs and to evaluate changes as they are implemented;
- increasing liaison and consultation with customer representatives and intermediaries and ensuring that key messages from consultative events are fed back into policy making;
- improving internal information channels by increasing access to the DSS intranet and internet;
- standardising key factual information and briefing in a new Departmental Briefing System which will be linked to the cross-government Knowledge Network; and
- setting up the Departmental Information Centre to modernise information delivery across the DSS and ensure consistency and reliability of information.

Working across government

4 The DSS continues to work with other government departments and agencies on the development of policies and the delivery of services. Over the last year the DSS and the Inland Revenue have established a strategic closer working group at Board level to consider major issues of common interest to

the Departments and their agencies and to support the delivery of Government policies.

5 The DSS is joining up policy making in a number of specific areas with other departments and the Devolved Administrations, including:

- co-ordinating the second annual cross-government audit of progress in tackling poverty: *Opportunity for all – One year on: making a difference* (Cm 4865, September 2000);
- working with DfEE to deliver targets for the New Deals for young unemployed people, long-term unemployed, partners of the unemployed, lone parents, the disabled, and those over 50, and contributing to the introduction of Employment Zones;
- co-ordinating the Government's strategy on older people (50+) and providing a secretariat for the Inter-Ministerial Group for Older People. Alistair Darling, Secretary of State for Social Security, has been appointed Champion for Older People and the DSS is working with others to drive forward the Government agenda, including implementation of the Performance and Innovation Unit's report *Winning the Generation Game*. Consultation involving Listening to Older People Events which culminated in the National Listening Event in May 2000 and the publication of a programme of action – *Life begins at 50*. Policy development is being progressed through Ministerial sub-groups covering lifelong learning and leisure, volunteering, work, a good life at home, and transport;
- developing innovative approaches to delivering services to pensioners by working with the post office in piloting the Government General Practitioner concept and with the Department of Health in piloting Care Direct. A working group has been established with representatives from local authorities and voluntary organisations to consider joint initiatives to encourage the take-up of benefits;

- supporting the Office of Government Commerce (OGC) agenda to improve procurement across government. The Permanent Secretary sits on the OGC Supervisory Board and DSS is taking the lead on a number of deals to provide goods and services to other departments and achieve better value for money;
 - actively supporting the Department of Trade and Industry (DTI) led Foresight programme through involvement in the Ageing Population Panel;
 - the War Pensions Agency (WPA) is working on a Ministry of Defence (MOD) led review of compensation for disablement and death due to service and with Lord Chancellor's Department (LCD) to improve the administration of war pension appeals;
 - the Inland Revenue, DSS and DfEE are working closely together on a joint programme to introduce from 2003, an Employment Tax Credit and an integrated child credit. More details are contained in *The Modernisation of Britain's Tax and Benefit System Number 6 – Tackling Poverty and Making Work Pay – Tax Credits for the 21st Century* published by HM Treasury;
 - working with the Social Exclusion Unit and others to develop the National Strategy for Neighbourhood Renewal. The National Strategy Action Plan 'A New Commitment to Neighbourhood Renewal' was launched on 15 January 2001. The Strategy has two long-term goals:
 - in all the poorest neighbourhoods, to have common goals of lower worklessness and crime, and better health, skills, housing and physical environment; and
 - to narrow the gap on these measures between the most deprived areas and the rest of the country;
 - partnership working on the New Deal for Communities (NDC) programme to support the intensive regeneration of some of the poorest neighbourhoods. Schemes are being implemented in the 17 Pathfinder areas announced in September 1998 and delivery plans are being drawn up for the 22 areas selected in November 1999. During 2000–01, with funding from the Department of the Environment, Transport and the Regions (DETR), Benefits Agency (BA) staff have been designated to support each NDC area, to improve service delivery for local people as well as helping with community capacity-building; and
 - working with the Foreign and Commonwealth Office (FCO), Cabinet Office, DfEE, HM Treasury, and key European players, including other Member States, to advance DSS interests in Europe by supporting non-binding and non-legislative EU-level activity and for legislative activity consistent with UK interests.
- ### Regulatory impact
- 6 The DSS is committed to reducing, wherever possible, existing regulatory burdens, and to minimising the impact on business of any new legislation, including EU legislation. The DSS aims to ensure that regulations are necessary, give effective protection, balance cost and risk, are fair and command public confidence.
 - 7 Where it has been necessary to regulate, the DSS has consulted at an early stage those affected by the legislation, considering the views expressed, responding positively to suggestions and altering proposals accordingly where appropriate. On a number of major issues, the DSS has issued formal consultation documents and, in some cases, draft legislation.
 - 8 A good example of this is the Department's very early involvement of key interested parties in the development of major pensions

proposals, in particular its partnership approach to stakeholder pension legislation. This has been, and continues to be, extremely helpful in developing sound, workable and effective legislation.

- 9 More generally, DSS legislation brought forward this year has had a low impact on business. Since April 2000, the DSS has introduced to Parliament one Bill, which was supported by a Regulatory Impact Assessment (RIA). The DSS has also brought forward 130 sets of regulations, of which just one set, not directly linked to earlier primary legislation, resulted in a new cost to business. That cost was estimated, in the relevant RIA, to be minimal.
- 10 The regulatory impact of DSS legislation now falls mainly on the providers of private pensions. Progress continues to be made with the simplification of, or increased flexibility in, the legislation covering the operation of pension schemes. Work is in hand with the pensions industry to identify further measures which will reduce or simplify regulatory burdens without adversely affecting the protection of scheme members.

Responsive public services

- 11 As an organisation whose core business is the delivery of service – and whose dealings are often with people at a vulnerable point in their lives – the DSS must be sensitive to customer needs and design and deliver services accordingly. There is a significant programme of measures in place to ensure this happens, including use of customer surveys, targeted focus group research and, using outcomes from the People’s Panel – a group which is representative of the UK adult population.
- 12 Measures to ensure the customer is at the centre of the Department’s organisation include:

- complying with the Department’s Six Service Standards for central government. (Cabinet Office publish an annual report of all departments’ performance against the standards the latest being *The Six Standards for Central Government 3rd Report April 1999–March 2000*). More information on Agency performance is in Part Four;
- representation on the Departmental Board (both through the appointment of a Departmental Board Member, Paul Gray, as Consumer Champion; and by inviting outside advice);
- the Annual Benefits Forum, which gives customer representatives the opportunity to meet Departmental Directors and Ministers. The DSS also liaises and consults with customer representatives through regular and frequent meetings with, for example, National Association of Citizens Advice Bureaux, Age Concern and local government associations;
- plans to establish a new working age agency which will integrate the services currently provided separately in separate offices by the Benefits Agency (BA) and the Employment Service (ES). The agency will offer people a single point of contact at which to get advice on obtaining, or preparing for, work, as well as accessing appropriate benefits. The organisation will build on the success of the New Deal programme and the ONE service by using personal advisers to guide people through the options available;
- plans to establish a new pensions organisation providing an integrated service to pensioners;
- the new telephone service for pensioners allows them to claim benefit and access advice from the privacy of their own home. This service will be offered, where appropriate, outside normal working hours;

- opening hours designed to make services more accessible to working parents – all six Child Support Agency (CSA) centres and the National Enquiry telephone line are open from 8:00am to 8:00pm during the week, and from 8:30am to 5:00pm on Saturdays. CSA staff will also arrange face-to-face visits at the customer's convenience, even when this falls outside normal working hours;
- Appeals Service initiatives: conducting a nationwide customer satisfaction survey; introducing a family of Service First leaflets; continuing regular local Tribunal User Group meetings with customer representative groups; establishing a national liaison forum and attending the Disability Forum; and
- WPA initiatives: working with the LCD to help improve the end-to-end appeals process; and expanding and formalising current contact points to effect better access to customer information.
- transforming internal communications – installing shared PCs into all offices to enable staff to access the DSS internal internet (the intranet). This will enable staff to work more efficiently, for example, by providing on-line access to up-to-date manuals and handbooks; and
- improvements for customers with the introduction of Retirement Pension tele-claiming nationally from October 2000.

15 Over the next few years this investment will:

- support the introduction of Child Support Reforms, new tax credits from April 2003 and the Pension Credit in the same year;
- modernise the payment of social security benefits; and
- make real changes in the services that people experience when they claim benefits or make enquiries and help improve efficiency and the prevention of fraud and error.

16 To support these changes the new pensions organisation and working age agency will be equipped with up-to-date systems and information technology (IT) infrastructure, thus replacing the existing outdated DSS systems. In addition, management structures have been strengthened, with each key change management programme being led by an experienced programme manager with a proven track record for delivery, reporting to an individual member of the Departmental Board.

17 A critical step in modernising services, that will be introduced in 2001–02, is the Early Office Infrastructure project (EOI). This will deliver a high specification PC to every member of staff, with roll-out planned to start in July 2001. These PCs will form the foundation on which the rest of the modernisation programme will build.

Modernisation

- 13** As a result of the Spending Review 2000 (SR 2000) DSS has almost £2 billion, over three years, to invest in modernising services. This represents a significant investment for the future that will deliver Ministers' key policy priorities and will transform service to the public through improvements in the way staff work.
- 14** This huge programme of change has already begun. Progress includes:
- developing a new computer system to support the Child Support Reforms. This will speed up and simplify the process for collecting information from customers and for calculating maintenance;
 - providing a supply route for infrastructure such as data networks and telephone equipment;

Quality public services

Awards for excellence in service delivery

- 18 The Department is improving its performance across the range of standards of service set out in the Service First charters, and has gained recognition for its achievements:
- the BA was awarded 15 Charter Mark awards in February 2001;
 - the CSA was awarded 9 Charter Marks in February 2001, including 4 awards in Northern Ireland;
 - the WPA is a Charter Mark organisation; and
 - three individual BA offices and the WPA have achieved awards under the Beacon Scheme.

Performance improvement

- 19 The BA has applied Business Excellence principles and has trained managers in the practical application of the business excellence model. In addition the BA has launched a dedicated Performance Improvement Programme. The BA has undertaken a considerable amount of work to identify and understand the reasons for local variations in performance, and in taking forward the initiatives identified in the programme.
- 20 The CSA has used the European Foundation Quality Model (EFQM Excellence Model) since 1995–96 and self-assessments are part of the CSA's planning process. The findings from local and national assessments from the EFQM and Investors in People Standard are used to identify strengths and areas for improvement to inform business plans at all levels of the organisation. At the beginning of 2000 the CSA Board approved the Agency Benchmarking Strategy. A guide to benchmarking was developed and in May 2000 the first benchmarking study was undertaken to examine the shortfall in one of the Secretary

of State targets. The results identified opportunities to improve standardisation and areas of best practice, recommendations for improvement are currently being implemented.

- 21 The Appeals Service has completed its first corporate self-assessment using the EFQM Excellence Model, and the agreed priorities will be included in the Appeals Service Business Plan for 2001–02.
- 22 The WPA continues to use the EFQM Excellence Model to assess performance and identify areas for improvement.
- 23 The Better Letters Project is improving written communications to customers and has produced corporate standards for letters following research with customers and their representatives.

Information age government

- 24 The *DSS e-business Strategy Statement*, published 31 October 2000, which can be found at www.dss.gov.uk/publications/dss/2000/e_business/statement.htm, sets out how 100 per cent electronic service delivery capability will be achieved. The information age Champion, Stuart Lord, has established a programme of work to oversee the delivery of the strategy. DSS is on track to make a third of services electronically enabled by 2002, and has already:
- relaunched the DSS website which is now more customer focused, user friendly and built around client groups;
 - developed an interactive pensions forecasting form launched on the website in July 2000;
 - launched, in October 2000, a national pensions tele-claims service;
 - enabled changes of address to be reported electronically via third party service providers as part of the UK Online pilot;

- provided e-mail links to all units dealing with customers;
 - made a number of claim forms available on the website (covering Child Benefit, Guardian's Allowance, Invalid Care Allowance and some Social Fund payments); and
 - connected and made intranet access available to nearly 500 sites and over 55,000 staff.
- 25 The modernisation of IT systems means that more people will be able to deal with the Department electronically. The DSS will:
- make an electronic claim facility for the Minimum Income Guarantee (MIG) available on the internet by summer 2001;
 - make a Retirement Pension claim form available on the internet by September 2001;
 - make an electronic claim facility for child support maintenance available on the internet by 2004;
 - make an electronic claims facility for Income Support (IS), Jobseeker's Allowance (JSA) and Incapacity Benefit (IB) available on the internet by 2004;
 - increase the proportion of Government Procurement Card and electronic orders for low value transactions to 25 per cent by the end of 2001 and 100 per cent by 2004;
 - make e-commerce available to an increasing proportion of DSS supply staff and suppliers and achieve full coverage by 2002; and
 - provide a better-off calculator on the website.
- 26 In addition, the DSS will work, with the ES and Inland Revenue, on further integrated strategies for the electronic payment of benefits and tax credits.

Intranet and Government Secure Intranet

- 27 The Department's IT infrastructure is being renewed to give all staff access to the intranet. The Government Secure Intranet (GSI) has been extended to central sites in the north-east, north-west and Leeds. This provides a secure link within and across Departments, and secure internet access for users. The objective is that eventually all staff will be connected to the intranet, GSI and e-mail.

Public service – Civil Service reform

- 28 The White Paper *Modernising Government* (Cm 4310, March 1999) commits the DSS to valuing public service and reforming the Civil Service. This theme is taken up by Sir Richard Wilson, Head of the Home Civil Service, in his report to the Prime Minister published in November 1999. That report sets out a goal to create a more open, diverse and professional Civil Service in which people will put the public's interests first; innovate; create and learn; take personal responsibility; work in partnership with others; and use new technology to deliver results of high quality and good value. The DSS is committed to achieving this goal and is taking action to drive through change. In the last year the DSS has:
- undertaken a major re-organisation to focus on delivery, from the centre to front-line services and, through better organised corporate services, redesigned the centre of the DSS around client groups;
 - shared the Civil Service-wide vision and values with DSS staff;
 - provided the Department's most senior managers with 360-degree feedback and personal development programmes in order to strengthen the leadership of the DSS;

- started work to design new pay and appraisal systems and implemented in autumn 2000 the first phase of change by reintroducing common pay scales across the DSS, aligning some terms and conditions;
- launched, in autumn 2000, a Diversity and Equal Opportunities Framework for Action. The activities set out in the framework will continue to be delivered during 2001 and beyond. These include a substantial commitment to deliver a new Diversity Awareness training event to all staff on valuing diversity and managing inclusion, positive action training events targeted specifically at staff with disabilities and a diversity objective for the job plans of all Senior Civil Servants;
- set aspirational diversity targets to address under-representation of people from ethnic minority groups, women and people with disabilities at all levels;
- established a Department-wide Senior Women's Network; taken a leading role in the Cabinet Office research project on performance appraisal; and made a commitment to provide four Departmental bursaries for staff with disabilities;
- developed a strategy to achieve corporate Investors in People recognition for the DSS by autumn 2002;
- actively promoted interchange to provide greater exchange of staff within the DSS and with other government departments, public bodies and the voluntary sector;
- developed a new DSS-wide management development scheme that will enable the DSS to actively 'talent spot'; and
- launched a framework for exchanges between DSS and Inland Revenue.

Sustainable development and the environment

- 29 The DSS is a major contributor to government policy and actions on sustainable development and the environment. Its work fully supports the wider Government policies on sustainability and the 'Quality of Life' and its numerous initiatives in 'greening' DSS operations, are aimed at ensuring that the environmental impact of delivering its business is minimised. The DSS is committed to meeting the four objectives of sustainable development:
- social progress which recognises the needs of everyone;
 - effective protection of the environment;
 - prudent use of natural resources; and
 - maintenance of high and stable levels of economic growth and employment.
- 30 The DSS website includes the Policy Statement for Greening Operations and its accompanying Improvement Programme. This year, the DSS is publishing its First Annual Report on Sustainable Development and the Environment which contains details of the actions, targets and achievements in this important area.
- 31 The Department's Green Minister is Hugh Bayley MP.

Investment

Departmental Investment Strategy

- 32 The DSS has a relatively small asset base consisting mainly of IT, other office equipment and vehicles.

- 33 The DSS published its *Departmental Investment Strategy* (DIS) in November 2000 following the Spending Review 2000. The DIS sets out the new investment which will take place over the next three years and describes how investment decisions are made, the process of procurement and the stewardship of the Department's capital assets. The DIS is related to the *DSS e-business Strategy Statement* published in October 2000 which sets out and defines how 100 per cent electronic service delivery capability will be achieved.

The Private Finance Initiative and Public Private Partnerships

- 34 The DSS has set a major and challenging modernisation programme to improve service quality. Staff and external suppliers are both crucial to the successful delivery of this programme. To achieve service modernisation external support will be needed to provide investment, expertise, ideas, new products and experience.
- 35 The DSS has been innovative in the use of the Private Finance Initiative (PFI) and Public Private Partnerships (PPP) as a strategic supply option. As a result of past reviews PFI/PPPs have been selected as the best value supply option for the delivery of estates management and Information Services (IS) and IT services. Following competitive procurement exercises the DSS has four signed PFI/PPP deals:
- the PRIME contract with Trillium for estates management services; and
 - three contracts awarded under the ACCORD framework for IS and IT services:
 - strategic outsourcing;
 - to underpin Child Support Reforms; and
 - to deliver new Wide Area Network (WAN) services.
- 36 In total the DSS PFI/PPP deals represent annual business valued at about £600 million, or 40 per cent of the total DSS spend on goods and services with the private sector.

PRIME – Private Sector Resource Initiative for the Management of the Estate

- 37 The DSS has a 20-year PFI deal which was competitively let to Trillium on 1 April 1998. The deal involved the transfer of ownership and management of the majority of DSS premises to the private sector. Services include building management, equipment and landscape maintenance, energy and utilities management, internal and external cleaning, waste management, catering, portage and security. The National Audit Office (NAO) examined the PRIME deal in April 1999 and considered that it represented good value.

ACCORD – Access to Corporate Data

- 38 The ACCORD Project established a PFI/PPP procurement route to secure the full range of IS and IT systems needed to underpin the Department's modernisation strategy, and the Government's ambitions for welfare reform.
- 39 Through competition, overarching contracts were awarded to three major consortia in 1999 (Affinity, led by EDS, Arcway, led by BT, and 1Accord, led by ICL) which established a framework for future IS and IT business allocations. Through the subsequent award of the Strategic Outsourcing Business Allocation in August 2000, Affinity became the Department's lead service provider. At the same time Affinity were awarded a business allocation to design and develop new IT to underpin Child Support Reforms.

- 40 The Network and Office Services Project (NOSP) is also conducting a procurement under the ACCORD framework. The first NOSP contract to deliver new Wide Area Network (WAN) services was let to the BT-led consortium Arcway in November 2000. Subsequent contracts will be let to provide the DSS with new telephone services.
- 41 Future IS and IT business under ACCORD is expected to include work allocated under the Payment Modernisation Programme and to support a Pensions Forecasting Service.

Invest to save

- 42 The DSS was successful in all four bids submitted for the Treasury's Invest to Save Budget (Round 3). Over a million pounds has been secured, with the funding being released from April 2001. The scheme promotes linkage and innovation across government with a particular emphasis on projects which involve the electronic delivery of services, have a citizen focus and tackle the root cause of social problems.
- 43 The four DSS projects are:

Appeals Service in camera – trialling the use of video technology at social security appeal tribunals, allowing one or more parties to give evidence without travelling to the venue. It would initially only be used by presenting officers and other officials with a view to expanding its use if found to be a successful and efficient way of conducting business.

Document scanning and image processing – a one-year project to be based in Hartlepool which will test the use of internet enabled PCs with document image processing equipment in public facilities to enable customers to send forms electronically. It will target a disadvantaged local community and explore the potential for using a new electronic means of dealing with the DSS.

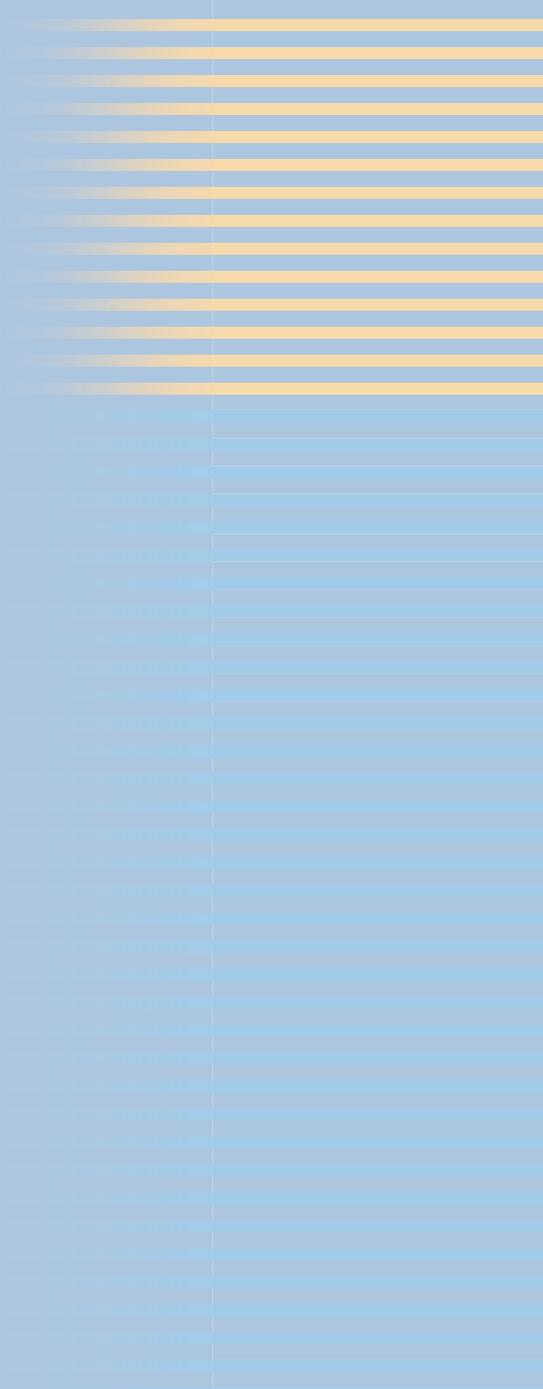
Better-off calculator via the internet – publication of a benefit and tax credit calculator on the DSS website for use by trained voluntary sector advisers and Citizens Advice Bureaux. This facility is currently provided to a limited number of third parties. A web-based calculator will be available to a much wider audience and will be easier to update.

