



Annexes

## Annex A – Expenditure tables

### The Government's expenditure plans 2007-08

The aim of these published tables is to provide an explanation of what the Department for Work and Pensions spends money on. The tables provide an analysis of Departmental expenditure in resource terms, showing resource consumption and capital investment. The information includes Voted and non-Voted expenditure and also shows the extent to which funds are provided to support local authority activities.

Tables 1, 2 and 3 have been expanded since Departmental Report 2006 to include a breakdown of expenditure by major budget category: Annually Managed Expenditure (AME) and Departmental Expenditure Limit (DEL). AME is primarily demand-led expenditure incurred on making benefit payments and is agreed as part of the Budget and Pre-Budget Report process. DEL is spending within the Department's direct control and which can therefore be planned over an extended period, such as the costs of its own administration, payments to third parties for example within Employment Programmes, Housing Benefit administration subsidies to Local Authorities, and the European Social Fund. DEL provision is settled with HM Treasury during the Spending Review process. Additionally, the tables identify near-cash expenditure within resource budgets; near-cash being a Treasury control used to assess expenditure which affects the 'Golden Rule'.

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

This table sets out a summary of the expenditure on functions which are now administered by the Department, covering the period from 2001-02 to 2007-08. As the Department was only formed during 2001, past years' figures have been determined on the basis of the expenditure incurred by each of the various business areas brought together by the Machinery of Government changes in June 2001. Current and future year figures reflect the budgeted figures agreed with HM Treasury for the Department as it is now, including responsibility for the Health and Safety Executive and Health and Safety Commission from 24 July 2002 and The Rent Service Executive Agency from 1 April 2004.

The table reflects the extent of the organisational changes that have taken place within the Department and presents the expenditure plans by way of the groups of clients who will be served through the consumption of the resources. The 'Corporate and Shared Services' grouping represents expenditure on corporate contracts, for example with the Post Office, and corporate administration. The line relating to the National Insurance Fund (NIF) represents the costs of the Department in administering contributory benefits on behalf of the NIF. These costs are met by the NIF.

The consumption of resources includes both administration and programme expenditure (including benefits) where appropriate. The capital expenditure plans are shown separately in respect of each area of administration within the Department. Expenditure by local authorities in respect of the welfare programmes is also shown on this table, and the extent to which it is supported by grants from the Department.

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

This table provides similar information to Table 1, though in greater detail for the resource budget. It shows the expenditure for each of the client groups, indicating the activities that the Department spends its money on. The expenditure plans differentiate between the costs of administration and expenditure incurred on the various welfare programmes. The entry concerning the National Insurance Fund relates only to the Department's costs in administering the fund.

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

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

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

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

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

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

**Table 6 – Staff numbers 2001-02 to 2007-08**

This table shows actual and projected staffing in the Department, split between permanent staff, temporary staff and overtime. Figures for all years up to 2004-05 are based on full-time equivalents and are consistent with Cabinet Office definitions at the time. Actual figures from 2005-06 are based on the Office for National Statistics specification which includes all paid staff and has the effect of increasing staff numbers by around 2 per cent. Planned figures to 2007-08 use the same specification and are based on agreed headcount plans as at 31 March 2007.

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

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

The majority of the expenditure is identifiable which means that it can be recognised as having been paid to and for the advantage of individuals within particular regions. Some non-identifiable expenditure is shown from 2004-05; this is planned spending which is deemed to be on behalf of the United Kingdom as a whole.

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

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

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

The figures also demonstrate that expenditure per head in Wales and Scotland is consistently higher than in England, and that spending is lowest in London and the South East. The reasons for the variation in the figures are many and complex, and will depend on variations in the structure of the population and the socio-economic environment. For example, areas such as the South West with a higher proportion of pensioners will tend to show higher spending, other things being equal, while the socio-economic factors that mostly affect benefits for working-age people are discussed in detail in *Full Employment in Every Region*<sup>1</sup>, published in December 2003 by the Department and HM Treasury.