Pensions advice via digital TV – a two-year project working in partnership with Knowsley local authority to introduce e-mail links through digital TV. This aims to offer customers the opportunity to report changes of circumstance; obtain advice; submit enquiries and request information direct to a dedicated DSS pensions contact via digital TV.



Part Three

Human Resources and other
Departmental activities



Human Resources

Numbers of staff

- 1 The DSS currently employs around 83,000 staff (whole-time equivalents). The majority of staff, over 80 per cent, work in the Benefits Agency (BA) with the Child Support Agency (CSA) as the next largest employer with around 11 per cent. Table 10 (Page 100) shows the actual and planned manpower figures for the years 1995–96 to 2001–02.
- 2 Staffing between 1995 and 1996 reflects expanding workloads and preparation for two new major benefits; Incapacity Benefit (IB) and Jobseeker's Allowance (JSA). Reductions since 1996–97 reflect the post-implementation environment of these measures coupled with a range of efficiency measures, including transfer of a number of functions and staff to the private sector and to the Inland Revenue.

Diversity and equal opportunities

- 3 The DSS is committed to equality of opportunity for all and recognises that a diverse workforce can help it deliver the Modernising Government agenda. The management of diversity builds on and

complements established approaches to equal opportunities. Diversity means recognising the many differences between people, and avoiding or overcoming inequalities on grounds such as age, accent, background, skills, experience or educational achievements. It is also important to recognise that the DSS has more to do for under-represented groups such as people with disabilities, ethnic minorities and women. Talent, energy and commitment must be identified, encouraged and valued. The Department will build a genuinely diverse workforce that makes the best of all its people, their different talents and experience of life.

- 4 An Equal Opportunities and Diversity Framework for Action has been drawn up around the five main strands of the Civil Service Reform Agenda. This year aspirational targets have been set, covering a five-year period, for disadvantaged groups in specific grades where there is under-representation. The combination of a Framework for Action and the personal commitment of staff and managers will deliver measurable improvements over the coming years. Figure 4 shows the diversity of staff, with future targets.

Figure 4 – Diversity – staff at January 2000 and targets for March 2005

Ethnic minority staff	SCS	Grades 6 & 7	SEO	HEO	EO
Number of staff in grade	125	616	1,029	3,848	21,242
Number of ethnic minority staff	3	4	9	70	843
% of ethnic minority staff	2.4%	0.65%	0.87%	1.82%	3.97%
Target %	4.0%	3%	3%	3%	5%
<i>Target number</i>	5	18	31	115	1,062
<i>Target increase</i>	2	14	22	45	219

Women	SCS	Grade 6	Grade 7	SEO
Number of staff in grade	125	88	528	1,029
Number of women in grade	38	16	171	364
% of women	30%	18.2%	32.4%	35.4%
Target %	38%	45%	45%	45%
<i>Target number</i>	48	40	238	463
<i>Target increase</i>	10	24	67	99

Disabled Staff	SCS	Grades 6 & 7 & SEO	HEO & EO	AO & AA
Number of staff in grade	125	1,645	25,090	66,938
Number of disabled staff	2	36	1,270	3,119
% of disabled staff	1.6%	2.19%	5.06%	4.66%
Target %	3.2%	3%	6%	6%
<i>Target number</i>	4	49	1,505	4,016
<i>Target increase</i>	2	13	235	897

Recruitment practice

- 5 The Civil Service Order in Council 1995 sets out the legal basis for recruitment policies and practice. Its principles are interpreted in the Civil Service Commissioners' Recruitment Code, which is the framework within which the DSS must operate. Appointments are generally made on merit on the basis of fair and open competition, with some use of the permitted exceptions. This primarily ensures that the best available person for the job is

appointed, while avoiding any suspicion of patronage and reinforcing the political impartiality of the service. Recruitment practices are subject to internal check.

- 6 Recruitment to the DSS continues mostly in the junior and clerical grades with smaller numbers being recruited to specialist and professional grades, the Senior Civil Service and the Fast Stream. Figure 5 shows the numbers of staff recruited at each level. Figure 6 shows recruitment diversity at each level.

Figure 5 – Recruitment – numbers of staff appointed to each level

Grade	BA	CSA	ITSG	WPA	DSS	HQ
Clerical/Support	7,217	1,285	40	79	145	
Junior Management – EO	132	27	25	1	12	
Middle Management – HEO/SEO	20	4	5	1	28	
Senior Management – G6/G7	4	3	–	–	15	
Specialist/Professional	–	–	–	1	48	

Note: Figures are for the period April 1999 to March 2000.

Figure 6 – Recruitment – diversity at each level

		Gender				Ethnic minority		Disabled	
		M		F		No.	%	No.	%
		No.	%	No.	%				
BA	Admin/support	2,399	33	4,818	67	571	8	94	1.3
	Junior Management – EO	52	39	80	61	2	1.5	–	–
	Middle Management – HEO/SEO	11	55	9	45	–	–	–	–
	Senior Management – G7/G6	4	100	–	–	–	–	–	–
CSA	Admin/support	374	29	911	71	28	2.2	6	0.5
	Junior Management – EO	6	22	21	78	–	–	–	–
	Middle Management – HEO/SEO	2	50	2	50	–	–	–	–
	Senior Management – G7/G6	2	67	1	33	–	–	–	–
ITSG	Admin/support	27	67	13	33	–	–	–	–
	Junior Management – EO	10	40	15	60	–	–	–	–
	Middle Management – HEO/SEO	3	60	2	40	–	–	–	–
	Senior Management – G7/G6	–	–	–	–	–	–	–	–
WPA	Admin/support	24	30	55	70	1	1.2	4	5
	Junior Management – EO	–	–	1	100	–	–	–	–
	Middle Management – HEO/SEO	1	100	–	–	–	–	–	–
	Senior Management – G7/G6	–	–	–	–	–	–	–	–
	Specialist/ Professional	1	100	–	–	–	–	–	–
HQ	Admin/support	62	43	83	57	25	17.2	9	6.2
	Junior Management – EO	9	75	3	25	–	–	–	–
	Middle Management – HEO/SEO	18	64	10	36	2	7	3	11
	Senior Management – G7/G6	8	53	7	47	–	–	–	–
	Specialist/Professional	25	52	23	48	3	6	–	–

Notes: Figures are for the period April 1999 to March 2000.

Ethnic origin and disability data is only available where declared by the individual, therefore the figures may not show a genuine representation.

Use of permitted exceptions

- 7 The Civil Service Commissioners' Recruitment Code permits the use of certain exceptions to the fair and open competition rules.
- 8 The DSS makes use of the following permitted exceptions:
- recruitment of staff for up to 50 weeks only, outside open and fair competition, in order to meet short-term business needs (Figure 7);
 - appointment of staff under the Government's New Deal programme (Figure 8); and
 - re-appointment of former civil servants (Figure 9).

Figure 7 – Recruitment of staff for up to 50 weeks

Grade	BA	CSA	ITSG	WPA	DSS HQ
Clerical/Support	4,960	683	86	59	14
Junior Management – EO	13	–	3	–	1
Middle Management – HEO/SEO	2	–	–	–	2
Senior Management – G6/G7	–	–	–	–	1
Specialist/Professional	–	–	–	–	12

Note: Figures are for the period April 1999 to March 2000.

Figure 8 – Appointments under the Government's New Deal programme

Benefits Agency	6
Child Support Agency	29
DSS HQ	7

Note: Figures are for the period April 1999 to March 2000.

Figure 9 – Re-appointment of former civil servants

Grade	BA	CSA	ITSG	DSS HQ
Clerical/Support	247	59	–	13
Junior Management – EO	11	12	1	–
Middle Management – HEO/SEO	1	–	1	–

Note: Figures are for the period April 1999 to March 2000.

Senior Civil Service salaries

- 9 In 2000 the range of pay awards for the Senior Civil Service was between 0 per cent and 8.9 per cent payable from 1 April 2000. The distribution of basic salaries following the awards is shown in Figure 10.

Figure 10 – Senior staff salaries, distribution by paybands

Salary	Number of staff
£40,000 – £44,999	4
£45,000 – £49,999	14
£50,000 – £54,999	20
£55,000 – £59,999	18
£60,000 – £64,999	25
£65,000 – £69,999	21
£70,000 – £74,999	8
£75,000 – £79,999	5
£80,000 – £84,999	6
£85,000 – £89,999	5
£90,000 – £94,999	2
£95,000 – £99,999	2
£100,000 – £104,999	1

Note: Salaries at 1 April 2000.

Other Departmental activities

Correspondence

- 10 The DSS aims to respond to 80 per cent of its Ministerial correspondence within 20 working days. During 2000, 75 per cent of the 16,265 Ministerial private office replies sent were issued within the target response time. This reflects the ongoing improvement in comparison to 1999 and 1998 when the replies sent within target numbered 66 per cent and 31 per cent respectively.
- 11 The existing procedures for handling correspondence across the Department were fully reviewed during 2000 as part of the Focus On Delivery reorganisation. The results of this review and the new supporting technology that is being introduced will directly assist in building further upon these arrangements in line with the Service Standards for central government.

Publicity and advertising

- 12 The Department's Communications Directorate advises Ministers and officials on the presentation of policy to the media and the public, and is responsible for its implementation. It provides effective communications internally to staff and externally to the Department's many audiences. The Directorate is structured as follows:
- 13 News and media relations – handling all Ministerial media announcements and news enquiries and advising the Secretary of State, Ministers and officials on media handling.

14 Corporate Communications – covering:

- marketing communications – responsible for developing and implementing marketing campaigns to explain policies to the public, as well as producing a range of ad-hoc reports and policy documents;
- internal communications – responsible for developing strategies to communicate with staff about Departmental and cross-government matters;
- internet – responsible for developing the design and structure of the DSS internet site and for managing electronic publishing; and
- information services – responsible for the provision of library services for DSS, the public enquiry office, the development of intranet services and the intranet customer interface.

- 15 Paid publicity communications work is funded either from the Departmental publicity budget, from project funds held by policy and operational units, or shared with other government departments. Expenditure on publicity during the year is shown in Figure 11.

Figure 11 – Expenditure on publicity over £250,000 during 2000–01

Minimum Income Guarantee (MIG)	£3,500,000
implementation of a publicity campaign to encourage pensioners to take up their entitlement to MIG	
Winter Fuel Payments	£1,100,000
information for people aged 60+ and advisers about the payments, including how to claim payments for winter 2000 and for previous winters	
Pensions Education campaign	£6,500,000
implementation of a publicity campaign involving television advertisements to encourage people to save for their retirement and understand the pensions options available to them	
Pensioner guide	£500,000
production and distribution of a new cross Government guide to benefits and services for pensioners	
Bereavement benefits	£400,000
publicity to explain the new bereavement benefits for widows and widowers	
Fraud	£6,200,000
development of publicity campaign to tackle attitudes to benefit fraud	
New Deal for Lone Parents	£3,000,000
implementation of a publicity campaign involving press and television advertisements to explain the new choices available to help lone parents prepare for work	

- 16** Other projects conducted during the year included:
- the production of consultation documents and summaries;
 - leaflets and mailings on new and existing policies and initiatives;
 - communications research;
 - occasional papers; and
 - this Report.

Sponsorship

- 17** During the latter half of 2000, the Department sought the support of a number of high street retailers, supermarkets and local community outlets to distribute copies of leaflets about Winter Fuel Payments and the Sure Start Maternity Grant. The aim of this activity was to extend the reach of communications campaigns for these policies.
- 18** For the Sure Start Maternity Grant, Asda, Lloyds Chemist, Morrisons, Peacocks and Sainsbury's all distributed leaflets free of charge.
- 19** Approximately 250,000 leaflets were distributed through these channels. Although there were costs incurred by the Department to set up these agreements, by using an external agency to help with the task, there was no charge by the outlets.
- 20** For the Winter Fuel Payments Campaign, leaflets were distributed free of charge by Co-op, Gala Bingo Halls, and via energy and fuel companies (including Norweb, Powergen, Scottish Power, and Paypoint outlets). Over 400,000 leaflets were distributed in this way.

The implementation of the Human Rights Act

- 21** The Human Rights Act 1998 came into force fully on 2 October 2000. All areas of government have been preparing for the new Act which brings the European Convention on Human Rights into domestic law. All public authorities – which includes government departments and bodies performing public services, such as Trillium in respect of DSS offices or SEMA for medical services – are obliged to meet its requirements. The DSS has had a challenging task in preparing for the new Act because of the size and age of the legislative base which has been trawled through to identify policies and procedures which might be at risk of challenge.

- 22 The work has been co-ordinated by a Departmental Steering Group and each agency set up a project to carry out a full review of legislation, policy and procedures. The DSS is satisfied that it is complying with the Human Rights Act. Ministers have been informed of progress throughout.
- 23 A number of staff communications have been issued over an 18-month period. A training video has been prepared by the BA, which has also been used by other agencies and the ES. All staff have had the opportunity to receive basic instruction on human rights issues and many specialist training events have taken place for various groups of staff. Articles have appeared regularly in both DSS News and Agency in-house publications chronicling the DSS preparations for the Human Rights Act. Detailed guidance has been placed on the intranet.

Revitalising Health & Safety

- 24 The Deputy Prime Minister launched the Revitalising Health & Safety (RHS) initiative in June 2000 as a restatement of health and safety policy and to set new targets for the reduction of workplace deaths and accidents and for occupational health.
- 25 One of the major requirements of RHS is to demonstrate that the Civil Service is leading by example. A high level forum has been set up to provide leadership on health and safety management issues and the DSS plays an active role on the forum.
- 26 RHS requires all Departments to set key targets on work-related accidents and ill-health, against which health and safety performance can be measured. Targets for the DSS will be set for the first time this year and results published next year.

Safeguarding social security

- 27 The overall aim of the fraud strategy is to have a benefits system which is secure from first claim to final payment. The Department is working to achieve this by implementing measures which get things right at the start of benefit claims, keep them right through checking and monitoring, and put them right if they go wrong. The Department also ensures that the plans are working through reliable measurement and monitoring, with the latest published results showing the first significant reduction in fraud and error.

Measurement of the level of fraud

- 28 In March 1999, for the first time, the Department set a target for reducing the amount of fraud and error. The Department has now raised this target with a view to reducing losses from fraud and error in IS and JSA by 25 per cent by March 2004 and by 50 per cent by March 2006. The baseline for the Public Service Agreement target was measured over the period October 1997 to September 1998, when the overall fraud and error overpayment on IS and JSA was 9 per cent of the benefit paid.
- 29 During the period April 1999 to March 2000 the figures fell to 8.4 per cent of benefit paid – a 6.5 per cent reduction, equivalent to £1.32 billion. This represents a reduction of £60 million in the amount overpaid since the baseline period.

Prosecutions and sanctions

- 30 Successful prosecutions are an important way of deterring people from committing benefit fraud. The BA prosecutes around 10,000 cases a year of benefit fraud. A much higher proportion are now being prosecuted under the Theft Act – resulting in a 50 per cent increase in the number of custodial sentences. As a result of the Fraud Act 1997 the DSS has introduced additional forms of sanction –

administrative penalties and formal cautions which can be offered as an alternative to prosecution. The number of administrative penalties and cautions offered has increased significantly. There has been a 60 per cent rise in the number of people prosecuted or sanctioned: over 22,000 people in 1999–00, compared with just over 14,000 for 1998–99.

Data matching

- 31 The Department has continued to make extensive use of data matching to identify inconsistencies and possible instances of fraud and error across a range of benefits.
- 32 During 1999–00, this continuous programme of routine data matching used data from the majority of databases holding information about DSS administered benefit claims. It also used data from 393 local authority (LA) databases as at 31 March 2000, holding details of Housing Benefit (HB) and Council Tax Benefit (CTB) claims.
- 33 There were 217,039 inconsistencies in the data which were identified for further investigation by BA staff. There were 66,709 inconsistencies in the data identified for further investigation by LAs. This resulted in downward adjustments of the weekly monetary value of benefit totalling £36.8 million and £36.5 million respectively over the year.¹
- 34 Many of the inconsistencies are identified using data from other government departments, such as the Inland Revenue's Working Families' Tax Credit and P46 data sources. Prisoner admissions data provided by the Home Office is another example. The Department continues to explore additional data sources to which there is lawful access – for instance, piloting a data matching initiative utilising the Inland Revenue's Construction Industry Scheme data source.

- 35 The Department's published *Code of Practice on Data Matching* explains the controls and safeguards needed to ensure that the Department conforms to the Data Protection Act in its data matching operations. The *Code of Practice* has been revised this year since the 1998 Data Protection Act came into force on 1 March 2000 and the 1998 Human Rights Act came into force on 2 October 2000.

Scampion Report

- 36 Following the publication of *Organised Benefit Fraud – A report by John Scampion*, action is currently underway to implement most of its recommendations. Two senior managers have been appointed: one to act as the Chief Investigation Officer (CIO) for all BA fraud investigators; the other to head the new Fraud Intelligence Unit.
- 37 The role of the CIO will be to:
- set direction, standards and priorities for fraud investigation in a way that ensures consistency;
 - establish effective relationships with other investigative organisations; and
 - help to identify loopholes in the benefit system and develop solutions, in liaison with intelligence colleagues.
- 38 The Fraud Intelligence Unit was established following the recommendations in the Scampion Report about the need for a sharper focus in the Department's approach to fraud. It brings together a number of the functions of the old Fraud Strategy Directorate and the old BA Security Branch, to ensure that the overall strategy for the reduction of fraud is properly co-ordinated and informed by the best possible intelligence. Its functions include:
- measurement of fraud and error in the benefits system;

¹ The reporting mechanism and calculation for savings in the Benefits Agency was revised in April 2000. The Weekly Benefit Savings (WBS) system was replaced with Monetary Value Adjustments (MVA), because WBS rewarded only the detection of fraud. The MVA is the actual amount that is overpaid per week because of fraud. The above totals are the annual sum of MVAs recorded. The WBS calculation was the MVA figure multiplied by 32, because that is the average length of time a fraudulent claim remains in payment.

- analysis of fraud risks and advice on the best means of reducing them;
 - promoting measures to improve datasharing; and
 - ensuring that the modernisation of benefits delivery and other developments are fully exploited in the interest of fraud reduction.
- 39 The CIO and Head of Fraud Intelligence are working closely together to improve structures for the prevention, detection and investigation of social security fraud, based on a more intelligence-led approach.
- 40 Following consultation with LAs, new joint working arrangements between DSS and LAs are being put in place to take forward activity on prevention and detection of fraud and error. This will include the establishment of joint regional boards with high-level representation from DSS and LAs to provide a strategic steer on joint working.

Social Security Fraud Bill

- 41 The Social Security Fraud Bill, introduced to Parliament on 18 December 2000, is designed to give additional powers to find fraud and deter potential fraudsters.
- 42 The main measures in the Bill are:
- a provision allowing authorised officers in the DSS and LAs to require information from specified private and public sector organisations (for example: banks, building societies and credit reference agencies). Enquiries will be made when there are reasonable grounds to do so; for example when it is suspected that a person is concealing financial information to obtain benefit they are not entitled to;
 - better and increased routine exchange of relevant information with other countries where a mutual agreement is in place. The Department would only supply information to another country where that country also

shared information with the Department and had necessary safeguards in place against abuse of the information the Department sent to them;

- powers to withdraw certain specified benefits for 13 weeks from those convicted of benefit fraud twice. An underlying entitlement to benefit would remain to ensure that the link between benefit and other welfare provisions, such as free prescriptions and school meals, was maintained. This would help to ensure that the proposal did not adversely affect the dependants of the fraudster. The measures would be underpinned by a regime of reduced payments, to prevent hardship where people had no other means to fall back on;
- powers to facilitate closer working between the DSS and LAs in the operation of the administrative penalty system;
- a new discretionary power, which would provide for the payment of a financial penalty as an alternative to prosecution, where there was a clear case of an employer colluding in social security benefit fraud with an employee; and
- a specific offence for failing to report changed circumstances affecting the amount of benefit payable, except where a change is exempt from the normal duty to notify the DSS or the LA.

New anti-fraud incentive scheme for local authorities

- 43 A new anti-fraud incentive scheme for LAs will be implemented and run in parallel with their existing Weekly Benefit Savings (WBS) scheme from April 2001. The new incentive scheme has been designed to provide a more wide-ranging approach to tackling fraud and error in HB and CTB. At present, the emphasis is on detection of fraud. The scheme will focus on deterring, preventing and prosecuting fraudsters. Key elements for 2001–02 include:

- awareness – raising awareness of LAs’ fight against fraud and of Government anti-fraud messages;
 - prevention – rewarding LAs who comply with the Verification Framework (VF) for checking new claims, with 25 per cent lower targets as recognition of their efforts to prevent fraud entering the system;
 - detection – rewarding LAs for the identification of both fraud and error overpayments; and
 - sanctions and prosecutions – rewarding LAs not only for successful prosecutions but for lesser sanctions – for example, issuing of an administrative penalty.
- 44 The WBS scheme is also being modified for 2001–02 by including the same reduction in targets for VF compliant LAs and the sanction and prosecution rewards.
- 45 LAs have been given the choice of which anti-fraud scheme to operate for 2001–02 – either WBS or the new incentive scheme. From April 2002, all LAs will operate the new scheme and WBS will cease.

Benefit Fraud Inspectorate

- 46 The Benefit Fraud Inspectorate (BFI) continues to play a key role in driving up standards of benefit administration and security in LAs. Through its inspection programme it has now published nearly 90 inspection reports, including a programme to inspect the top 30 spending councils. A detailed programme of further inspections is planned for the coming year. All BFI reports are published on the internet. The BFI also undertakes follow-up inspections of previously inspected authorities to check on progress, implementation of recommendations and improvements in standards.
- 47 During the year, the BFI has further developed its good practice guidance for LAs. This included taking forward a recommendation from the Scampion report that a common baseline application form for Council Tax Benefit and Housing Benefit should be introduced following consultation with local government and BFI. In consultation with a wide range of stakeholders, the BFI developed a package that includes guidance on claim form design and a model claim form. This product gives LAs a baseline standard against which they can compare their claim form, and provides the tools to improve standards where necessary.
- 48 The BFI is currently developing a programme of Best Value inspections for the coming year, working in partnership with the Audit Commission’s Best Value Inspection Service. These inspections will review LA benefit services to evaluate existing standards and scope for improvement. Best Value inspections provide a joined-up government approach to assessing and improving standards.
- 49 The BFI is also involved with the expert help teams announced by the Secretary of State in February 2001. This is an important area for BFI, using skills gained from inspections to help tackle LAs’ difficulties in a positive way. Expert help teams will form a close working partnership with LAs and support them by reviewing existing plans, developing improvement plans, contributing to an implementation strategy and setting tangible measures of success.

Public Accounts Committee recommendations

50 The DSS has been involved in five Public Accounts Committee (PAC) reports in the last year:

- Government on the Web;
- National Insurance Fund 1998–99;

- State Earnings-Related Pension Scheme;
- Class XII Vote 1 Appropriation Account; and
- Child Support Agency Client Funds Account 1998–99.

51 Details of the reports' findings and recommendations which directly affect the Department, and the action being taken, are in Figures 12 to 16.

Figure 12 – PAC Report – Government on the Web
(cross-Government report – two recommendations for DSS)

Recommendations/Findings	Action/Response	Timetable
<p>The DSS has made slow progress in providing services online and is two to five years away from being able to offer a universal service to citizens so they can submit all benefit forms online.</p> <p>The DSS mainframe computer systems are older than the internet requires.</p>	<p>The DSS accepts that 'to date' slow progress has been made but, will provide online capability for all appropriate services by the end of 2005.</p> <p>The DSS has developed and agreed a strategy for modernising and delivering services and administering benefits accurately and efficiently. As part of this a programme has been agreed to replace mainframe systems. Milestone dates are:</p> <ul style="list-style-type: none"> ● Child Support by 2002; ● IS and JSA by 2003; ● Pensions by 2004. <p>Service improvements have been introduced which make better use of the internet but do not require re-engineered IT systems, for example, forms available online (initially to be printed and returned by post).</p> <p>The <i>DSS e-business Strategy Statement</i> published in October 2000 outlines how people will be able to deal with the DSS online, and how modern integrated IT systems will provide accurate, up-to-date and comprehensive information.</p>	<p>By 2005.</p> <p>By April 2001, will have given e-mail links to all units dealing with customers.</p>
<p>The DSS assurance that delivering more services online will not increase the risk of benefit fraud was noted.</p>	<p>The Payment Modernisation Programme will make the whole payment process more secure.</p> <p>As services are put online, rigorous assessment of security and authentication provisions are made to ensure that exposure to fraud is not increased.</p> <p>The DSS is well advanced in talks with the Government Gateway to ensure that Enrolment and Registration for citizens can cope with multiple transaction types and security levels.</p>	<p>Continuing.</p>

Figure 13 – PAC Report – National Insurance Fund 1998–99
(three recommendations for DSS, four for the Inland Revenue)

Recommendations/Findings	Action/Response	Timetable
Progress has been made in agreeing recoveries from the Maxwell pension schemes to help offset the liability of £126 million, which has arisen from re-instating 30,000 members in the State Earnings-Related Pension Scheme (SERPS).	The DSS is continuing to take action to maximise recoveries from Maxwell pension schemes. It is hoped that payments of some £20 million will be received in 2000–01. To date, a further £10,545,000 has been paid in 2000–01 by Maxwell schemes. The total sum now paid is some £23.6 million.	Continuing.
Simplification of benefits and investment in new technology are crucial to reducing fraud. While Automated Credit Transfer (ACT) will take some time to put fully in place, the DSS should aim to make continuous progress to reduce fraud and error over time.	Options for simplifying benefits are considered when policies are reviewed or new benefits developed. But most fraud results from claimants making false declarations about their circumstances. Simplification helps address losses from mistakes, but simplified benefits are less likely to reflect individual circumstances. The Spending Review 2000 provided new funding to modernise the delivery of social security services, including significant investment in IT. As a result of this planned investment the Government has set a higher target, to reduce losses from fraud and error in IS and JSA by 25% by March 2004 and 50% by March 2006. The move to ACT as the normal method of payment from 2003 will have a significant impact on fraud from paper-based methods of payment. In the interim the DSS is addressing this area of risk and has introduced bar-coded order books to help prevent fraud.	Continuing. By 2004 and 2006.
Housing Benefit fraud remains high. The DSS is taking action to improve LAs' administration of HB and to publish, from April 2001 information on all internal Housing Benefit fraud.	The Department of the Environment, Transport and the Regions (DETR) introduced a new ethical framework for local government in the Local Government Act, 2000. This will ensure that LAs take responsibility for upholding their standards and adopt a statutory code of conduct for councillors by spring 2001. Formal procedures will be put in place to investigate allegations of councillors failing to observe the LA's code and to impose penalties, if appropriate. An employees' code will be built into terms and conditions of employment.	Continuing. By spring 2001.

**Figure 14 – PAC Report – State Earnings-Related Pension Scheme (SERPS)
(16 specific conclusions summarised in 3 overall conclusions)**

Recommendations/Findings	Action/Response	Timetable
<p>The failure for nearly 10 years to advertise the change to the inheritance of SERPS and to ensure that staff provided correct information to the public, stemmed from a systemic failure of administration in the Department and the BA. The Department has taken steps to stop this happening again, including the setting up of a dedicated pensions directorate to focus on that important client group. However, the Committee concluded that there also needs to be a fundamental improvement in attitudes towards customer service.</p>	<p>The new dedicated pensions organisation and the working age agency will bring together all the services currently provided by the Department for key client groups, including the establishment of end-to-end accountability from policy decision to implementation.</p> <p>Pensioners are a distinct group of people with their own needs. The DSS will develop a modern, integrated service designed to meet these needs. The new organisation will provide a radically better service for today's pensioners so that they will have a single, easily accessible point of contact for all social security benefits, making full use of opportunities provided by new technology, including the internet. A pensions directorate has already been established with responsibility for the design and specification of policies relating to today's and tomorrow's pensioners. A project team is in place and is working on plans for the new organisation.</p> <p>The Department has reviewed all benefit leaflets and a new process has been introduced, including senior management accountability, to ensure that all DSS leaflets are written in plain English and that they reflect current law. The Social Security Advisory Committee is scrutinising a selection of the Department's information products, looking at the assurance processes and considering how information and advice is provided. They will report regularly to the Secretary of State.</p> <p>The extension of the Department's computer systems to give front-line staff access to rules and guidance through the intranet is underway and will help to ensure accurate information is provided to and by staff.</p>	<p>Continuing current plans are to migrate to the new organisation from 2001 to 2003.</p>

Figure 14 – PAC Report – State Earnings-Related Pension Scheme (SERPS) (continued)

Recommendations/Findings	Action/Response	Timetable
<p>The details of the scheme to protect those misled, and to identify the ways in which the Department will ensure the 20 million contributors know about it, are still being worked out. The remedy may cost the taxpayer up to £13 billion or more. But we are concerned that many of those affected will not hear about the scheme, or may find it difficult to understand. We are also concerned that decisions should be taken without excess bureaucracy, while ensuring that risks of fraudulent claims are managed; and that efforts to contain the administrative cost of running the scheme should not lead to an unduly early cut-off date, at the expense of equity and fairness to those misled.</p>	<p>On 29 November 2000, following consultation on a protected rights scheme, the Secretary of State announced new proposals that replace the scheme to which the Committee referred. The new proposals provide transitional arrangements for those approaching state pension age and full protection for all pensioners.</p> <p>Following the announcement of the new proposals on 29 November 2000, the Department immediately wrote to all those people who had contacted them, telling them about the proposed changes. A mailshot was delivered to all pensioners between February and March 2001 telling them about the proposals. An advertising campaign was run in parallel to reassure them that they did not need to do anything to protect their spouse's position. The Department proposes to write later in the year to those people who will be affected by the taper from 90% to 60% of Inherited SERPS. This will be supported by a publicity campaign.</p>	<p>Continuing.</p>
<p>Citizens planning their pension arrangements need to know about changes in their schemes and be sure that the information they receive is accurate and complete. The Department failed on both counts and even now do not accept the responsibility to inform people about legislative change, even where they are administering a contributory pensions scheme. This state of affairs would be unacceptable in the private sector, and we consider it to be equally unacceptable in the public sector.</p>	<p>The Department has learnt from the justified criticism of its failure to publicise the original policy change and is keen to improve the quality of information given to contributors and pensioners. A comprehensive advertising and marketing campaign featuring working dogs was launched on 11 January 2001 to encourage people of working age to understand the pension options available to them and to plan for their retirement. As part of this and the wider strategy for raising awareness of pensions generally the change to a 50% inheritance rule for SERPS will be included.</p> <p>For many years the Department has offered a service to individuals who want to know about their pension entitlement. In 1987 a more comprehensive, dedicated, centralised forecasting service was introduced. A new service is planned for October 2001; working in partnership with employers and pension providers, the Department will provide customers of participating schemes with a statement of their current and projected entitlement to state pension with their existing annual statements. This will also provide the opportunity for the Department to give people more information than it has done in the past about pensions and the choices they can make.</p> <p>The Inherited SERPS2 Project is taking forward work to ensure that the new proposals for SERPS inheritance are put into effect, and plans for the new pensions organisation and the working age agency are being progressed.</p>	<p>Continuing.</p> <p>By October 2001.</p>

**Figure 15 – PAC Report – Class XII Vote 1 Appropriation Account
(eight recommendations for the DSS and the Benefits Agency)**

Recommendations/Findings	Action/Response	Timetable
<p>The BA has achieved some improvements in the number of benefit claims processed accurately but error in payments continues to be unacceptable</p>	<p>Estimates for 2000–01 project a further reduction of nearly £70 million in the monetary value of error on both IS and JSA. As yet, however, these figures are based on incomplete results and must be treated with caution.</p>	<p>Continuing.</p>
<p>Further improvements in benefit administration offer scope to reduce monetary error rates significantly ... we endorse the Department's plans to establish measurable milestones and to work with the National Audit Office to ensure that these are achieved.</p>	<p>The DSS agrees that further improvements in benefit administration, including modern Information Technology (IT), offer scope to reduce monetary error rates significantly. Initiatives, such as the move to ACT as the normal method of payment from 2003, will reduce the level of fraud and error over time.</p>	<p>Continuing.</p>
<p>There are significant and unacceptable variations in error rates between different parts of the country.... The DSS needs to adopt flexible employment and working arrangements to help overcome shortages and high turnover of staff, and to help each region achieve a consistent, high level of performance.</p>	<p>The DSS recognises that there are significant variations in performance throughout the country and the continuing aim of the Performance Improvement Programme is to build on the improvement overall since 1998–99. The Performance Improvement Programme is a national approach, not confined to just one region or Area Directorate, although the Department acknowledges that there are particular performance variations in London and the south-east.</p> <p>Within this programme are a team of checking experts drawn from the central Quality Support Team (QST). These provide dedicated assistance to ten poorly performing offices by providing regular feedback on accuracy performance and assisting with local improvement programmes through focused advice and mentoring.</p> <p>The DSS is introducing a Recruitment and Retention payment of £1,500 per annum to all AO and EO officers in 20 offices outside the London pay area, which have high staff turnover. These particular offices operate in a highly competitive external market and an addition to the normal pay rates is seen as essential if staff turnover is to be reduced. The high levels of wastage combined with the high costs of training new staff have impacted on performance and it is anticipated that this payment will help stabilise the staffing situation and improve performance as the average level of experience increases.</p>	<p>Continuing.</p>

Figure 15 – PAC Report – Class XII Vote 1 Appropriation Account (continued)

Recommendations/Findings	Project/Action	Timetable
The proposed merger of BA and the Employment Service (ES) offers the opportunity to improve benefits administration. We plan to look at these arrangements more closely when the details have been worked out.	Leigh Lewis, formerly Chief Executive of the ES, was appointed Chief Executive Designate of the new Working Age Agency from 25 January 2001. The new Agency will radically change the way the Government provides support for people of working age. It will accelerate the move from passive payment of benefit to active help for people to become more independent, based on work for those who can, and support for those who cannot.	Continuing.
The Security and Control Programme saved £3.6 billion, for an investment of £0.78 billion. In 1998–99, there were signs that prevention measures had reduced the amount of fraud detected. But the Department's inability to recruit and train people fast enough meant that further anticipated savings were not achieved. In delivering the new Programme Protection Strategy, the Department needs to plan and deliver their investment in the recruitment and training of staff to ensure that savings are not lost through factors that are within their control.	<p>The DSS has put in place a comprehensive work programme designed to address the strategic aims of <i>A new contract for welfare: SAFEGUARDING SOCIAL SECURITY</i> (Cm 4276, March 1999). To support this work programme, each of the BA's 13 Area Directorates has developed a detailed programme protection plan, identifying how they will deliver activities to support each strategic aim. These include identifying risks and countermeasures, the training needs of staff, communication strategies and assurance regimes.</p> <p>The Department has put in place an independently accredited training programme for fraud investigators, which covers all aspects of fraud investigation. By March 2001, it is planned that 2,800 investigators will have successfully completed training leading to the award of a professional qualification. This training is mandatory for all new investigators. Funding of £2.1 million has been secured to extend the training programme to up to 900 LA fraud investigators during 2001–02.</p>	<p>Continuing.</p> <p>By March 2001.</p> <p>By 2002.</p>

Figure 15 – PAC Report – Class XII Vote 1 Appropriation Account (continued)

Recommendations/Findings	Action/Response	Timetable
<p>Since 1 April 1999, the sole target under the Programme Protection Strategy has been to reduce fraud and error in Income Support and Jobseeker's Allowance... The Department needs to keep the long-term target for reducing this fraud under close review and ensure that it is challenging but achievable.</p> <p>... And they need to set targets for reducing fraud in all social security benefits.</p>	<p>The latest published results for performance against the target for reducing fraud and error in IS and JSA were announced on 29 November 2000. They show that from April 1999 to March 2000 the overall fraud and error overpayment on IS and JSA was 8.4% of the benefit paid, equivalent to £1.32 billion. This represents a reduction of £60 million in the amount of money overpaid since the baseline period (October 1997 to September 1998) when the figure was 9.0%, equivalent to £1.38 billion. This puts the Department well on course to meet its initial target of a 10% reduction by March 2002.</p> <p>A National Benefit Review of IB is currently underway and the fieldwork was undertaken last year. Results are expected to be available during the summer of 2001.</p> <p>The Housing Benefit (HB) Review project is still on track to introduce comprehensive measurement of HB fraud and error from April 2001.</p>	<p>Continuing.</p> <p>By March 2002.</p> <p>From April 2001.</p>
<p>At 31 March 2000 the amount of outstanding debt due to overpayments of benefit stood at £890 million, up from £799 million a year earlier and £597 million at 31 March 1998. In part, this demonstrates the BA's success in capturing debt, and in clearing backlogs of overpayment cases. The BA expects the level of debt to fall as recovery takes place and accuracy rates improve. But this level of debt illustrates the level of error and fraud on the part of claimants, its impact on the taxpayer, and the need to get benefits right first time.</p>	<p>The Department would reiterate that the rising stock of debt is a reflection of the success of measures introduced to enhance the management and control of debt. More debt is being correctly recorded and effectively managed. The Department has co-ordinated activity to deliver targets and address the National Audit Office concerns about programme loss and qualification of the BA accounts. The introduction of targets that cover both volume and value of error has contributed to improved performance in 1999–00. The use of risk analysis and prediction models now informs the strategy for case management and interventions, to ensure that evidence to support claims is obtained from customers and is accurate and complete.</p> <p>The number and value of new overpayments has reduced since 1998–99 and is now running approximately 10% below those levels. However, in the short term, the stock of debt may continue to rise because of the inherent delay between identification and recovery of overpayments, particularly when customers are no longer receiving benefit.</p>	<p>Continuing.</p>

Figure 15 – PAC Report – Class XII Vote 1 Appropriation Account (continued)

Recommendations/Findings	Action/Response	Timetable
<p>Cancellation of the new debt management system is regrettable, as it will further delay the efficient and effective management of this significant volume of cases and debt recovery. Contingency arrangements have been made, and the BA has targets and incentives to improve debt recovery. We look forward to hearing more about the longer-term solution.</p>	<p>The cancelled debt management system and analysis carried out subsequently to identify an alternative solution have demonstrated the need for changes in the way overpayment debt is managed. This need, together with the Department's structural review, has resulted in a debt programme, which is now underway. Plans to bring debt into one centralised debt structure are proceeding.</p>	<p>By 2005.</p>
	<p>Management and control of debt operations will progressively fall under a dedicated centralised management structure from 31 March 2001, and improvements to the processes will be achieved. During the period up to 2005, the optimum model for the future management and delivery of debt operations will be identified and achieved. This will involve improvements to process, policy and existing IT, to identify and remove blockages to effective operations and prepare for the Department's modernisation agenda.</p>	<p>From March 2001.</p>
		<p>By 2005.</p>

Figure 16 – PAC Report – Child Support Agency's Client Funds Account 1998–99

PAC findings	Action/Response
<p>High levels of existing errors are unacceptable and this legacy of error needs to be addressed before the introduction of the new child support arrangements.</p>	<p>A number of initiatives to rectify the deficiencies in the CSA's records caused by past errors are planned. The CSA made accuracy a top priority for 2000–01, introduced increased pre-adjudication checking, identification of trends, improved training and quicker correction of mistakes. The CSA also planned to complete over three-quarters of a million case checks between April 2000 and May 2001. A series of additional activities including the alignment of the methods of payment for multiple assessment units supplemented this current case check process and helped to ensure that maintenance liabilities and accounts were brought up to date. (Multiple assessment units are cases where a non-resident parent is responsible for the payment of maintenance for children to more than one parent with care.)</p>
<p>Levels of staff turnover rates are worryingly high.</p>	<p>CSA recognised the need to continue to understand and address the reasons for staff leaving the CSA and has been successful in reducing its turnover in the past year to 17%. However, the nature of the work of the CSA and market forces outside the control of the CSA means that retaining staff will continue to be challenging.</p>

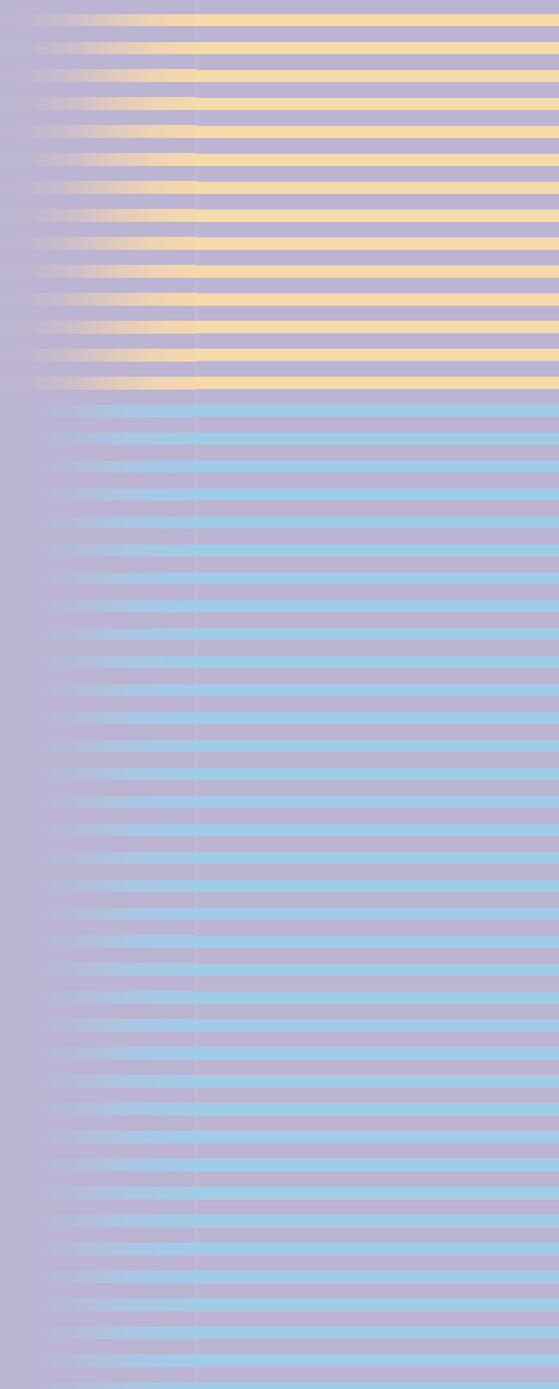
Figure 16 – PAC Report – Child Support Agency's Client Funds Account 1998–99 (continued)

PAC Findings	Action/Response
<p>Compliance with child support assessments remains an increasing problem, and total debt has now reached £1.7 billion.</p>	<p>Compliance has improved within the CSA over the last 12 months. However, outstanding debt continues to increase. In recognition of the need to reduce the level of debt, a Secretary of State milestone target was introduced. This committed the CSA to reducing the level of outstanding debt from outstanding maintenance assessments at 31 March 2000 by 25% by 31 March 2001.</p> <p>Other areas considered to improve collection performance included reviewing and rewriting enforcement procedures with a view to making them easier for staff to understand and more effective in security and compliance; a review of the design and content of the enforcement letters and notices to ensure that the right message is given at the right time; and better use of the CSAs Bailiffs.</p>
<p>Over the past year the value of compensation to individuals as a result of the CSA's maladministration has quadrupled, to over £4.35 million, mainly as a result of work to clear backlogs of cases and revised rules on calculating payment.</p>	<p>Although the CSA accepted the conclusion that compensation payments made have quadrupled during the period 1995–96 to 1998–99, of the £4.35 million paid in 1998–99, only £561,663 (13%) was for 'consolatory payments' with an average payment of £133.15. This reflected the fact that the CSA is dealing more speedily with cases than in previous years, resulting in fewer cases actually warranting special payments and, for those that do, compensation payments being considered for shorter periods.</p>
<p>The changes proposed in the Child Support White Paper, combined with a new IT system, offer a solution to many of the problems that have beset the CSA since 1993.</p>	<p>The reform of the child support scheme is a major programme of work involving new legislation, new computer systems and significant changes to the way the CSA operates. The new scheme, which will be introduced for new cases from April 2002, will be easier for parents to understand and more responsive and accessible to them. It will be easier to enforce and will get more money to children more quickly.</p>



Part Four

The Department's Agencies and
Independent Statutory Bodies



Introduction

- 1 This section provides information about the aims and performance of the four Department of Social Security (DSS) executive agencies – the Benefits Agency (BA), Child Support Agency (CSA), War Pensions Agency (WPA) and the Appeals Service – and its Independent Statutory Bodies. The Information Technology Services Agency ceased to be an agency from April 2000. Details of financial provision for the agencies can be found in Tables 9 and 11 of the Report.

The Benefits Agency

Purpose and aims

- 2 The BA will support the Government in establishing a modern welfare state. The BA will do this by helping to create and deliver an active modern social security service. The BA aims are to:
 - deliver active customer-focused services;
 - provide secure and accurate services;
 - invest in our people;
 - effectively manage money; and
 - use quality, efficient organisational processes.

Performance

- 3 BA performance against targets for 1999–00 is shown in Figure 17. Performance targets for 2000–01 are shown in Figure 18.

Figure 17 – BA Performance against targets 1999–00

Aim	Target	Outcome	Achieved
Active customer-focused services	To support the programme of welfare reform and modernisation in particular by:		
	<ul style="list-style-type: none"> ● implementing the Decision Making and Appeals (DMA) programme. 	The roll-out of DMA began on 5 July 1999 and was completed on 29 November 1999.	Yes
	<ul style="list-style-type: none"> ● closer working with CSA, Employment Service (ES), local authorities (LAs), and others, and jointly working on welfare to work, including: <ul style="list-style-type: none"> – the New Deals – ONE pilots (formerly the Single Work-Focused Gateway) – Employment Zones 	<p>A service level agreement (SLA) with CSA has been set up for completion of a Maintenance Application Form (MAF), good cause interview or imposition of MAF within 28 days. The standard was met for 87% of relevant claims.</p> <p>A series of BA and ES initiatives have improved closer working between the Agencies. An example has been the ability of local managers to tailor Jobseeker's Allowance (JSA) delivery to suit local circumstances.</p> <p>SLAs have been identified with LAs (of those identified 98.1% have been set up).</p> <p>The ONE pilots offer an individually tailored service for jobseekers at a single location. Joint working on welfare to work has continued with several New Deal initiatives. Fifteen Employment Zones have been set up from April 2000 aimed at getting the long-term unemployed back into work.</p>	Yes
	<ul style="list-style-type: none"> ● implementing an active modern service for pensioners. 	<p>The BA worked with DSS to introduce the Minimum Income Guarantee (MIG) take-up campaign for pensioners, announced in March 2000.</p> <p>The provision of combined pension forecasts incorporating state, private and occupational pension details have been successfully piloted.</p> <p>Successful pilot of the electronic claim form by London Pensions Group.</p>	Yes
<ul style="list-style-type: none"> ● ensuring that all staff are kept up to date with welfare reform and modern service delivery changes. 	<p>Internal communication methods to ensure staff are kept up to date with changes and current issues include:</p> <ul style="list-style-type: none"> ● Core briefings ● BA News ● DSS News ● BA Weekly 	Yes	

Figure 17 – BA Performance against targets 1999–00 (continued)

Aim	Target	Outcome	Achieved
	To publish by June 1999 a revised BA Customer Charter in accordance with central guidance and to then baseline performance and achieve agreed targets.	<ul style="list-style-type: none"> ● BA Corporate Communications Update (BACCUP) ● BA Intranet update ● DSS Intranet update <p>The BA Customer Charter was published on 29 November 1999. Pilot work has been done and evaluation is ongoing to develop new measures and baseline current performance for 21 of the 38 Standards. This will build on the 17 measures already in place.</p>	No
Secure and accurate services	To implement programme protection plans ...	Every Area Directorate has a programme protection plan in place for 1999–00. Progress against the plans is reported on a monthly basis.	Yes
	... in order to reduce, by at least 10%, benefit losses from fraud and error in IS and JSA by 31 March 2002.	Results for the period April 1998 to March 1999, published in January 2000, show a reduction from the baseline of 9% to 8.9%. To achieve the 10% target, a reduction to 8.1% from the baseline of 9% is necessary.	Progressing
Investing in our people	To work with the DSS in developing a staffing index ...	The BA has continued to work with others in the DSS to develop a staffing index. BA specific measures and information about the 'Investing in our People' aim will be derived from this development work. Activity will continue on identifying the key factors that inform staff perception of the business. The results of this will be used as a measure of staff motivation and satisfaction.	Yes
	... and contribute to the reduction in public sector sick absences by 6% by March 2000.	The baseline figure is an average of 12.1 days sick absence a year. Outturn figures for the year to December 1999 show an average of 12.6 days lost due to sick absence. The flu epidemic and the introduction of improved reporting procedures are factors which contributed to the increase in reported levels of sick absence.	No
Effective management of money	To agree with the DSS the principles and baseline for the operation of efficiency indices and to commence pilot operation of these during 1999–00.	Two alternative versions of the BA Index have been put together and trialled using data from April 1997 to July 1999. Results from the trials were similar, that is a marginal increase in efficiency of around 2% over the period. Work in this area is ongoing.	Yes
	To cover the costs of pay and price inflation and other pressure through efficiency savings. This is equivalent to an average of 4% a year of running cost provision.	The BA kept its running costs within the cash limit and has met the target.	Yes
	To recover £150 million in cases where benefit has been overpaid (figure increased to £160 million during the year) ...	The BA recovered £184.7 million, exceeding its annual recovery target by £24.7 million.	Yes

Figure 17 – BA Performance against targets 1999–00 (continued)

Aim	Target	Outcome	Achieved
	... and to pilot an incentive scheme agreed with the DSS and with HM Treasury to enable targets to be set for 2000–01 based on increasing the amount of debt recovered.	An incentive scheme agreed with HM Treasury in place for 1999–00 and 2000–01 with a review built in after the first year. For 1999–00, the scheme provides no incentive for recoveries between £160 million and £165 million, then for 60p in the pound for recoveries between £165 million and £180 million (upper limit) earned by the BA with the balance returned to HM Treasury.	Yes
Quality, efficient organisational processes	To support the programme of welfare reform and modernisation in particular, by supporting Modern Service One activity.	The Departmental Modern Service Programme has been reviewed. The BA Management Team (BAMT) has put in place arrangements to take forward elements of the Programme. The scope, timetable and plans for the first part of the BA modernisation project are being developed. This will include proposals for ACT and improved frontline service delivery.	Yes
Full details of the BA's performance in 1999–2000 against the Secretary of State targets and accuracy targets are given in the <i>Benefits Agency Annual Report and Accounts</i> (July 2000) available from The Stationery Office Ltd.			

Figure 18 – BA Performance targets 2000–01

Active customer focused service delivery

1. By March 2001 extend the scope of electronic service offered to the public, namely by providing a wider range of services available via the internet.
2. Seek to improve key customer services, set out in the BA Customer Charter, by providing:
 - easy access to accurate benefit information;
 - accurate and timely payments; and
 - effective complaints handling.
3. Implement an action plan to establish a Performance Management Unit to reduce variations in performance within the BA specifically, by March 2001:
 - improving the performance of the lowest performing offices; and
 - improving the management information to underpin performance improvements.
4. Continue to work with the ES, LAs and private and voluntary sectors in 12 locations to pilot ONE.
5. From May 2000, introduce a take-up campaign, contacting at least 2 million pensioners encouraging them to claim the pensioner Minimum Income Guarantee (MIG) in order to make inroads into pensioner poverty.
6. By October 2000, deliver a national Retirement Pension telephone claims service.
7. From November 2000, deliver improvements in computer produced notifications to IS customers.
8. By March 2001, work with others in the Department to develop, pilot and evaluate broad based measures of consumer focus and satisfaction, so we can introduce new arrangements during 2001.

Secure and accurate services

9. Reduce by 30% losses from fraud and error in IS and JSA by March 2007, with at least a 10% reduction by March 2002.
10. By March 2001, work with others in the Department to prepare the way for extending Automated Credit Transfer (ACT) as the normal method of payment in a programme starting from 2003 and concluding in 2005, so that:
 - a programme of customer research can be conducted; and
 - payment processes can be improved to better support ACTs.

Investing in our people

11. By December 2000, contribute to the reduction in public sector sickness by reducing absences by 10% from 1998 Public Service Agreement baseline levels.
12. By 31 March 2001, work with others in the Department to develop, pilot and evaluate new ways of measuring staff perception of the organisation to improve satisfaction and motivation.

Effective management of money

13. To recover £135 million in cases where benefit has been overpaid, contributing to the Department's overall target of £175 million.

Details of the BA 2000–01 Work Programme can be found in the *BA Business Plan 2000–01* (April 2000) available on the DSS website: <http://www.dss.gov.uk>

Key developments

Active customer-focused services – working-age customers

- 4 The BA has continued to support the ES in delivering the various New Deals, for example, by promoting awareness of the New Deal for Lone Parents amongst staff and introducing better access to information from April 2000.
- 5 The BA is working closely with the ES in specific areas of high unemployment to deliver 15 new Employment Zones. This service is intended to represent a new approach to providing extra help to customers aged 25 years or over who have been out of work for 12 months, or 18 months in some areas. The BA is also co-operating with the ES to help operate 40 Action Teams for Jobs throughout Great Britain. These teams are focusing on small areas with particular labour market problems and on particular groups of people who face special difficulties in order to overcome the barriers that prevent jobless people on benefit getting and keeping work.
- 6 The ONE service is being piloted in 12 locations. The BA, ES, LAs and other welfare providers are working together to give a seamless and more coherent service to customers of working age who make new or repeat claims for benefit. From April 2000 each customer has had to take part in a work-focused meeting with a personal adviser as a condition of receiving benefit.

Active customer-focused services – customers responsible for children

- 7 From April 2000 BA staff took over responsibility for deciding whether a lone parent has good cause not to co-operate with the CSA in obtaining maintenance. This will allow the CSA to concentrate on making sure maintenance is accurately assessed and paid on time.

Active customer-focused services – pension age customers

- 8 A national Minimum Income Guarantee (MIG) take up campaign was started in May 2000 and was completed on 17 November 2000. The BA contacted 2.4 million pensioners by direct mailshot and a national television advertising campaign.
- 9 A national MIG freeline has been in operation since 29 March 2000. From 29 May, this service has taken initial details of claims over the phone using an electronic claim form. To date, the claim line has taken in excess of 450,000 calls.
- 10 The BA is helping customers to understand their future entitlement to Retirement Pension and the importance of saving for their retirement, by providing combined forecasts through employers and pension schemes by October 2001.

Customer service

- 11 Internet information and services will be extended to support a more integrated service by providing wider access to the internet and improving the number of on-line services.
- 12 All customers and their representatives will be encouraged to provide feedback through a National Customer Service Measurement system. This will enhance the BA's ability to identify user priorities and satisfaction levels.

Secure and accurate services

- 13 By March 2001 the BA, working with others in the DSS, will prepare the way for extending ACT as the normal method of payment in a programme running from 2003 to 2005.

- 14 In order to protect public expenditure the BA is implementing new guidance designed to reduce the number of fraudulent payments. The BA is working to achieve a reduction of at least 10 per cent in benefit losses from fraud and error in IS and JSA by 31 March 2002 and recover £135 million from claims where benefit has been overpaid in 2000–01.

Investing in our people

- 15 The BA is implementing procedures to actively manage attendance by having a consistent approach to reporting and recording absences to enable managers to give the appropriate support to their staff. A study is also being undertaken in order to understand the issues relating to sick absence.
- 16 As a result of the work towards achieving the Investors in People standard the BA has seen improvements in its staff induction, appraisal processes and the quality of training and development.

Quality efficient organisational processes

- 17 A new Performance Management Unit was set up from 1 April 2000 and will implement a performance improvement strategy, reducing performance variations and setting improvement targets. The Unit will provide assistance and guidance to support local offices in delivering improved performance.

- 18 A comprehensive programme of performance improvement activity has been launched. Clear priorities, active support to under-performing offices, dedicated improvement action teams, twinning of offices, better Management Information and a constant focus on improvement are key features. This is a long-term programme and there is much still to do, but there are encouraging early signs of positive effects.

- 19 From April 2000, Performance Improvement Action Teams have visited offices experiencing performance difficulties and have worked with management to identify how performance can be improved. A desktop management system to enable managers to view a range of data to help with decision making became available in August 2000.

Service standards

- 20 The main UK central government departments and agencies are required to provide information on its performance against six standards which have been set for public service delivery. The BA results for the period 1 April 1999 to 31 March 2000 are shown in Figure 19.

Figure 19 – BA Six service standards for central government

Standard 1	Answer letters quickly and clearly. Each department and agency will set a target for answering correspondence.	67% of correspondence was answered within the BA target of 10 working days.
Standard 2	Customers with appointments to be seen within 10 minutes of their appointment start time. Customers without pre-arranged appointments to be seen by a receptionist within 10 minutes of their arrival at the office (30 minutes at busy times).	84% of customers were seen within 10 minutes of their appointment start time. For customers without appointments, 83% were seen within 10 minutes and 96% within 30 minutes.
Standard 3	Answer telephone calls quickly and helpfully.	There is no national standard for answering telephone calls. Offices set and publish their own standard. For calls made to direct dialled telephone extensions, 91% were answered within the locally set standard and 89% were answered with an acceptable greeting. For calls made to switchboards, 63% were answered within the locally set standard and 92% were answered with an acceptable greeting.
Standard 4	Provide clear and straightforward information along with telephone and e-mail enquiry points.	The BA has a full range of leaflets about its services. The revised Customer Charter which was published in November 1999 gives advice on how to access benefits, information and services provided by the BA. This includes telephone helpline numbers, e-mail and website addresses. It also contains details of the national service standards which BA customers can expect. The DSS website http://www.dss.gov.uk also contains details of the services provided by BA.
Standard 5	Have a complaints procedure and publicise it, including on the internet.	The BA has a complaints procedure in place which covers all its services. The leaflet GL22 Tell us your comments and complaints contains information for customers who are dissatisfied with the service they have received and gives advice on how to make a complaint. Details of the complaints procedure can also be found on the DSS website.

Figure 19 – BA Six service standards for central government (*continued*)

Standard 6 Consult users and make services available.	<p>The BA consults with and encourages feedback from customers and their representatives at both local and national levels. Local managers consult their customers through a variety of routes including surveys, face-to-face discussions, local forums and the use of complaints information to improve service. At national level consultation includes an annual survey to gain the perception of individual customers about aspects of the service, annual forums with customer organisations, and workshops to seek views on key issues.</p> <p>Details of the services available are outlined in the BA Customer Charter and through a range of leaflets which can be provided in eight different languages, braille and by audio cassette. The DSS website also contains details of the services provided by the BA. The services of staff with sign language skills are available by appointment and interpreters are arranged if required. For customers who are unable to call at the office a visit can be arranged if help cannot be given by letter or telephone.</p>
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The Child Support Agency

Aim

- 21** The CSA aim is to support families with the cost of raising children while recognising that the primary responsibility rests with parents.

Vision – to deliver an excellent child support service to help reduce child poverty.

Mission – putting children first by ensuring parents meet their maintenance responsibilities.

Values – to continuously improve by:

- giving an excellent service to every customer;
- involving, investing in, and dealing fairly with our people; and
- enhancing our performance by working effectively with our partners and resources.

Performance

- 22** For the CSA, 2000 was part of an on-going drive for improvements in the service the CSA provides to its customers. In 1999–00 the CSA employed 10,811 full and part-time staff; maintained 1,030,100 live cases (almost double the amount for 1997); processed 404,451 new child support maintenance applications; and collected and arranged child maintenance amounting to £730.9 million (an increase of 82.5 per cent since 1996–97) on behalf of 1,610,180 qualifying children.
- 23** The CSA performance against targets for 1999–00 is shown in Figure 20. Performance targets for 2000–01 are shown in Figure 21.

Figure 20 – CSA Performance against targets 1999–00

	Target	Achieved
Outstanding Work		
Case compliance	70%	Achieved 70.1%
Cash compliance	67%	Achieved 67.7%
Accuracy	78%	Failed 70.5%
Complaints	0.28%	Achieved 0.19%
Customer Service Standards		
Payments	97% in 10 days	Achieved 98.0%
Office interview	97% in 10 mins	Achieved 99.4%
Client Help Lines	80% answered 1st time	Achieved 81.0%
Correspondence	60% in 10 days	Achieved 66.1%
Customer satisfaction	90% of customers	Achieved 97.2%

Details of the Agency's 1999–00 targets and performance are in the *CSA Annual Report and Accounts 1999–2000*. Copies can be obtained, quoting reference number 658, from The Stationery Office Ltd (mail, telephone and fax orders only), PO Box 29, Norwich NR3 1GN. The report is also available on the CSA website at <http://www.dss.gov.uk/csa>

Figure 21 – CSA Performance targets 2000–01

Secretary of State targets	
Outstanding work	The CSA will reduce its outstanding work to a prescribed level in all key business areas by 31 March 2001. The reduction in outstanding work to be achieved is based on a prescribed level of work equivalent to (x) weeks of intake and is different for each business process.
Case compliance	To collect child maintenance and arrears from 71% of non resident parents with maintenance liability due to be paid through the Agency's collection service.
Cash compliance	To collect 68% of child maintenance and arrears due for payment through the CSA's collection service.
Accuracy	The cash value of all assessments checked in the year to be correct to the nearest penny in at least 78% of cases.
Complaints	To reduce the number of complaints received compared with current caseload to less than 0.15%.
Secretary of State milestone targets	
The Change Agenda – Child Support Reform	Establish Process Learning Centres by 30 April 2000. Complete introduction of 'customer account' statements for clients by 30 June 2000. Establish a Model Office by 31 December 2000. Commence data cleansing by 31 January 2001.
Debt reduction	To reduce the outstanding level of debt owing from full maintenance assessments at 31 March 2000 by 25% by 31 March 2001.
Staffing	By March 2001, work with others in the Department to develop, pilot and evaluate new ways of measuring staff perception of the organisation to improve satisfaction and motivation. Contribute to the reduction in public sector sickness by reducing absences by 10% from 1998 PSA baseline levels by 31 December 2000.
Investors in People (IIP)	Individual Business Units will maintain IIP accreditation during 2000-01 and the CSA will achieve IIP accreditation by 31 March 2001.
Fraud security measures	To develop and implement shadow measures for fraud and security by 1 July 2000, and for these measures to be reported for the remainder of the year, to inform the development of targets for 2001–02.
The business plan is available on the CSA's website at http://www.dss.gov.uk/csa , or from The Communications Manager, Child Support Agency, Room 155K, Department of Social Security, Benton Park Road, Newcastle upon Tyne NE98 1YX.	

Key developments

Correspondence

- 24 Customers can access information via the internet website and contact the CSA via e-mail. The CSA website, providing information 24 hours a day, has recently been re-configured to give a clear focus on client groups as an approach to service delivery. To ensure that members of the public have access to the CSA, and the ability to inform CSA policy, each business unit has a Customer Consultation Panel.

Contact

- 25 'Direct Dial In' means that all computer system generated notifications have a telephone number printed on them which allows the caller to get through directly to the decision maker. This initiative was introduced as a result of the DMA process and is due to be fully rolled out throughout the CSA by March 2001.
- 26 The CSA has been working in partnership with the National Council of One Parent Families and Parentline Plus to develop training and a directory of specialist organisations. This will enable staff to refer parents, who raise concerns about non-maintenance issues, to organisations who can offer appropriate advice and information.

Information

- 27 Customer Payment Statements were introduced in June 2000 as an additional service to CSA's customers and will be issued every six months or on request.

Consultation

- 28 The CSA is committed to improving customers' and stakeholders' understanding of the CSA and child support. All business units have developed and delivered a programme of outreach activity focusing on key customer groups.

- 29 The CSA is currently working towards implementing a major programme of Child Support Reforms, which will radically simplify legislation, creating a more responsive service. A full training programme is planned for all staff and there will be a new business model to assist the CSA's aim of improving customer service. In addition the CSA intends to involve customers and stakeholders in the development of both the new business model and the new products resulting from the reforms. This approach will ensure that the CSA delivers a service which meets the needs of its customers.

Complaints

- 30 The Independent Case Examiner (ICE) acts as an impartial referee where people feel that they have been badly treated by the CSA and they remain dissatisfied after the CSA has responded to their complaint. The use of ICE reports, both case and subject specific, helps to inform improvements in the CSA's service to its customers.
- 31 The CSA is committed to reducing the number of complaints by early resolution, prevention and continuous learning. The CSA continuously reviews the complaints handling process and ensures that any incorrect case that triggers a complaint is put right and remains right. The CSA publicises its complaints procedures.

Customer service

- 32 The CSA will continue to improve and review its customer service by increasing the use of the telephone and continue to keep customers up to date about the progress on their case. It will also gradually extend the role of the National Enquiry Line and Client Help Lines and introduce internal targets to ensure that staff in other business areas follow up all requests passed onto them by the National Enquiry Line and Client Help Lines.

- 33 The CSA is analysing the results of the National Client Baseline Survey to focus on key areas of improvement for its customer service. The CSA is also working with other government departments and agencies including the Inland Revenue, Customs & Excise, BA and WPA with a view to improving customer service.
- 34 The CSA uses Charter Mark principles to support its aim of continuous improvement and to apply for national awards where appropriate. At local levels, a total of 17 teams have been awarded the Charter Mark and many other teams are working towards recognition.

General

- 35 Accuracy is a main priority. The CSA have introduced new Assessment Unit Decision Forms which, based on a sample study by the Monitoring and Guidance Unit, may lead to an improvement in performance. Benchmarking will be used in order to provide a rigorous and systematic approach to performance improvement.
- 36 The CSA will use the additional funds provided and further internal cost efficiencies to keep pace with rising workloads and to drive down further the amount of outstanding work.
- 37 The CSA will improve the effectiveness of the debt management, tracing and enforcement areas with the help of our strategic partners and reduce the outstanding level of debt owing from full maintenance assessments at 31 March 2000 by 25 per cent by 31 March 2001.
- 38 The CSA developed and implemented shadow measures for Fraud and Security by 1 July 2000 which will inform the development of targets for 2001–02. The CSA works with existing partners and seeks opportunities to form new partnerships which will raise awareness of internal and external fraud.

This will improve fraud prevention and detection including the mechanisms for measuring performance in this area. It will also deliver the Government's plans for new penalties for misrepresentation and failure to supply information under the Child Support Reform.

- 39 The CSA introduced a new process for people joining the CSA. This starts from a job profile and covers recruitment, training, induction and consolidation, ensuring that people who join the CSA feel respected and valued and are equipped to do the work required of them.
- 40 The CSA began working towards the IiP standard in November 1996 and by December 1999 all units had individually achieved IiP recognition. In June 2000 the CSA achieved IiP recognition as a single unit under the revised standard introduced on 13 April 2000. This has been viewed as a major achievement and staff are especially proud that the CSA was the first government agency or department to achieve recognition using the revised standard.

Service standards

- 41 The CSA is required to provide information on its performance against six standards which have been set for public service delivery. The CSA results for the period 1 April 1999 to 31 March 2000 are shown in Figure 22.

Figure 22 – CSA Six service standards for central government

Standard 1	Answer letters from the public quickly and clearly. Each department and agency will set a target for answering and publish its performance against this target.	The CSA has set a target of answering correspondence within 10 working days.
Standard 2	See people within 10 minutes of their appointment.	The CSA has set the target of seeing 100% of callers within 10 minutes of their appointment.
Standard 3	Answer telephone calls quickly and helpfully. Each department and agency will set a target for answering calls to telephone enquiry points and will publish its performance against this target.	National Enquiry Line and Client Help Lines have a target of answering 80% of calls first time (this means answering the client's first attempt to contact the CSA). Within the CSA business units where clients have a direct dial number, calls will be answered within 20 seconds.
Standard 4	Provide clear and straightforward information about its services and those of related providers along with one or more telephone enquiry numbers and e-mail address	The CSA is currently operating a National Enquiry Line and Client Help Lines in six locations around the UK and numbers are available in yellow pages and from directory enquiries. The CSA is also operating a direct dial in programme where all correspondence quotes the direct number to speak to the officer dealing with the case. E-mail and website addresses are also available and advertised.
Standard 5	Have a complaints procedure or procedures for the services it provides, publicise them, including on the internet, and send information about the procedures on request.	The CSA's complaints procedure is detailed in leaflets and on the internet site. The site also has a direct link to that of the Independent Case Examiner (ICE). The CSA is currently reviewing its complaints procedure and recommendations for improvement have been agreed. Changes to procedures, training for staff and amending customer materials is underway.
Standard 6	Do everything that is reasonably possible to make its services available to everyone, including people with special needs. Consult users and potential users regularly about the service it provides and report on results.	The CSA holds regular meetings both at local and national level with stakeholder groups. Textphones, an interpreting service, braille and audio cassettes are available and advertised; where access is difficult, home visits are arranged; a face-to-face interview service is available where customers are able to choose the time and venue; and MP, Citizens Advice Bureau and HMF hotlines in each business unit.

The War Pensions Agency

Aim

- 42** The WPA aims to deliver excellent public service. It will do this by working in partnership with other organisations to administer the War Pensions Scheme through a high quality, customer focused service.
- 43** This aim is underpinned by five values. They are the foundation to the WPA's approach to business and promote the behaviours it encourages:
- putting service first;
 - working in partnership;
 - modernisation and managing change;
 - valuing our people; and
 - efficiency.

Performance

- 44** The WPA performance against targets for 1999–00 is shown in Figure 23. Performance targets for 2000–01 are shown in Figure 24.

Figure 23 – WPA Performance against targets 1999–00

Agency value	Target	Achievement
Putting service first	To deliver a first class service to war pensioners and war widows by achieving the standards set in the WPA's Service First Charter. For 90% of all claims to meet the quality criteria.	Achieved
Working in partnership	To agree improvements in the end-to-end DMA process with the WPA and the Pensions Appeals Tribunal, to reduce the overall time taken for clearance of decisions and appeals; to improve notifications and the subsequent implementation of decisions, together with improved monitoring and meaningful targets.	Achieved
Managing change	To implement the proposals approved by the Secretary of State, from the Prior Options review, to the agreed standards and timetable.	Achieved
Valuing our people	To work with the DSS in developing a staffing index to reduce our sickness absence levels by 7% during 1999–00.	Achieved
Efficiency	To agree with the DSS the principles and baseline for the operation of Efficiency Indices and to commence pilot operation in 1999–00. To generate efficiencies during 1999–00 that will enable the WPA to absorb the impact of financial pressures equivalent to 4% of running costs.	Achieved

A copy of the *War Pensions Agency Annual Report and Accounts for 1999/2000* can be obtained from Business Planning, War Pensions Agency, Norcross, Blackpool FY5 3WP.

Figure 24 – WPA Performance targets 2000–01

Agency Value	Target 2000-01
Putting service first	To deliver a quality service to war pensioners and war widows by achieving the standards published in WPA's Service First Charter.
Working in partnership	By 31 March 2001, to implement those recommendations of the 1999 WPA Prior Options Review which relate to the objectives of the War Pensioners' Welfare Service and the partnership opportunities associated with the management of Ilford Park Polish Home to the standards and timetable agreed with the DSS.
Modernisation and managing change	To work with the Lord Chancellor's Department (LCD), Ministry of Defence (MoD), the voluntary sector and ex-service organisations to implement the recommendations of the WPA's 1999 DMA Study to the standards and timetable agreed with the DSS.
Valuing our people	To lead and manage people effectively through specified measures and contribute to the reduction in public sector sickness absence levels by reducing absences by 17% from 1998 PSA baseline levels by 31 December 2000.
Efficiency	To generate efficiencies during 2000–01 to absorb the effect of pay and price pressures; and introduce additional cost saving measures that will enable the WPA to operate within its running cost allocation.

A copy of the *War Pensions Agency Business Plan for 2000–01* can be obtained from Business Planning, War Pensions Agency, Norcross, Blackpool FY5 3WP.

Key developments

- 45 The FORwarD pensions trial was set up in 1999. It aimed to assess new ways of working, reduce the overall time taken to clear decisions and improve notifications to customers. An evaluation of the trial resulted in a number of initiatives being implemented into mainstream operations, for example increased telephone evidence gathering, earlier evidence requests to MoD, and the introduction of personal caseworkers.
- 46 Electronic links between the WPA and the LCD have been introduced to improve the end-to-end decision making and appeals process. Links are now being considered to further improve the case management of appeals.
- 47 The role and structure of War Pensions Committees (WPCs) have been reviewed. Reconstitution of the WPCs will be used to extend and focus their role as consultative bodies to maximise the value of the Committees, welfare and advisory bodies that currently work in partnership with WPA.

- 48 The WPA has been asked to administer the scheme to make a single ex-gratia payment to each surviving far eastern prisoner of war or, where an entitled person has died, to their surviving spouse.
- 49 The Cabinet Office has selected the WPA as a beacon of best practice under its central government's Beacon Scheme. The WPA anticipates enquiries and visits from other government departments on areas of leadership, partnerships and business planning.

Service standards

- 50 The WPA aims to promote the principles of the Government's Service First programme through its own initiative, Putting Service First. This value is adopted across the WPA and is underpinned by the WPA's Service First Charter and the six Whitehall Standards as detailed overleaf:

Figure 25 – WPA Six service standards for central government

Standard 1	Answer letters from the public quickly and clearly. Each department and agency will set a target for answering and publish its performance against this target.	The WPA has set a target of acknowledging correspondence within 5 working days and providing a full reply within 10 working days.
Standard 2	See people within 10 minutes of their appointment.	The WPA has set a target of attending to visitors within 10 minutes of arrival or of their appointment.
Standard 3	Provide clear and straightforward information about services and at least one number for telephone enquiries to help you or to put you in touch with someone who can.	The WPA's Service First Charter is updated every year. Details of how to contact the WPA are included in the Charter.
Standard 4	Consult users regularly about the service provided, and report on the results.	Each year the WPA conducts customer research. The re-constituted War Pensions Committees are also used as consultative bodies with local input. The WPA continues to have strong links with the ex-service community and the Central Advisory Committee, and their views are regularly sought.
Standard 5	Have at least one complaints procedure for the services it provides, and send information about the procedures on request.	The Service First Charter sets out clearly what customers should do if they are not completely satisfied with the way a complaint has been handled. This involves possible review by a Customer Service Team extending to consideration by the Chief Executive and ultimately to an Independent Complaints Panel.
Standard 6	Do everything that is reasonably possible to make its services available to everyone, including people with disabilities.	The WPA's services are detailed on the WPA website at http://www.dss.gov.uk/wpa , through a range of information leaflets and in the WPA Business Plan. Leaflets are available in braille upon request and are printed to RNIB standards. The WPA's Service First Charter is also printed in Welsh. WPA hold the 'Louder than Words' accreditation, acknowledging its commitment to providing a comprehensive service to people with disabilities.
A copy of the Service First Charter can be obtained from the Customer Services Team, War Pensions Agency, Norcross, Blackpool FY5 3WP.		

The Appeals Service

Constitution

- 51 The Appeals Service consists of:
- an executive agency within the DSS led by a Chief Executive, accountable to Parliament, responsible for the administration of appeal tribunals and subject to Secretary of State targets; and
 - a judicial, tribunal, Non-Departmental Public Body headed by the President of appeal tribunals, independent of the DSS and not accountable to Parliament. The President and tribunal members are appointed by the Lord Chancellor.
- 52 agencies, tribunal members and all other bodies that have an interest in the delivery of the Appeals Service's business;
- contribute to the evaluation of policy by exchanging information and advice within the DSS on the operational impact of current and proposed policies; and
 - secure value and quality through continual improvement.
- 54 Further information is in the Appeals Service Framework Document which sets out aims, objectives and accountability of the Appeals Service as determined by the Secretary of State.

Aim

- 52 The Appeals Service's aim is to provide all who use or rely upon them with a modern, professional and prompt service which is focused on providing customers with an impartial re-examination of the decision under appeal.
- 53 To achieve this aim the Appeals Service's objectives are to:
- provide efficient and responsive administrative support to tribunals and panel members;
 - provide a prompt, accurate, courteous and efficient service to all who use or rely upon the Appeals Service;
 - focus on anticipating and responding to changing customer and stakeholder requirements;
 - manage and develop its people in accordance with Investors in People (IiP) principles and practices;
 - establish and maintain effective working relationships with first tier decision making
- 55 The Appeals Service's Service First statement sets out service aims and standards appellants can expect from them. The key standards are:
- appeals take on average 14 weeks from the time the Appeals Service receives the completed enquiry form (TAS1) to the date of the tribunal hearing. A case may be heard more quickly than this, but the length of time will vary depending on the particular circumstances of the appeal;
 - the Appeals Service will give an appellant at least 14 days notice of their hearing date, 21 days for child support hearings;
 - when an appellant attends their hearing, the clerk to the tribunal will meet them at least 5 minutes before their appointment time;
 - the Appeals Service can pay reasonable travel expenses and aims to do so on the same day as the hearing;
 - after the tribunal has heard the appeal, a written decision will either be given to the appellant on the day or posted to them within two working days;

- when an appellant writes, faxes or contacts the Appeals Service by e-mail, the Appeals Service will reply as soon as they can and within 15 working days. If they cannot, they will tell the appellant when they will be able to do so; and
- when an appellant phones an Appeals Service office they aim to answer the call within 30 seconds.

- 56** The formal targets set by the Secretary of State, together with internal performance measures and objectives of the Appeals Service, are included in the Appeals Service's Business Plan, published annually in March.
- 57** Copies of the Business Plan, the Framework Document and the Service First statement are available from the Appeals Service, Whittington House, 19–30 Alfred Place, London WC1E 7LW and on the internet at the Appeals Service website <http://www.appeals-service.gov.uk>
- 58** Details of performance against these targets will be included in the Appeals Service Annual Report and Accounts 2000/2001, to be published in July and available from The Stationery Office Limited and also on the Appeals Service website.

Performance

- 59** During the year 1999–00, the Appeals Service reduced its backlog of outstanding appeals from 140,000 down to less than 60,000 and also exceeded its main target on the average waiting time to date of tribunal hearing. The number of appeals outstanding for over 26 weeks stood at over 70,000 at the start of the year; those same cases had fallen to less than 4,000 by the year end. Details of performance are included in the *ITS/Appeals Service Annual Report 1999/2000*. This can be found on the Appeals Service website at <http://www.appeals-service.gov.uk>

- 60** For the year 2000–01, the Appeals Service is on course to meet its primary target to maintain the 14 weeks average waiting time for a tribunal hearing. The actual time taken varies according to the particular circumstances of each case. A full list of targets is included in the Appeals Service Business Plan 2000–01. This can be found on the Appeals Service website.

Key developments

- 61** The Appeals Service is an accredited Investor in People (IiP), a clear signal of the commitment to staff training and development. The Appeals Service will continue to embrace IiP principles as part of its drive for continuous improvement.
- 62** Modernising Government initiatives include:
- conducting a nationwide customer satisfaction survey;
 - engaging in an effective tribunals project to establish the views of partners and customers;
 - introducing a family of Service First leaflets; and
 - conducting a National Liaison Forum for customer representative groups, supported by regular Tribunal User Group meetings at a local level.

Independent Statutory Bodies

63 The DSS sponsors a number of Independent Statutory Bodies. Their functions are outlined below. Details of their administration costs are set out in Figure 26. Two of the bodies, the Occupational Pensions Regulatory Authority and the Pensions Compensation Board, are Executive Non-Departmental Public Bodies (NDPBs). The definition of NDPBs can be found in the glossary.

Figure 26 – Independent Statutory Bodies' administration costs

	1997–98 outturn	1998–99 outturn	1999–00 outturn	2000–01 estimated outturn	2001–02 plans	2002–03 plans
Independent Tribunal Service ²	57.418	55.890	58.179	0	0	0
Independent Review Service for the Social Fund	3.800	3.712	3.768	3.533	3.656	4.287
Central Adjudication Service ³	3.878	3.648	1.987	0	0	0
Office of the Pensions Ombudsman	1.365	1.238	1.405	1.476	1.683	1.750
Occupational Pensions Regulatory Authority ⁴	8.748	9.302	10.945	10.875	15.900	15.500
Pensions Compensation Board ⁵	0.644	0.086	0.070	0.071	0.074	0.081
TOTAL	75.853	73.876	76.354	15.955	21.313	21.618

Notes: 1 All figures include running costs, capital and, in respect of the Appeals Service (previously the Independent Tribunal Service) and the Independent Review Service, Trillium costs.

2 From April 2000 the Independent Tribunal Service, under the decision making and appeals system (DMA), became the Appeals Service. Financial details are included in Tables 9 and 11.

3 Under DMA the Central Adjudication Service was dissolved on 30 November 1999, responsibilities were devolved to the BA, ES, CSA and the DSS Adjudication and Constitutional Issues Branch.

4 Expenditure includes funding for the Office of the Pensions Advisory Service.

5 Expenditure for 1997–98 includes £0.297 million to cover the costs of collecting the compensation levy.

Occupational Pensions Regulatory Authority

64 The Occupational Pensions Regulatory Authority (Opra) is an Executive NDPB. Its primary role is to protect members' interests, where people who run occupational pension schemes do not meet their legal obligations under the Pensions Act 1995 and associated regulations. Scheme auditors and actuaries are under a duty to inform Opra of breaches in the law, and anyone else is also able to report their

concerns to Opra. It has powers to investigate schemes considered to be at risk. Opra also has the power to prohibit or disqualify trustees and to impose fines on wrongdoers. It is also responsible for maintaining a register of private pension schemes. The administration costs of Opra are funded through a levy on occupational and personal pension schemes. Opra's costs will increase in 2001–02 due to new responsibilities for regulating stakeholder and personal pensions but will be met from existing levy rates.

Pensions Compensation Board

- 65** The Board is an Executive NDPB. Its role is to decide, under the terms of the Pensions Act 1995 and the Welfare Reform and Pensions Act 1999, whether compensation is payable and, if so, the amount which should be paid. Compensation may be payable where the pension scheme's sponsoring employer is insolvent and the value of the scheme's assets have been reduced as a result of dishonesty. The administration costs of the Board and the costs of the compensation scheme are funded through a levy on occupational pension schemes, although apart from the first year of operations a levy has not been charged and the administration costs are currently met from the Board's financial reserves.

The Independent Review Service for the Social Fund

- 66** The Review Service provides independent reviews of decisions made on applications for discretionary Social Fund payments. The Review Service is headed by the Social Fund Commissioner, who reports annually to the Secretary of State on the standards of reviews by Social Fund Inspectors.

Office of the Pensions Ombudsman

- 67** The Pensions Ombudsman investigates and determines complaints of maladministration against occupational and personal pension schemes, and disputes of fact and law arising in relation to such schemes.

Public appointments

- 68** Four appointments were made to the Occupational Pensions Regulatory Authority during 2000. Mrs Harriet Maunsell OBE, Mr Mike Jones and Mr Hugh Brown were appointed from 1 April 2000 to 31 March 2003. Ms Belinda Benney was appointed from 1 April 2000 to 31 March 2004. They were all appointed on a daily fee of £171.
- 69** Two appointments were made to the Pensions Compensation Board during 2000. Mrs Andrea Banner and Lord Brooke of Alverthorpe were appointed from 7 August 2000 to 6 August 2003. They were appointed on a daily fee of £171.
- 70** A new Social Fund Commissioner was appointed during 2000. Sir Richard Tilt was appointed from 1 December 2000 to 30 November 2003. The post is salaried and is part-time at three days a week.
- 71** Appointments of members and chairmen range from two to five years. When making appointments, our NDPBs must abide by the guidance of the Commissioner for Public Appointments. They aim to balance the Commissioner's overriding principle of appointment on merit, with the DSS's policy of equal opportunity of appointment within under-represented groups.



Part Five

Tables – expenditure plans

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Introduction to the new format of the tables

- 1 Following the introduction of resource accounting and budgeting (RAB), there have been a number of changes to the core tables in this year's departmental report. RAB provides a more accurate measure of departmental expenditure by matching costs to time, taking account of the full consumption and investment of arm's-length bodies such as Non-Departmental Public Bodies (NDPBs) and public corporations, and measuring the full cost of government activity, including non-cash expenditure such as depreciation, cost of capital charges, and provisions.
- 2 The aim of the tables is to provide a detailed analysis of departmental expenditure plans in resource terms, showing: resource consumption and capital investment; Voted and non-Voted expenditure; and expenditure in three year Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME).
- 3 Following the decision to introduce resource budgeting in two stages, the major non-cash items specifically relating to departmental administration – that is depreciation, cost of capital charges, and provisions – score in AME for the Spending Review 2000 years, 2001–02 to 2003–04. Throughout the tables, non-cash expenditure in AME is distinguished from annually managed programme expenditure for the Department. In Stage 2 resource budgeting, which is scheduled for the Spending Review 2002, these administration related items are expected to score in DEL.
- 4 Because RAB data is at present available only from 1998–99, the scope of the resource tables is restricted to 1998–99 to 2003–04, the last year covered by the Spending Review 2000. However, Table 11 sets out DEL and AME in cash terms from 1995–96 to 2000–01, whilst Table 12 shows the cash to RAB reconciliation for DEL and AME numbers for 1998–99 to 2000–01.
- 5 As before, the tables show Employment Opportunities Fund (formerly Welfare to Work) expenditure separately.
- 6 As in previous years, tables are included showing key information on local authority expenditure, administration costs and staff numbers.
- 7 The tables are:
 - Table 1 – Resource plans summary
 - Table 2 – Departmental Voted cash requirement
 - Table 3 – Total capital employed
 - Table 4 – Consumption: Analysis of resource budget spending plans
 - Table 5 – Investment: Analysis of capital budget spending plans
 - Table 6 – Reconciliation of resource expenditure between Estimates, Accounts, and budgets
 - Table 7 – Reconciliation of capital expenditure between Estimates, Accounts, and budgets
 - Table 8 – Local authority expenditure
 - Table 9 – DSS administration costs
 - Table 10 – Staff numbers
 - Table 11 – DEL and AME cash plans, 1995–96 to 2000–01
 - Table 12 – DEL and AME reconciliation of RAB and cash budgets, 1998–99 to 2000–01

Table 1 – Resource plans summary

- 8 This table sets out, in resource terms, a summary of expenditure by DSS from 1998–99 to 2003–04. The first part shows total expenditure in DEL and AME for the DSS, including the new non-cash AME items introduced by RAB. This is then split into resource and capital expenditure, the former showing what the DSS consumes in current spending and the latter showing planned investment expenditure.
- 9 The ‘Total Resource Budget’ and ‘Total Capital Budget’ figures illustrate, in resource terms, total DEL and AME expenditure in the DSS’s budget. This includes expenditure such as the National Insurance Fund which is not Voted by Parliament. ‘Programme spending in Resource AME’ is used to distinguish annually managed programme expenditure from the administration non-cash items which score in AME under Stage 1 resource budgeting.
- 10 ‘Net operating costs’ shows the expenditure covered in the departmental resource accounts, while ‘Net total resources (Voted)’ and ‘Net capital expenditure (Voted)’ show the resources and capital expenditure voted by Parliament in Estimates. Reconciliations between the budgeting, accounting and Parliamentary Estimates aggregates are shown in Tables 6 and 7 for resources and capital expenditure.

Table 2 – Departmental Voted cash requirement

- 11 Under RAB, Parliament votes both a net resource requirement for departmental expenditure, reflecting the total Voted provision sought in resource terms, and the cash requirement needed to fund this commitment. The Voted net cash requirement represents the Parliamentary limit for the DSS in cash terms and the limit for the amount of cash which can be drawn down for use by the Department in the year.

- 12 The Voted net cash requirement is calculated by removing non-cash costs from net operating costs, adjusting for accruals/cash differences such as timing, and then stripping out the part of the departmental cash requirement that is not Voted. For example, the cash required to meet National Insurance Fund expenditure.

Table 3 – Total capital employed

- 13 RAB gives a much clearer picture of the capital assets used by a department. This is used as the basis for calculating the cost of capital charges paid by departments to reflect the economic costs of holding the assets. Table 3 sets out Total capital employed by the DSS within the accounting boundary, and by its sponsored bodies outside the boundary. For the DSS however the majority of capital assets in use, such as buildings and computers are not owned by the DSS following a number of private finance initiatives. Most of the Department’s assets are therefore associated with working capital and relate to cash with paying agents, bank account balances, benefits owed to customers due to the timing of encashments and debts owing to the Department in respect of benefit overpayments.

Table 4 – Consumption: Analysis of resource budget spending plans

- 14 Table 4 gives a detailed breakdown of the resource or current spending plans from 1998–99 to 2003–04. The functional splits by which resources are allocated match those in the Main Resource Estimates, split into DEL and AME. Non-Voted expenditure is shown with a brief description as to its functions. Non-cash expenditure in AME is shown by category – depreciation, cost of capital charge, and changes in provisions and other charges.

- 15 As in previous years, this table gives a breakdown of departmental expenditure into spending by the Central Government sector, and support to local authorities.

Table 5 – Investment: Analysis of capital budget spending plans

- 16 Table 5 gives a detailed breakdown of the investment or capital spending plans from 1998–99 to 2003–04. The functional splits by which resources are allocated match those in the Main Resource Estimates, split into DEL and AME. Non-Voted expenditure is shown with a brief description as to its functions.
- 17 As in previous years, this table gives a breakdown of departmental expenditure into spending by the Central Government sector, and support to local authorities.

Table 6 – Reconciliation of resource expenditure between Estimates, Accounts and budgets

- 18 This is a technical table showing the inter-relationship between the three totals for Accounts, Estimates and budgets. The outturn against the total Voted by Parliament in the Estimates is shown first. The net operating cost figure in the Accounts include items which are not part of the resource total voted by Parliament, such as non-Voted expenditure within the departmental accounting boundary, and receipts surrendered to the Consolidated Fund.
- 19 The budgeting total reflects the spending authority for the DSS within the Government's framework for expenditure control. This is an administrative limit imposed by the Government on the DSS and its sponsored bodies. So the resource budget outturn total includes a number of categories of expenditure

which are not included in, or scored differently from, the totals recorded for Voted Estimates and Departments' Accounts.

- 20 The main adjustments from the net operating cost in the Accounts to the outturn against resource budget total are:
- further adjustments for receipts surrendered to the Consolidated Fund, where these score differently in Accounts and in budgets;
 - the budget scores the full resource consumption of sponsored bodies (that is NDPBs), whilst the Estimate scores only voted grants to those bodies;
 - capital grants to local authorities and the private sector are Voted as current grants in Estimates. But for administrative control purposes, these score as capital in budgets. Similarly, gains and losses on asset disposals pass through the Accounts and Estimates on the resource side, but are recycled through the capital budget under the transitional resource budgeting regime;
 - Employment Opportunities Fund expenditure (formerly Welfare to Work) is Voted to Departments in Estimates, but in administrative control terms, it is segregated from the rest of Departmental DEL and AME; and
 - Departmental Unallocated Provisions (DUPs) are not Voted but appear in budgets, as the expenditure has not yet been assigned to a particular function.

Table 7 – Reconciliation of capital expenditure between Estimates, Accounts, and budgets

- 21** This table shows the inter-relationship between the three totals for capital expenditure.
- 22** The adjustments from the Voted Estimates totals to the capital expenditure in the Accounts are broadly the same as they are on the resource side. The main adjustments from the capital expenditure in the Accounts to the outturn against the capital budget are as follows:
- capital grants to local authorities and the private sector, which are Voted as resource expenditure in Estimates, are included in the capital budget;
 - gains and losses on asset disposals pass through the Accounts and Estimates on the resource side, but are recycled through the capital budget under the transitional resource budgeting regime; and
 - unallocated capital provision in the DUP is not Voted in Estimates but is included within the budgeting total.

Tables 8, 9 and 10

- 23** These tables show analyses of local authority expenditure, administration costs (formerly known as running costs) and staff numbers. These tables are largely unchanged from previous years.

Table 11 – DEL and AME cash plans, 1995–96 to 2000–01

- 24** For the purposes of allowing comparisons to be made with previous expenditure over a longer period, a table showing outturn in cash terms is included from 1995–96 to 2000–01. 2000–01 is the last year where outturn will be expressed in cash terms.

Table 12 – DEL and AME reconciliation of RAB and cash budgets, 1998–99 to 2000–01

- 25** This table illustrates how the new resource based outturn figures have been derived from the previous cash numbers for both the resource and capital budgets, in both DEL and AME. The main types of adjustment from the cash to the resource based system are:
- timing adjustments, reflecting the fact that under RAB costs are scored when the economic activity takes place, not when it is paid for;
 - the inclusion of certain notional charges in the resource DEL; and
 - the inclusion of non-cash costs in AME.

Table 1 Resource plans summary

	1998–99 outturn	1999–00 outturn	2000–01 estimated outturn	2001–02 plans	2002–03 plans	2003–04 plans
						£ million
Total spending in DEL	2,911	3,249	3,690	3,958	4,264	4,186
Spending in Equal Opportunities Fund (EOF) DEL		12	22	6		
Total spending in AME	88,824	93,754	95,768	101,432	105,011	109,735
<i>of which non-cash AME</i>	4	30	44	72	100	104
Consumption – the resource budget						
Resource DEL	3,222	3,206	3,584	3,855	4,156	4,152
EOF DEL		12	22	6		
Resource AME	88,824	93,725	95,690	101,344	104,919	109,641
<i>of which</i>						
Programme spending	88,820	93,695	95,646	101,272	104,819	109,537
Non-cash items in resource AME	4	30	44	72	100	104
Total resource budget	92,046	96,943	99,296	105,205	109,075	113,793
Adjustment to reach operating costs	–4	–4	15	–297	–822	–840
Net operating costs	92,042	96,939	99,311	104,908	108,254	112,953
Adjustment to reach Voted total	–45,056	–46,763	–47,554	–50,841	–53,224	–55,461
Net total resources (Voted)	46,986	50,176	51,757	54,067	55,030	57,492
Investment – the capital budget						
Capital DEL	–311	42	106	103	108	34
EOF DEL		#				
Capital AME		29	78	88	92	94
Total capital budget	–311	72	185	191	200	128
Adjustment to reach Voted capital	–5	–33	–71	–173	–152	–96
Net capital expenditure (Voted)	–316	39	114	18	48	32

Notes: This table summarises information on spending plans, Accounts and Estimates. All this information is presented in more detail in Tables 4 to 7.
 Amounts below £0.5 million are indicated by #.
 Totals may not sum due to rounding.

Table 2 Departmental Voted cash requirement

	1998–99 outturn	1999–00 outturn	2000–01 estimated outturn	2001–02 plans	2002–03 plans	£ million 2003–04 plans
Net total resources (Voted)	46,986	50,176	51,757	54,067	55,030	57,492
Net capital expenditure (Voted)	-316	39	114	18	48	32
Adjust for non-cash transaction	-45	-50	-59	-70	-96	-100
Adjustment for movements in working capital	-30	-68	-208	-202	-108	-38
Adjust for transfers from provision	-35	-95	-49	-42	-42	-40
Net cash requirement (Voted)	46,561	50,001	51,554	54,175	54,831	57,346

Note: Totals may not sum due to rounding.

Table 3 Total capital employed

	1998–99 outturn	1999–00 outturn	2000–01 estimated outturn	2001–02 plans	2002–03 plans	£ million 2003–04 plans
Net assets/liabilities	995	315	388	318	619	559
Within the Departmental account	995	315	388	318	619	559
Investment outside accounting boundary			1	1	1	1
Total capital employed	995	315	389	319	621	560

Note: Totals may not sum due to rounding.

Table 4 Consumption: Analysis of resource budget spending plans

		1998–99 outturn	1999–00 outturn	2000–01 estimated outturn	2001–02 plans	2002–03 plans	2003–04 plans
		£ million					
Resource budget							
Estimate	DEL						
Central government spending							
RfR 1: Ensuring the best start for all children, ending child poverty in 20 years							
RfR 1 A.	Children: administration	230	205	227	281	283	285
Total RfR 1		230	205	227	281	283	285
RfR 2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need							
Central government spending							
RfR 2 A.	Working age: administration	1,496	1,812	1,742	1,049	990	1,000
RfR 2 B.	Challenge funding and similar administrative measures	#	#	#	#		
RfR 2 C.	Housing Benefit administration: new towns	1	#	#	#		
RfR 2 D.	Motability administration	4	4	2	2	2	2
	Discretionary housing payment			#			
Total central government		1,501	1,816	1,745	1,052	992	1,002
Central government support for LAs							
RfR 2 E.	Challenge funding and similar administrative measures	116	43	86	114	116	118
RfR 2 F.	Housing Benefit and Council Tax Benefit administration grants	161	164	174	166	170	174
RfR 2 G.	Funding for ONE pilot scheme		#	1	1		
	Discretionary housing payment			2			
Total central government support for LAs		277	208	263	281	286	292
Total RfR 2		1,778	2,024	2,007	1,333	1,278	1,294
RfR 3: Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners							
Central government spending							
RfR 3 A.	Pensioners: administration	35	24	54	223	206	209
Total RfR 3		35	24	54	223	206	209
RfR 4: Modernising welfare delivery so as to improve the accessibility and accuracy of services							
RfR 4 A.	Modernisation: administration				198	8	8
Total RfR 4					198	8	8

Table 4 Consumption: Analysis of resource budget spending plans (continued)

		1998–9	1999–00	2000–01	2001–02	2002–03	£ million
		outturn	outturn	estimated	plans	plans	plans
				outturn			
RfR 5: Corporate contracts and support services							
RfR 5 A.	Corporate administration	177	192	445	1,019	1,051	1,063
	Information Technology Services Agency (ITSA) product and service provision	251	244				
	ITSA purchaser		12				
	Total RfR 5	428	448	445	1,019	1,051	1,063
Non-Voted Expenditure¹							
	Welfare modernisation				237	726	678
	National Insurance Fund administration	693	505	836	489	489	489
	Departmental Unallocated Provision			1	56	94	105
	Occupational Pensions Regulatory Authority (Opra)		10	11	17	16	17
	Pension provision cash payment	62	–4	5	5	5	5
	Consolidated Fund extra receipts	–3	–5	–3	–3		
	Total non-Voted Expenditure	751	506	850	801	1,330	1,294
	Total DEL^{5, 6}	3,222	3,206	3,584	3,855	4,156	4,152
<i>Of which:</i>							
	Central government spending	2,945	3,000	3,320	3,574	3,871	3,860
	Support for LAs	277	206	264	280	286	292
<i>Of which:</i>							
	Voted	2,471	2,700	2,734	3,054	2,826	2,858
	Non-Voted ^{1,2}	751	506	850	801	1,330	1,294
EOF DEL							
RfR 2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need							
RfR 2 H.	EOF: lone parents				6		
	Measures to help people with a disability or long-term illness move into or remain in work		3	4			
	Measures to help lone parents move from welfare to work		3	10			
	Measures to help unemployed people move from welfare to work		6	7			
	Total EOF DEL		12	22	6		
<i>Of which:</i>							
	Central government spending		12	22	6		
	Support for LAs						
<i>Of which:</i>							
	Voted		12	22	6		
	Non-Voted ¹						

Table 4 Consumption: Analysis of resource budget spending plans (continued)

		1998–99 outturn	1999–00 outturn	2000–01 estimated outturn	2001–02 plans	2002–03 plans	2003–04 plans
							£ million
AME							
RfR 1: Ensuring the best start for all children, ending child poverty in 20 years							
Central government spending							
RfR 1 B.	Childrens' benefits ⁷	9,687	10,179	8,671	8,880	9,023	9,268
RfR 1 C.	Childrens' non-cash items	2	–4	3	3	3	3
Total RfR1		9,690	10,175	8,674	8,883	9,026	9,271
Central government spending							
RfR 2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need							
RfR 2 I.	Disability benefits ⁸	1,837	1,880	1,874	1,952	1,940	1,979
RfR 2 J.	Industrial injury benefits ⁹	704	753	749	731	724	732
RfR 2 K.	Income Support (under 60 years of age)	7,723	8,302	8,933	9,536	9,337	9,486
RfR 2 L.	Jobseeker's Allowance (income-based)	3,044	2,796	2,453	2,417	2,451	2,507
RfR 2 M.	Jobseeker's Allowance (contribution-based)	0	0	0	0	0	0
RfR 2 N.	Job Grant and ETU pilot	33	27	4	23	23	23
RfR 2 O.	Grants to Independent Bodies ¹⁰	116	126	140	159	168	182
RfR 2 P.	Housing Benefit subsidies: new towns	24	18	10	3		
RfR 2 Q.	Discretionary housing payments: new towns				#	#	#
RfR 2 X.	Working age non-cash items	27	20	10	13	13	15
Total central government		13,507	13,923	14,173	14,835	14,656	14,923
Central government support for LAs							
RfR 2 R.	Compensation payments to landlords		#	#	#		
RfR 2 S.	Housing Benefit and Council Tax Subsidies	7,343	7,479	7,812	8,477	9,184	9,895
RfR 2 T.	Rent rebates	709	702	758	802	687	710
RfR 2 U.	Discretionary rent allowance	20	20	20	5		
RfR 2 V.	Housing Benefit under-occupation pilot			#	#	#	#
RfR 2 W.	Discretionary housing payments				15	20	20
Total central government support for LAs		8,071	8,201	8,591	9,299	9,891	10,625
Total RfR2		21,578	22,124	22,764	24,134	24,547	25,548

Table 4 Consumption: Analysis of resource budget spending plans (continued)

		1998–99 outturn	1999–00 outturn	2000–01 estimated outturn	2001–02 plans	2002–03 plans	2003–04 plans
							£ million
Central government spending							
RfR 3: Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners							
RfR 3 B.	Pensions benefits ¹¹	56	44	44	45	45	45
RfR 3 C.	War pensions	1,262	1,256	1,206	1,178	1,136	1,105
RfR 3 D.	Attendance Allowance	2,657	2,823	2,946	3,094	3,174	3,338
RfR 3 E.	Disability Living Allowance	5,197	5,660	6,044	6,511	6,877	7,418
RfR 3 F.	Income Support for the elderly ¹²	3,511	3,781	4,013	4,540	4,614	4,797
RfR 3 G.	Television licences for the over 75s			347	357	371	389
RfR 3 H.	Far eastern prisoners of war			190	15		
RfR 3 I.	Pensioners' non-cash items	-1	-9	-1	-1	-1	-1
Total RfR 3		12,682	13,554	14,787	15,740	16,217	17,092
RfR 4: Modernising welfare delivery so as to improve the accessibility and accuracy of services							
RfR 4 B.	Modernisation non-cash items				23	48	52
Total RfR 4					23	48	52
RfR 5: Corporate contracts and support services							
RfR 5 B.	Corporate administration non-cash items	5	4	11	9	9	9
	ITSA product and service provision non-cash items	10	15				
	ITSA provider non-cash items		#				
Total RfR 5		14	19	11	9	9	9
Non-Voted expenditure¹							
	Pension benefits ¹³	36,519	38,892	39,879	43,302	45,600	47,719
	Incapacity benefits ¹⁴	6,984	6,819	6,563	6,558	6,606	6,654
	Family benefits ¹⁵	573	616	669	715	808	1,142
	Jobseeker's Allowance	468	459	454	475	499	524
	Social Fund ¹⁶	355	1,063	1,867	1,477	1,532	1,549
	Pensions Compensation Board	#	#	#	3	1	1
	Paternity/adoption pay ¹⁷						55
	Consolidated Fund extra receipts		#	#	#		
	Non-Voted non-cash items ¹⁸	-39	5	22	24	27	27
Total non-Voted AME		44,859	47,854	49,454	52,555	55,072	57,670
Total AME^{3,5,6}		88,824	93,725	95,690	101,344	104,919	109,641

Table 4 Consumption: Analysis of resource budget spending plans (continued)

	1998–99 outturn	1999–00 outturn	2000–01 estimated outturn	2001–02 plans	2002–03 plans	£ million 2003–04 plans
<i>Of which:</i>						
Central government spending	80,753	85,524	87,099	92,045	95,028	99,016
Support for LAs	8,071	8,201	8,591	9,299	9,891	10,625
<i>Of which:</i>						
Voted	43,964	45,871	46,236	48,789	49,847	51,971
Non-Voted ^{1, 4}	44,859	47,854	49,454	52,555	55,072	57,670
<i>Of which non-cash items in AME</i>	–6	15	44	72	100	104
<i>Of which:</i>						
Depreciation	34	36	32	47	70	79
Cost of capital charges	33	–5	18	30	35	31
Changes in provisions and other charges	–64	–1	–5	–5	–5	–5

Notes: 1 Non-Voted expenditure includes expenditure of NDPBs some of which is financed by Voted grants.

2 DEL non-voted expenditure includes the administration costs of National Insurance Fund benefits, Opra costs, departmental unallocated provision, Consolidated Fund extra receipts, cash payments representing the release of pension provision already accounted for in resource terms when the provision was made, and expenditure on welfare modernisation not included in the Estimate.

3 Expenditure shown for 2000–01 reflects the latest benefit estimates.

4 AME non-Voted expenditure includes expenditure from the National Insurance Fund and Social Fund.

5 Totals may not sum due to rounding.

6 Amounts below £0.5m are indicated by #.

7 Childrens' benefits include Child Benefit and Child Benefit lone parent addition, Family Credit and Vaccine Damage Payments. New claims for Family Credit ceased after the introduction of the Working Families' Tax Credit in October 1999. From April 1997 One Parent Benefit was incorporated into Child Benefit.

8 Disability Benefits include Invalid Care Allowance, Severe Disablement Allowance and Disability Working Allowance. New claims for Disability Working Allowance ceased after the introduction of the Disabled Person's Tax Credit in October 1999.

9 Industrial injuries benefits include Industrial Disablement Benefit and Industrial Death Benefit.

10 Grants to Independent Bodies include grants to Independent Living, British Limbless Ex-Servicemen's Association and Motability.

11 Pensions benefits include non-contributory Retirement Pension and Christmas Bonus.

12 Income Support for the elderly refers to payments made to those aged 60 or over.

13 Pensions Benefits (non-Voted) refers to expenditure on basic and earnings-related elements of retirement pensions, Christmas Bonus and widows' benefits.

14 Incapacity benefits refer to Incapacity Benefit and Statutory Sick Pay.

15 Family Benefits refer to Maternity Allowance, Guardians Allowance and Statutory Maternity Pay.

16 Social Fund expenditure includes Winter Fuel Payments. The level of Winter Fuel Payments will be set by the Secretary of State for Social Security later in the year.

17 Paternity/adoption pay is a new measure for 2003–04 announced in the March 2001 Budget.

18 Non-Voted non-cash items include National Insurance Fund and Social Fund capital charges, Opra and Pensions Compensation Board non-cash costs and release of pension provision.

Table 5 Investment: Analysis of capital budget spending plans

		1998–99	1999–00	2000–01	2001–02	2002–03	2003–04
		outturn	outturn	estimated	plans	plans	plans
		£ million					
Capital budget							
Estimate	DEL						
RfR 1: Ensuring the best start for all children, ending child poverty in 20 years							
RfR 1 A.	Children: administration	3	4	2	1	2	2
Total RfR 1		3	4	2	1	2	2
RfR 2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need							
RfR 2 A.	Working age: administration	15	19	13	6	6	6
Shown in Estimates as resource expenditure outside DEL¹							
RfR 2 Z.	Profit/loss on asset disposals		1	#	#	#	#
Total RfR 2		15	20	13	6	6	6
RfR 3 : Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners							
RfR 3 A.	Pensioners: administration	1	1	#	#	#	#
Total RfR 3		1	1	#	#	#	#
RfR 5: Corporate administration costs							
RfR 5 A.	Corporate administration	–345	6	98	11	40	24
	ITSA product and service provision	10	8				
	ITSA provider		#				
Shown in Estimates as resource expenditure outside DEL¹							
	Capital grants to the private sector	5	3	3			
Total RfR 5		–330	17	101	11	40	24
Non-Voted Expenditure							
	PRIME development gain			–11			
	Welfare modernisation fund				85	60	2
Total non-Voted²				–11	85	60	2
Total DEL^{4,5}		–311	42	106	103	108	34
<i>Of which:</i>							
	Central government spending	–311	42	106	103	108	34
	Support for LAs						
<i>Of which:</i>							
	Voted	–311	42	117	18	48	32
	Non-Voted			–11	85	60	2

Table 5 Investment: Analysis of capital budget spending plans (continued)

		£ million					
		1998–99 outturn	1999–00 outturn	2000–01 estimated outturn	2001–02 plans	2002–03 plans	2003–04 plans
EOF DEL							
RfR 2 H.	RfR 2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need						
EOF							
	Welfare to work		#				
	Total EOF DEL		#				
<i>Of which:</i>							
	Central government spending		#				
	Support for LAs						
<i>Of which:</i>							
	Voted		#				
	Non-Voted						
AME							
<i>Of which:</i>							
	Non-Voted Expenditure ³		29	78	88	92	94
	Total non-Voted		29	78	88	92	94
	Total AME^{4,5}		29	78	88	92	94
<i>Of which:</i>							
	Central government spending		29	78	88	92	94
	Support for LAs						
<i>Of which:</i>							
	Voted						
	Non-Voted		29	78	88	92	94
Notes: 1 Expenditure which is treated as resource expenditure outside DEL in Accounts and Estimates but which is included as capital DEL in budgets. For example capital grants to the private sector and profit/loss on disposal.							
2 DEL non-Voted expenditure comprises Welfare Modernisation funding not included in the Estimate and receipts for PRIME (accommodation) development gains.							
3 AME non-Voted expenditure comprises Social Fund Net Lending.							
4 Totals may not sum due to rounding.							
5 Amounts below £0.5m are indicated by #.							

Table 6 Reconciliation of resource expenditure between Estimates, Accounts and budgets

	1998–99 outturn	1999–00 outturn	2000–01 estimated outturn	2001–02 plans	2002–03 plans	2003–04 plans
	£ million					
Net resource outturn (Estimates)	46,986	50,176	51,757	54,067	55,030	57,492
<i>Adjustments for:</i>						
Non-Voted expenditure in the OCS ¹	45,059	47,758	49,645	52,358	54,793	57,047
Consolidated Fund extra receipts in the OCS	-3	-5	-3	-3		
Other adjustments ²		-990	-2,088	-1,514	-1,569	-1,586
Net operating cost (Accounts)	92,042	96,939	99,311	104,908	108,254	112,953
<i>Adjustments for:</i>						
Other Consolidated Fund extra receipts		#	#	#		
Full resource consumption of NDPBs	-8	-1	1	4	1	2
Capital grants to the private sector and LAs	-5	-3	-3			
Gain/losses from sale of capital assets		-1	#	#	#	#
Unallocated resource provision			1	293	820	783
Other adjustments ³	17	9	-13			55
Resource budget outturn (Budget)	92,046	96,943	99,296	105,205	109,075	113,793
<i>Of which:</i>						
DEL	3,222	3,206	3,584	3,855	4,156	4,152
EOF DEL		12	22	6		
AME	88,824	93,725	95,690	101,344	104,919	109,641

Notes: 1 Non-Voted expenditure comprises: Expenditure from the National Insurance Fund, including administration costs of National Insurance Fund benefits and expenditure from the Social Fund.

2 Other adjustments consists of payments into the Social Fund.

3 Other adjustments include the shortfall/surplus on statutory benefits (Statutory Sick Pay and Statutory Maternity Pay), pension provision costs, paternity/adoption pay and Pensions Compensation Board costs.

Amounts below £0.5m are indicated by #.

Totals may not sum due to rounding.

Table 7 Reconciliation of capital expenditure between Estimates, Accounts and budgets

	1998–99 outturn	1999–00 outturn	2000–01 estimated outturn	2001–02 plans	2002–03 plans	£ million 2003–04 plans
Net Voted capital outturn (Estimates)	-316	39	114	18	48	32
<i>Adjustments for:</i>						
Capital grants to the private sector and LAs	5	3	3			
Gain/losses from sale of capital assets		1	#	#	#	#
Unallocated capital provision				85	60	2
<i>Other adjustments (detailed below)</i>						
Net lending from the Social Fund		29	78	88	92	94
PRIME development gain			-11			
Capital budget outturn (Budget)	-311	72	185	191	200	128
<i>of which:</i>						
DEL	-311	42	106	103	108	34
EOF DEL		#				
AME		29	78	88	92	94
Notes: Amounts below £0.5 million are indicated by #. Totals may not sum due to rounding.						

Table 8 Local authority expenditure*

	1995–96 outturn	1996–97 outturn	1997–98 outturn	1998–99 outturn	1999–00 outturn	£ million 2000–01 estimated outturn
Current spending						
Rent rebates (England and Wales)	4,780	4,883	4,781	4,680	4,637	4,597
Rent rebates (Scotland)	561	613	654	673	678	704
Rent allowances	5,432	5,792	5,658	5,638	5,790	5,891
Housing Benefit: modified schemes and payments in exceptional circumstances ¹	35	41	42	44	44	43
Rent allowances: discretionary payments for exceptional hardship ^{2,3}	#	3	7	9	9	12
Housing Benefit LA administration	305	310	319	330	331	329
Council Tax Benefit LA administration	175	176	179	182	190	191
Total LA expenditure	11,288	11,818	11,641	11,557	11,679	11,766

Notes: * LA expenditure covers central government support for Housing Benefit, including that appearing on the Department of the Environment, Transport and the Regions and the National Assembly for Wales programmes, and the administration of the above benefits, as well as expenditure financed from LAs' General Funds. This presentation of expenditure is in cash terms and excludes Housing Benefit expenditure in new towns and transitional payments

- 1 These payments are those relating to LAs powers to disregard all or part of War Disablement or War Widow's Pension in the benefit assessment, together with extra payments of benefit made in exceptional circumstances.
- 2 Payments in respect of exceptional hardship which arise as a result of the Local Reference Rent or Single Room Rent restrictions.
- 3 Amounts below £0.5 million are indicated by #.

Explanatory note on Housing Benefit expenditure

This table shows total expenditure on rent rebates and rent allowances paid by LAs' to benefit recipients in each particular year, together with administration costs incurred in each year. It includes expenditure financed from LAs' General Funds and also rent rebate expenditure financed through surpluses made within LAs' Housing Revenue Accounts (HRAs) and the rent rebate element of HRA subsidy.

Table 9 DSS administration costs

	1998–99 outturn	1999–00 outturn	2000–01 estimated outturn	2001–02 plans	2002–03 plans	£ million 2003–04 plans
Gross administration costs						
Paybill	1,468	1,566	1,443			
Other	1,457	1,523	1,930			
Total administration costs	2,925	3,089	3,373	3,581	3,871	3,861
Related receipts	-748	-591	-913	-522	-522	-522
Net expenditure	2,178	2,498	2,460	3,059	3,349	3,339
Gross controlled administration costs limit				3,566		
Administration costs by control area						
Gross control area						
Administration	208	216	646	1,897	2,258	2,233
Social Security Benefits Agency	2,158	2,297	2,422	1,359	1,289	1,301
Social Security Child Support Agency	230	205	228	248	251	253
Social Security War Pensions Agency	36	25	31	25	24	24
The Appeals Service		49	47	53	50	50
Total gross controlled areas	2,632	2,792	3,373	3,581	3,871	3,861
Net control area:						
ITSA						
Gross expenditure	294	298				
Net expenditure	251	255				
Note: Totals may not sum due to rounding.						

Table 10 Staff numbers

	1995–96 actual	1996–97 actual	1997–98 actual	1998–99 actual	1999–00 actual	2000–01 estimated outturn	2000–01 original	2001–02 plans
DSS CS whole-time equivalents	87,693	91,603	89,486	86,961	82,887	81,839	81,980	81,988
Overtime	4,292	3,663	2,556	2,604	2,096	1,523	1,572	1,422
Casuals	4,627	5,068	5,194	4,957	2,548	2,088	2,114	1,995
Total	96,612	100,334	97,236	94,522	87,531	85,450	85,666	85,405
Net running costs control ITSG								
CS full-time equivalents	2,576	1,949	1,868	1,678	1,819	1,902	–	–
Overtime	238	133	96	91	70	28	–	–
Casuals	341	233	91	72	77	34	–	–
Total	3,155	2,315	2,055	1,841	1,966	1,964	–	–
Total DSS	99,767	102,649	99,291	96,363	89,497	87,414	85,666	85,405

Notes: ITSA has operated on net running costs since April 1994 for the Provider element of its business. This ceased from September 2000 due to outsourcing of ITSA. The 2000–01 estimated outturn takes this into account and averages the five months from April to August for the net cost entry for ITSA.

From April 1995 all government departments must calculate part-time staff on the hours they work and not as half units as previously reported. This is staff numbers expressed as whole-time equivalents.

**Table 11 Departmental Expenditure Limits and Annually Managed Expenditure cash plans
1995–96 to 2000–01**

	1995–96 outturn	1996–97 outturn	1997–98 outturn	1998–99 outturn	1999–00 outturn	£ million 2000–01 estimated outturn
DEL current budget						
Central government						
Corporate administration	-21	90	112	164	175	429
Benefits Agency	1,758	1,800	1,712	1,739	2,009	1,709
Child Support Agency	178	203	208	200	226	227
War Pensions Agency	41	35	33	26	26	30
The Appeals Service	36	37	38	39	33	32
Contributions Agency	-5	9	-11	-6		
ITSA product and service provision	-88	-32	-30	-31	-14	
ITSA purchaser	11	16	16	14	13	
Challenge funding and similar administrative measures		#	#	#	#	#
Housing Benefit administration: new towns	1	1	1	1	#	#
Motability administration	4	4	4	4	4	2
Discretionary housing payments scheme start up costs: new towns						#
Total central government	1,916	2,164	2,083	2,151	2,471	2,429
Central government support for LAs						
Challenge funding and similar administrative measures	25	46	77	49	45	86
Housing Benefit and Council Tax Benefit administration grants	164	151	156	158	164	174
Funding for ONE pilot scheme						1
TV licence for over 75s administration						24
Discretionary housing payments scheme start up costs: LAs						2
Total central government support for LAs	189	196	234	207	209	287
Non-Voted expenditure						
National Insurance Fund administration	1,081	925	931	910	505	836
DUP						1
Consolidated Fund extra receipts	-52	-4	-19	-15	-40	-14
Total non-Voted	1,029	920	912	895	465	823
Total current DEL	3,134	3,281	3,229	3,252	3,145	3,540

Table 11 Departmental Expenditure Limits and Annually Managed Expenditure cash plans
1995–96 to 2000–01 (continued)

	1995–96 outturn	1996–97 outturn	1997–98 outturn	1998–99 outturn	1999–00 outturn	£ million 2000–01 estimated outturn
Central government						
Capital budget						
Corporate administration	17	19	13	–240	9	101
The Appeals Service	#	#	#	#	#	#
Benefits Agency	104	62	31	15	20	13
Child Support Agency	7	9	3	3	4	2
War Pensions Agency	2	1	#	1	1	#
ITSA product and service provision	19	23	16	10	8	
ITSA purchaser	#	#	#	#	#	
Contributions Agency	5	6	7	2		
Total Voted capital	155	119	71	–208	42	117
Non-Voted expenditure						
Headquarters accommodation services				–100		
Contributions Agency accommodation services			–71			
PRIME development gain						–11
Total non-Voted capital			–71	–100		–11
Total capital DEL	155	119	#	–308	42	106
Total spending in DEL	3,289	3,401	3,229	2,944	3,187	3,646
EOF DEL						
Current budget						
Welfare to work			4	14	12	22
Capital budget						
Welfare to work				#	#	
Total spending in EOF DEL			4	14	12	22
Total DEL	3,289	3,401	3,234	2,959	3,199	3,668
AME						
Current budget						
Central government						
Children's benefits ³	8,382	9,025	9,415	9,724	10,146	8,600
Disability benefits ⁴	5,259	6,174	6,740	7,132	7,527	7,882
Industrial injury benefits ⁵	731	743	747	761	763	754
Income Support (under 60 years of age)	12,804	10,630	8,193	8,172	8,311	9,032
Jobseeker's Allowance (income-based)		1,833	3,418	3,083	2,819	2,483
Jobseeker's Allowance (contribution-based)	0	0	0	0	0	0
Job Grant and ETU pilot		3	24	32	27	4

Table 11 Departmental Expenditure Limits and Annually Managed Expenditure cash plans
1995–96 to 2000–01 (*continued*)

	1995–96 outturn	1996–97 outturn	1997–98 outturn	1998–99 outturn	1999–00 outturn	£ million 2000–01 estimated outturn
Grants to Independent Bodies ⁶	108	112	111	116	123	137
Housing Benefit subsidies: new towns	70	48	30	24	17	16
Pension benefits ⁷	51	45	45	45	43	44
War pensions	1,258	1,351	1,288	1,264	1,258	1,201
Attendance Allowance	2,194	2,393	2,521	2,680	2,834	2,937
Disability Living Allowance						
Income Support for the elderly ⁸	3,888	3,815	3,773	3,619	3,735	3,967
TV licence payments						333
Far eastern prisoners of war						190
Total central government	34,745	36,173	36,304	36,652	37,603	37,581
Central government support for LAs						
Compensation payments to landlords			#	#	#	#
Housing Benefit and Council Tax Benefit subsidies	6,972	7,533	7,477	7,394	7,473	7,683
Rent rebates	605	653	666	715	701	743
Discretionary rent allowance	3	18	18	20	20	20
Housing Benefit under-occupation pilot						#
Total central government support for LAs	7,579	8,204	8,161	8,129	8,194	8,446
Non-Voted expenditure						
Pension benefits ⁹	31,103	33,104	34,667	36,673	38,817	39,766
Incapacity benefits ¹⁰	7,942	7,759	7,438	7,278	6,923	6,681
Family benefits ¹¹	555	375	539	593	585	668
Jobseeker's Allowance		333	475	474	462	437
Unemployment Benefit ¹²	1,102	587	#			
Social Fund	178	159	117	116	117	158
Winter Fuel Payments			191	194	759	1,836
Pensions Compensation Board			1	#	#	#
Consolidated Fund extra receipts	-11	-1	-1	-2	#	-1
Total non-Voted	40,868	42,317	43,427	45,327	47,663	49,546
Total current AME¹³	83,192	86,695	87,892	90,108	93,461	95,573
Capital budget						
Non-Voted expenditure						
Social Fund	88	80	69	83	69	88
Total AME	83,280	86,774	87,961	90,190	93,529	95,661
Total DEL and AME^{1,2}	86,569	90,175	91,195	93,149	96,729	99,328

- Notes:
- 1 Totals may not sum due to rounding.
 - 2 Amounts below £0.5m are indicated by #.
 - 3 Childrens' benefits include Child Benefit and Child Benefit lone parent addition, Family Credit and Vaccine Damage Payments. New claims for Family Credit ceased after the introduction of the Working Families' Tax Credit in October 1999. From April 1997 One Parent Benefit was incorporated into Child Benefit.
 - 4 Disability Benefits include Invalid Care Allowance, Severe Disablement Allowance and Disability Working Allowance. New claims for Disability Working Allowance ceased after the introduction of the Disabled Person's Tax Credit in October 1999.
 - 5 Industrial injuries benefits include Industrial Disablement Benefit and Industrial Death Benefit.
 - 6 Grants to Independent Bodies include grants to Independent Living, British Limbless Ex-Servicemen's Association and Motability.
 - 7 Pensions benefits include non-contributory Retirement Pension and Christmas Bonus.
 - 8 Income Support for the elderly refers to payments made to those aged 60 or over.
 - 9 Pensions benefits (non-Voted) refers to expenditure on basic and earnings-related elements of retirement pensions, Christmas Bonus and widows' benefits.
 - 10 Incapacity benefits refer to Incapacity Benefit and Statutory Sick Pay.
 - 11 Family Benefits refer to Maternity Allowance, Guardian's Allowance and Statutory Maternity Pay.
 - 12 Unemployment Benefit was replaced by Jobseeker's Allowance in 1996.
 - 13 Expenditure shown for 2000–01 reflects the latest benefit estimates and not the amounts Voted by Parliament.

Table 12 DEL and AME reconciliation of RAB and cash budgets, 1998–99 to 2000–01

	1998–99 outturn	1999–00 outturn	£ million 2000–01 estimated outturn
DEL current budget – cash	3,267	3,157	3,562
Timing adjustments	–64	33	16
Other adjustments	19	28	28
Resource budget DEL^{1,4}	3,222	3,218	3,606
DEL capital budget – cash	–308	42	106
Other adjustments ²	–3		
Capital budget – DEL	–311	42	106
Total DEL under cash	2,959	3,199	3,668
Total DEL under RAB	2,911	3,261	3,712
AME current budget – cash	90,108	93,461	95,573
Timing adjustments	–1,288	234	73
Resource budget departmental AME (Programme)	88,820	93,695	95,646
Non-cash items in resource AME	4	30	44
AME capital budget – cash	83	69	88
Timing adjustments	–83	–39	–10
Capital budget departmental AME^{3,4}	#	29	78
Total AME under cash	90,190	93,529	95,661
Total AME under RAB	88,824	93,754	95,768

Notes: 1 DEL expenditure includes Employment Opportunities Fund (EOF) – formerly Welfare to Work.

2 Other adjustments includes expenditure by the Contributions Agency which was included in the 1998–99 Cash Appropriation Account but excluded from the 1998–99 Resource Account. Work formerly carried out by the Contributions Agency was transferred to the Inland Revenue from April 1999.

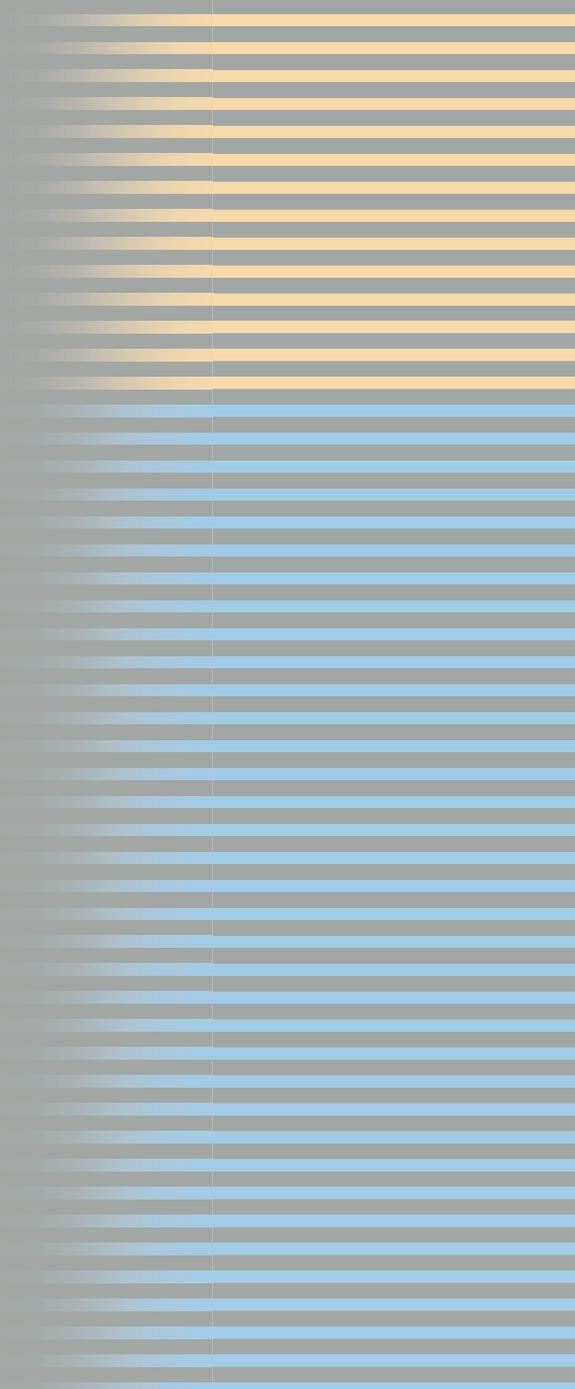
3 Amounts below £0.5m are indicated by #.

4 Totals may not sum due to rounding.



Part Six

Main Estimate



Department of Social Security

Introduction

- 1 This Estimate provides for expenditure on non contributory social security benefits, Vaccine Damage scheme and awards to surviving members of British groups held prisoner by the Japanese during the Second World War (far eastern prisoners of war) or their surviving spouse. It also provides for the cost of administration of social security benefit schemes in Great Britain, including the cost of other departments which act as agents of the Department of Social Security (DSS), in administering various aspects of social security including payments made to the post office and National Girobank for the encashment of order books and girocheques. Gross expenditure includes the costs incurred by the DSS in administering the benefits payable from the National Insurance Fund (Contributory). They are reimbursed from the Fund and these receipts are shown as appropriations in aid.
- 2 The Estimate also provides for Housing Benefit subsidies, Council Tax Benefit subsidies and payments to the National Insurance Fund which comprise of compensation in respect of Statutory Sick Pay and Statutory Maternity Pay. Also payments to the Social Fund which include budgeting and crisis loans, community care grants, maternity and funeral expenses, heating costs in exceptionally cold weather and Winter Fuel Payments. The Estimate also makes provision for the sums payable to the BBC in respect of the over 75's Free TV licence scheme.
- 3 Details of expenditure contained in this Estimate and of expenditure incurred by the Social Fund are included in Tables 4 and 5 of this report.
- 4 Symbols are explained in Annex A of this Estimate.

Part 1 Department of Social Security

	£000
RfR1: Ensuring the best start for all children, ending child poverty in 20 years.	9,163,821
RfR2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need.	26,159,643
RfR3: Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners.	17,494,480
RfR4 Modernising welfare delivery so as to improve the accessibility and accuracy of services.	221,216
RfR5: Corporate Contracts and Support Services.	1,028,128
Total net resource requirement	54,067,288
Net cash requirement	54,175,100

Part 1 Department of Social Security (continued)

Amounts required in the year ending 31 March 2002 for expenditure by the Department of Social Security on:

RfR1: Ensuring the best start for all children, ending child poverty in 20 years.

the administration costs and benefit payments of the child support system; Child Benefit; Family Credit; the benefit costs of vaccine damage and associated non-cash items.

RfR2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need.

the administration costs and benefit payments of Severe Disablement Allowance; Disability Working Allowance; pensions gratuities and sundry allowances for disablement and specified deaths arising from industrial causes; Income Support for the under 60s; Jobseeker's Allowance (contribution-based); Jobseeker's Allowance (income-based); earnings top up pilot; job grant; back to work bonus; compensation payments to the National Insurance Fund in respect of Statutory Sick Pay and Statutory Maternity Pay; and measures financed from the Employment Opportunities Fund. Also grants to Independent Living; motability and the British Limbless Ex-Servicemen's Association. Subsidies to housing, billing, levying and local authorities towards the costs incurred in administering the Housing Benefit and/or Council Tax Benefit schemes; rent rebate, rent allowance; Council Tax Benefit; community charge benefit; community charge rebate and rate rebate; payments to local authorities in respect of anti-fraud and similar administrative measures; discretionary housing payments; sums payable for participation in the ONE pilot scheme; sums payable for incentive payments in respect of Housing Benefit under occupation-schemes and sums payable for residual compensation payments to providers of supported accommodation; the benefit costs of Invalid Care Allowance and associated non-cash items.

RfR3: Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners.

the administration costs and benefit payments of non-contributory retirement pensions; Christmas Bonus payments to pensioners; pension and other payments/allowances for disablement or death arising out of war or service in the armed forces after 2 September 1939 and sundry other services including awards to surviving members of British groups held prisoner by the Japanese during the Second World War (far eastern prisoners of war) or their surviving spouse; Attendance Allowance; Disability Living Allowance; Income Support for the elderly; the administration costs of Invalid Care Allowance and vaccine damage; payments made to the BBC in respect of the over 75s free TV licence scheme; sums payable to fund payments and loans made by the Social Fund and associated non-cash items.

RfR4: Modernising welfare delivery so as to improve the accountability and accuracy of services.

costs of modernising Departmental systems and services and associated non-cash items.

RfR5: Corporate contracts and support services.

corporate administration and the costs associated with the Appeals Service and associated non-cash items.

The Department of Social Security will account for this Estimate.

	Net total £000	Allocated in Vote on Account (HC 251) £000	Balance to complete £000
RfR1	9,163,821	4,151,832	5,011,989
RfR2	26,159,643	11,838,870	14,320,773
RfR3	17,494,480	7,877,740	9,616,740
RfR4	221,216	14,740	206,476
RfR5	1,028,128	455,891	572,237
Total resource requirement	54,067,288	24,339,073	29,728,215
Net cash requirement	54,175,100	24,374,389	29,800,711

Part II Subhead detail

							2001–02 £000		
Resources							Capital	2000–01 provision	1999–00 outturn
1	2	3	4	5	6	7	8	9	10
Admin	Other current	Grants	Gross total	A in A	Net total	Capital	Non- Operating A in A	Net total resources	Net total resources
RfR 1: Ensuring the best start for all children, ending child poverty in 20 years									
283,456	3,781	8,879,023	9,166,260	2,439	9,163,821	1,000		8,849,994	10,379,633
Spending in Departmental Expenditure Limits (DEL):									
<i>Central government spending</i>									
★A: Children: administration									
283,456			283,456	2,439	281,017	1,000		227,468	204,933
Spending in Annually Managed Expenditure (AME):									
<i>Central government spending</i>									
B: Children's benefits									
		8,879,562	8,879,562		8,879,562			8,619,971	10,179,123
<i>Non-cash items</i>									
C: Children non-cash items									
	3,781	-539	3,242		3,242			2,555	-4,423
RfR2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need									
1,156,133	13,162	25,842,364	27,011,659	852,016	26,159,643	6,083		25,254,202	24,748,085
Spending in DEL:									
<i>Central government spending</i>									
★A: Working Age: administration									
1,149,681		722	1,150,403	101,208	1,049,195	6,083		1,741,931	1,812,059
★B: Challenge funding and similar administrative measures									
	10	182	192	10	182			192	-402
★C: Housing Benefit: administration: new towns									
	295		295		295			307	312
★D: Motability: administration									
		2,200	2,200	121	2,079			2,099	3,897
<i>Discretionary housing payments scheme: administration</i>									
								2	
<i>Support for local authorities (LAs)</i>									
★E: Challenge funding and similar administrative measures: LAs									
		114,908	114,908	590	114,318			85,938	43,211
★F: Housing Benefit and Council Tax Benefit administration grants									
		165,705	165,705		165,705			173,693	164,273
★G: Funding for ONE pilot scheme									
		750	750		750			750	236

Part II Subhead detail (continued)

							2001–02 £000		
Resources							Capital	2000–01 provision	1999–00 outturn
1	2	3	4	5	6	7	8	9	10
Admin	Other current	Grants	Gross total	A in A	Net total	Capital	Non- Operating A in A	Net total resources	Net total resources
<i>Discretionary housing payments scheme administration: LAs</i>								2,498	
★H: Employment Opportunities Fund: lone parents									
6,452			6,452		6,452				
<i>Measures to help unemployed people move from welfare to work</i>								6,782	5,995
<i>Measures to help lone parents move from welfare to work</i>								10,498	2,717
<i>Measures to help people with a disability or long-term illness move into or remain in work</i>								4,354	3,365
Spending in AME									
<i>Central government spending</i>									
I: Disability benefits		1,955,086	1,955,086	3,008	1,952,078			1,862,261	1,880,055
J: Industrial injury benefits		803,884	803,884	73,204	730,680			766,361	753,175
K: Income Support (under 60 years of age)		9,742,807	9,742,807	206,415	9,536,392			8,455,100	8,301,799
L: Jobseeker's Allowance (income-based)		2,417,972	2,417,972	488	2,417,484			2,533,956	2,796,067
M: Jobseeker's Allowance (contribution-based)		466,054	466,054	466,054	0				
N: Job Grant + ETU pilot		23,095	23,095		23,095			4,210	27,450
O: Grants to Independent Bodies		158,756	158,756		158,756			136,730	126,461
P: Housing Benefit subsidies: new towns		3,443	3,443		3,443			16,498	18,025
Q: Discretionary housing payments scheme: new towns		10	10		10				
<i>Support for LAs</i>									
R: Compensation payments to landlords		20	20		20			290	140
S: Housing Benefit and Council Tax Benefit subsidies		8,476,869	8,476,869	40	8,476,829			8,005,210	7,478,743
T: Rent rebates		802,209	802,209		802,209			753,003	702,330
U: Discretionary rent allowance		5,000	5,000		5,000			20,000	20,004

Part II Subhead detail (continued)

							2001–02 £000		
Resources							Capital	2000–01 provision	1999–00 outturn
1	2	3	4	5	6	7	8	9	10
Admin	Other current	Grants	Gross total	A in A	Net total	Capital	Non- Operating A in A	Net total resources	Net total resources
V: Housing Benefit under-occupation pilot			255		255			255	
W: Discretionary housing payments scheme			14,990		14,990				
<i>Non-cash items</i>									
X: Working Age non-cash items			12,857	147	13,004			8,586	19,580
Other spending outside DEL:									
Y: Statutory benefits (SSP and SMP)			687,300		687,300	876	686,424	662,700	587,800
Z: Profit/loss on asset disposals					2				
						-2		-2	793
RfR3: Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners									
288,171	19,641	17,317,288	17,625,100	130,620	17,494,480	228		17,478,909	14,578,354
Spending in DEL:									
<i>Central government spending</i>									
★ A: Pensioners: administration			288,171	10,000	298,171	75,046	223,125	228	54,027
Spending in AME:									
<i>Central government spending</i>									
B: Pension benefits		44,839	44,839		44,839			42,978	43,800
C: War pensions		9,000	1,168,877	1,177,877		1,177,877		1,186,466	1,255,515
D: Attendance Allowance		3,095,924	3,095,924	1,977	3,093,947			2,923,130	2,822,804
E: Disability Living Allowance		6,564,633	6,564,633	53,597	6,511,036			6,040,825	5,659,993
F: Income Support for the elderly		4,540,429	4,540,429		4,540,429			4,601,630	3,780,523
G: TV licences for the over 75s		357,256	357,256		357,256			341,700	
H: Far eastern prisoners of war compensation		15,000	15,000		15,000			190,000	
<i>Non-cash items</i>									
I: Pensioner non-cash items			641	-1,191	-550			-947	-8,896

Part II Subhead detail (continued)

							2001–02 £000			
Resources							Capital	2000–01 provision	1999–00 outturn	
1	2	3	4	5	6	7	8	9	10	
Admin	Other current	Grants	Gross total	A in A	Net total	Capital	Non- Operating A in A	Net total resources	Net total resources	
Other spending outside DEL:										
J: Payments to the Social Fund										
		1,514,272	1,514,272		1,514,272			2,088,018	989,650	
K: Opra (Grant in Aid)										
		17,249	17,249		17,249			11,082	11,356	
RfR4: Modernising welfare delivery so as to improve the accessibility and accuracy of services										
198,116	23,100		221,216		221,216					
Spending in DEL:										
<i>Central government spending</i>										
★ A: Modernisation: administration										
198,116			198,116		198,116					
Spending in AME:										
<i>Non-cash items</i>										
B: Modernisation non-cash items										
	23,100		23,100		23,100					
RfR5: Corporate contracts and support services										
1,362,261	9,292	215	1,371,768	343,640	1,028,128	12,438	1,700	459,681	469,934	
Spending in DEL:										
<i>Central government spending</i>										
★ A: Corporate: administration										
1,362,261		215	1,362,476	343,640	1,018,836	12,438	1,700	445,314	192,409	
<i>ITSA product and service provision</i>										
									244,048	
<i>ITSA purchaser</i>										
									11,559	
Spending in AME:										
<i>Non-cash items</i>										
B: Corporate administration non-cash items										
	9,292		9,292		9,292			11,091	3,620	
<i>ITSA product and service provision</i>										
									14,795	
<i>ITSA purchaser</i>										
									404	
Other spending outside DEL:										
<i>Administration</i>										
								3276	3,099	
Total	3,288,137	68,976	52,038,890	55,396,003	1,328,715	54,067,288	19,749	1,700	52,042,786	50,176,006

Part II Subhead detail (continued)

Resource to cash reconciliation		2001–02 £000
Net total resources		54,067,288
Voted capital items		
Capital	19,749	
Less non-operating A in A	1,700	
		18,049
Accruals to cash adjustment		
Cost of capital charges	-1,721	
Depreciation	-46,333	
Other non-cash items	-22,415	
Increase (+)/Decrease (-) in debtors	39,033	
Increase (-)/Decrease (+) in creditors	162,983	
Increase (-)/Decrease (+) in provision	-41,784	
		89,763
Net cash required		54,175,100

Part III Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	2001–02		2000–01		1999–00		£000
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>	
Operating income not classified as A in A	3,300	<i>3,300</i>	3,000	<i>3,000</i>	5,315	<i>5,315</i>	
Other income not classified as A in A	19,722	<i>19,722</i>	15,525	<i>15,525</i>	18,514	<i>18,514</i>	
Total	23,022	<i>23,022</i>	18,525	<i>18,525</i>	23,829	<i>23,829</i>	

Forecast operating cost statement – Main Estimate

for the year ended 31 March 2002

	£000	Provision 2001–02 £000	£000	Provision 2000–01 £000	£000	Outturn 1999–00 £000
Administration costs						
Voted expenditure						
Request for Resources 1						
Staff costs	226,982		139,336		153,963	
Other administration costs	56,474		88,322		51,023	
		283,456		227,658		204,986
Request for Resources 2						
Staff costs	726,933		1,187,272		1,251,232	
Other administration costs	429,200		1,251,535		1,055,951	
		1,156,133		2,438,807		2,307,183
Request for Resources 3						
Staff costs	278,693		17,036		17,209	
Other administration costs	9,478		13,855		7,625	
		288,171		30,891		24,834
Request for Resources 4						
Staff costs	4,058					
Other administration costs	194,058					
		198,116				
Request for Resources 5						
Staff cost	78,732		99,604		143,646	
Other administration costs	1,283,529		576,083		408,694	
		1,362,261		675,687		552,340
Total gross administration costs		3,288,137		3,373,043		3,089,343
Operating income		–33,319		–77,560		–85,129
Net administration costs		3,254,818		3,295,483		3,004,214

Forecast operating cost statement – Main Estimate (*continued*)

for the year ended 31 March 2002

	£000	Provision 2001–02 £000	£000	Provision 2000–01 £000	£000	Outturn 1999–00 £000
Programme costs						
Voted expenditure						
Request for Resources 1						
Expenditure	8,882,804		8,622,527		10,179,321	
Income			-1		-4,621	
		8,882,804		8,622,526		10,174,700
Request for Resources 2						
Expenditure	25,855,526		24,211,209		23,154,972	
Income	-754,152		-717,910		-235,535	
		25,101,374		23,493,299		22,919,437
Request for Resources 3						
Expenditure	17,248,571		17,248,097		14,626,075	
Income	-55,574		-41,100		-36,990	
		17,192,997		17,206,997		14,589,085
Request for Resources 4						
Expenditure	23,100					
Income						
		23,100				
Request for Resources 5						
Expenditure	9,507		15,133		33,989	
Income			-181		-11,217	
		9,507		14,952		22,772
Non-Voted expenditure						
Expenditure	50,558,639		47,079,657		46,327,078	
Income	-115,354		-98,343		-98,223	
		50,443,285		46,981,314		46,228,855
Total net programme costs		101,653,067		96,319,088		93,934,849
Net operating cost		104,907,885		99,614,571		96,939,063
Net resource outturn		54,067,288		52,042,786		50,176,006
Resource budget outturn		105,205,056		99,599,461		96,942,993

Forecast cash flow statement – Main Estimate

for the year ended 31 March 2002

	2001–02 provision £000	2000–01 provision £000	1999–00 outturn £000
Net cash outflow from operating activities (Note i)	-104,745,044	-99,370,986	-96,555,417
Capital expenditure and financial investment (Note ii)	-106,385	-191,441	-68,656
Receipts due to the Consolidated Fund which are outside the scope of the DSS's operations	19,722	15,525	18,514
Payments of amounts due to the Consolidated Fund	-23,022	-18,525	-52,881
Financing (Note iii)	104,854,729	99,729,877	96,314,649
Increase (+)/Decrease (-) in cash in the period	0	164,450	-343,791
[Inflows = +/Outflows = -]			
Notes to the cash flow statement			
Note i: Reconciliation of operating cost to operating cash flows			
Net operating cost	104,907,885	99,614,571	96,939,063
Remove non-cash transactions	-160,450	-114,013	-198,734
Adjust for movements in working capital other than cash	-7,391	-134,572	-189,383
Use of provisions	5,000	5,000	4,471
Net cash outflow from operating activities	104,745,044	99,370,986	96,555,417
[Net outflow = +]			
Note ii: Analysis of capital expenditure and financial investment			
Tangible fixed asset additions	19,749	116,178	40,232
Proceeds from disposal of fixed assets (i)	-1,702	-2,452	-877
Loans to other bodies	88,338	77,715	29,301
Net cash outflow for capital expenditure and financial investment	106,385	191,441	68,656
[Net outflow = +]			
(i) Includes profit/loss and bad debts on disposal of fixed assets			

Forecast cash flow statement – Main Estimate (continued)

for the year ended 31 March 2002

	2001–02 provision £000	2000–01 provision £000	1999–00 outturn £000
Note iii: Analysis of financing and reconciliation to the net cash requirement			
From Consolidated Fund (Supply): current year expenditure	54,175,100	52,059,110	49,750,114
Net payments from the National Insurance Fund	50,679,629	47,670,767	46,564,535
Net financing	104,854,729	99,729,877	96,314,649
Increase (-)/Decrease (+) in cash	0	-164,450	343,791
= Net cash flows other than financing (net outflow = +)	104,854,729	99,565,427	96,658,440
Adjust for payments and receipts not related to Supply:			
Amounts due to the Consolidated Fund – received in prior year and paid over			-29,052
National Insurance Fund financed activities – payments less receipts	-50,679,629	-47,670,767	-46,564,535
Activities financed from Other Funds – payments less receipts	0	164,450	-63,641
Net cash requirement for the year	54,175,100	52,059,110	50,001,212
[Net outflow = +]			

Forecast reconciliation of net resource outturn to net operating cost to resource outturn

	2001–02 £000	2000–01 £000	1999–00 £000
Net resource outturn	54,067,288	52,042,786	50,176,006
* Add non-Voted expenditure in the OCS	52,358,169	49,662,803	47,758,022
* Add Consolidated Fund extra receipts in the OCS	-3,300	-3,000	-5,315
* Remove other adjustments	-1,514,272	-2,088,018	-989,650
Net operating costs	104,907,885	99,614,571	96,939,063
* Add other Consolidated Fund extra receipts	-22	-15	-30
* Less grants in aid payable to NDPBs	-17,249	-11,082	-11,356
* Add cost of capital charges in respect of assets held by NDPBs	46	193	0
* Add net resource consumption by NDPBs including depreciation	21,306	11,567	10,028
* Less grants paid to private sector by departments to finance capital expenditure	0	-3,276	-3,099
* Reverse the deduction of gains and deduct the losses incurred on the disposal of assets	2	2	-793
* Add unallocated resource provision	293,088	1,000	0
Other adjustments:			
* Pension provision release			-8,319
* Shortfall/surplus of payments into National Insurance Fund for SMP/SSP		-13,499	17,499
Resource budget outturn	105,205,056	99,599,461	96,942,993
<i>Of which:</i>			
DEL	3,854,625	3,583,957	3,206,083
Spending in EOF DEL	6,452	21,634	12,077
AME	101,343,979	95,993,870	93,724,833

Explanation of Accounting Officer Responsibilities

HM Treasury has appointed the Permanent Head of the Department of Social Security, Mrs Rachel Lomax, as Accounting Officer of the DSS with responsibility for preparing the DSS Estimate.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which as Accounting Officer she is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officer's Memorandum issued by HM Treasury and published in Government Accounting 2000.

Appropriations in Aid Analysis

	£000					
	2001–02 provision		2000–01 provision		1999–00 outturn	
	Operating A in A	Non-operating A in A	Operating A in A	Non-operating A in A	Operating A in A	Non-operating A in A
Total for RfR1 to RfR5	1,328,715	1,700	1,647,786	2,450	872,222	1,754
RfR1 Ensuring the best start for all children, ending child poverty in 20 years.						
Administration	2,439		190		53	
Family Credit					4,621	
Total for RfR1:	2,439*	0**	190*	0**	4,674*	0**

* Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from staff for the use of outside facilities, services carried out by DSS on behalf of public and private sector bodies and members of the public, receipts from staff for private telephone calls, receipts from the Department for Education and Employment (DfEE) (Training) in respect of Modern Apprenticeships, receipts from staff towards the cost of private use of official vehicles, receipts from applicants for services provided by CSA, receipts from DfEE in respect of New Deal subsidy and training payments and receipts from the repayment of maintenance by absent parents.

** Amount that may be applied as non-operating appropriations in aid arising from receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings.

Appropriations in Aid Analysis (continued)

	£000					
	2001–02 provision		2000–01 provision		1999–00 outturn	
	Operating A in A	Non-operating A in A	Operating A in A	Non-operating A in A	Operating A in A	Non-operating A in A
RfR2 Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need.						
Administration	101,208		681,846		484,714	795
Motability administration	121		101			
Challenge funding and similar administrative measures	600		610		2,093	
Disability benefits	3,008		2,978		3,035	
Industrial injury benefits	73,204		41,550		34,424	
Income Support (under 60 years of age)	206,415		190,093		184,718	
Jobseeker's Allowance (income-based)	488		381		2,462	
Jobseeker's Allowance (contribution-based)	466,054		460,053			
Motability grant					1,132	
Housing Benefit and Council Tax Benefit subsidies	40		40		85	
Statutory benefits (SSP and SMP)	876		1,300		2,200	
Profit/loss on asset disposals	2		2		-793	
Total for RfR2:	852,016*	0**	1,378,954*	0**	714,070*	795**

* Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering National Insurance benefits, receipts from staff for the use of outside facilities, services carried out by DSS on behalf of public and private sector bodies and members of the public, receipts from staff for private telephone calls, recovery of law costs from defendants, receipts from sub-let accommodation, receipts from the Department for Education and Employment (DfEE) (Training) in respect of Modern Apprenticeships, other departments/organisations in respect of outward secondments, receipts from staff towards the cost of private use of official vehicles, receipts from DfEE in respect of New Deal subsidy and training payments, receipts from mortgage lenders, recoveries from staff for the administration cost of making attachment of earnings orders, recoveries of payments from the Department of Social Services (Northern Ireland) towards Motability's car adaptation and administration costs, receipts from Tenth Anniversary Trust towards Motability's car adaptation costs, recoveries from authorities not achieving baseline targets set in respect of anti fraud measures, recoveries from authorities not achieving targets set in respect of extended payments, from damages payable to recipients of Statutory Sick Pay, receipts via Compensation Recovery Unit in respect of benefits paid in lieu, payments on return to work after a trade dispute made to people who would normally be excluded from Income Support because they are in full-time work; payments by liable relatives, amounts collected through a court order or on a voluntary basis from relatives of Income Support claimants; receipts from the CSA of payments of maintenance from absent parents for parents with care who are in receipt of Income Support and repayment of Jobseeker's Allowance (contribution-based) from the National Insurance Fund.

**Amount that may be applied as non-operating appropriations in aid arising from receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings.

Appropriations in Aid Analysis (continued)

	£000					
	2001–02 provision		2000–01 provision		1999–00 outturn	
	Operating A in A	Non-operating A in A	Operating A in A	Non-operating A in A	Operating A in A	Non-operating A in A
RfR3 Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners.						
Administration	75,046		1,164		1,225	
Pensions benefits					1	
Attendance Allowance	1,977		2,155		1,941	
Disability Living Allowance	53,597		34,184		31,240	
Income Support 60 plus					3,808	
Total for RfR3:	130,620*	0**	37,503*	0**	38,215*	0**

* Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering National Insurance benefits, receipts from staff for the use of outside facilities, services carried out by DSS on behalf of public and private sector bodies and members of the public, receipts from staff for private telephone calls, recovery of law costs from defendants, receipts from sub-let accommodation, receipts from the Department for Education and Employment (DfEE) (Training) in respect of Modern Apprenticeships, other departments/organisations in respect of outward secondments, receipts from staff towards the cost of private use of official vehicles, receipts from DfEE in respect of New Deal subsidy and training payments, receipts from amount collected from residents and visitors to the Polish hostel, and receipts via Compensation Recovery Unit in respect of benefits paid in lieu.

** Amount that may be applied as non-operating appropriations in aid arising from receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings.

	£000					
	2001–02 provision		2000–01 provision		1999–00 outturn	
	Operating A in A	Non-operating A in A	Operating A in A	Non-operating A in A	Operating A in A	Non-operating A in A
RfR5 Corporate contracts and support services.						
Administration	343,640	1,700	231,139	2,450	116,395	959
Total for RfR5:	343,640*	1,700**	231,139*	2,450**	116,395*	959**

* Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering National Insurance benefits, receipts from staff for the use of outside facilities, services carried out by DSS on behalf of public and private sector bodies and members of the public, receipts from third parties for uninsured losses, receipts from staff for private telephone calls, recovery of law costs from defendants, receipts from sub-let accommodation, receipts from the Department for Education and Employment (DfEE) (Training) in respect of Modern Apprenticeships, other departments /organisations in respect of outward secondments, receipts from staff towards the cost of private use of official vehicles and receipts from DfEE in respect of New Deal subsidy and training payments, receipts from PRIME development gains, receipts in respect of the European Fast Stream and receipts from IT services to other government departments.

** Amount that may be applied as non-operating appropriations in aid arising from receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings.

Consolidated Fund extra receipts (CFERS)

Detail	2001–02 provision		2000–01 provision		1999–00 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
<i>In addition to appropriations-in-aid the following income and receipts relate to the department and are payable to the Consolidated Fund:</i>						
Levy on Pensions Industry collected by Opra	14,700	14,700	10,510	10,510	13,484	13,484
Headquarters accommodation services	5,000	5,000	5,000	5,000	5,000	5,000
Challenge funding recoveries	300	300			1,915	1,915
Miscellaneous receipts	3,000	3,000	3,000	3,000	3,400	3,400
Recoveries in respect of previous Independent Living Fund scheme	2	2	15	15	15	15
Recoveries in respect of previous Rent Allowance scheme	20	20			15	15
Total	23,022	23,022	18,525	18,525	23,829	23,829

Notes to the Estimate

- The DSS's DEL is £3,964,124,000 and the Administration Cost Limit is £3,566,177,000.
 - The provision sought for 2001–02 is 3.9% higher than the final net provision for 2000–01 of £52,043 million and 4.5% higher than the forecast outturn for that year of £51,757 million.
 - The following RfRs contain provision sought under sole authority of Part 1 of the Estimate and of the confirming Appropriation Act:

	£000
RfR1 Compensation payments to persons with care in respect of non-enforcement of maintenance arrears ■	560
RfR2 Work incentive measures for low income couples without children and single people ■	740
RfR3 Cost of awards to surviving members of British groups held prisoner by the Japanese during the Second World War (far eastern prisoners of war) or their surviving spouse ■	100
 - Cash which may be retained by the Department to offset expenditure in the year due to its relationship with income which has been or will be appropriated in aid for:

	2001–02 (Provision)	2000–01 (Provision)	1999–00 (Outturn)	£000
	1,330,415	1,650,236	873,976	
5. RfR2 and RfR3 include grant in aid provision for the Occupational Pensions Regulatory Authority ♥ £17,249,000, Independent Living Fund ♥ £150,456,000, Motability ♥ £8,285,000 and for the British Limbless Ex-Servicemen's Association ♥ £15,000.

ANNEX A

Symbols used in the 2001–02 Main Estimate

Public Expenditure

- ★ A section of an Estimate which contains discretionary expenditure.

Statutory authority for expenditure

- Items where provision is sought under the sole authority of Part I of the Estimate and of the confirming Appropriation Act.

Accounting and audit arrangements for grants in aid and certain subscriptions, etc, to international organisations

- ♥ The accounts of this body are audited by the Comptroller and Auditor General and presented to Parliament.

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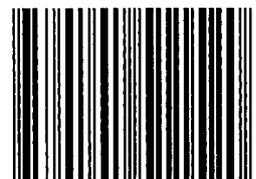
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