**Table 9 – Department for Work and Pensions spending by objective by country and region in 2005–06**

This table shows the expenditure for 2005-06 in Table 7 broken down into the functional categories or objectives used in Tables 1, 2, 3 and 5. The Department does not plan or allocate expenditure on a regional basis. Social security benefits are paid to eligible individuals irrespective of where they live. The table also provides a breakdown of expenditure by Classification of Functions of Government (COFOG) consistent with information provided in the Public Expenditure Statistical Analyses 2007 (PESA).

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

This table shows total expenditure by the Department for Work and Pensions on the New Deals and Action Teams, including expenditure funded from the Windfall Tax.

TABLE 1: Total Departmental Spending for the Department for Work and Pensions							£ million <sup>(1, 2)</sup>	
	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans	
<b>RESOURCE BUDGET</b>								
<b>Resource DEL<sup>(3)</sup></b>								
Children <sup>(4, 5)</sup>	247	291	247	256	393	499	407	
Working age <sup>(5, 6)</sup>	3,504	3,237	3,719	3,882	3,694	4,578	4,415	
Pensioners <sup>(5, 6)</sup>	239	292	303	420	174	325	241	
Disability <sup>(5, 7)</sup>	15	3	188	186	227	279	271	
Corporate and Shared Services <sup>(5, 6, 8)</sup>	1,408	1,991	1,626	1,741	2,035	747	1,039	
National Insurance Fund <sup>(9)</sup>	471	890	1,399	1,137	1,083	1,112	1,142	
Public corporations <sup>(10)</sup>	143	113	108	109	126	145	106	
Unallocated provision	–	–	–	–	–	–	105	
<b>Total resource budget DEL</b>	<b>6,027</b>	<b>6,817</b>	<b>7,590</b>	<b>7,731</b>	<b>7,732</b>	<b>7,685</b>	<b>7,726</b>	
<i>of which: Near-cash<sup>(11)</sup></i>	5,985	6,667	7,512	7,643	7,474	7,446	7,563	
<b>Resource AME<sup>(12)</sup></b>								
Children <sup>(13)</sup>	4	3	1	1	5	–	–	
Working age	34,808	36,054	36,422	38,396	38,488	39,474	40,725	
Pensioners	49,959	52,450	55,245	59,336	62,888	64,911	68,569	
Disability	10,792	11,474	12,279	13,064	13,933	14,740	15,712	
Corporate and Shared Services <sup>(13)</sup>	5	2	1	3	13	–	–	
<b>Total resource budget AME</b>	<b>95,568</b>	<b>99,983</b>	<b>103,948</b>	<b>110,800</b>	<b>115,327</b>	<b>119,125</b>	<b>125,006</b>	
<i>of which: Near-cash<sup>(11)</sup></i>	95,470	99,828	103,854	110,464	115,065	118,569	124,809	
<b>Total resource budget</b>	<b>101,595</b>	<b>106,800</b>	<b>111,538</b>	<b>118,531</b>	<b>123,059</b>	<b>126,810</b>	<b>132,732</b>	
<i>of which: Depreciation</i>	46	95	101	132	139	203	155	

TABLE 1: Total Departmental Spending for the Department for Work and Pensions – continued

£ million<sup>(1, 2)</sup>

	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans
<b>CAPITAL BUDGET</b>							
<b>Capital DEL<sup>(3)</sup></b>							
Children	#	3	#	#	#	#	–
Working Age <sup>(14)</sup>	51	119	279	153	290	129	37
Pensioners <sup>(15)</sup>	–	1	1	7	34	64	5
Disability	–	–	1	1	1	#	–
Corporate and Shared Services <sup>(16)</sup>	123	157	-59	129	29	27	23
<b>Total capital budget DEL</b>	<b>174</b>	<b>280</b>	<b>222</b>	<b>290</b>	<b>354</b>	<b>220</b>	<b>65</b>
<b>Capital AME</b>							
Pensioners <sup>(17,18)</sup>	75	77	90	80	17	123	134
<b>Total capital budget AME</b>	<b>75</b>	<b>77</b>	<b>90</b>	<b>80</b>	<b>17</b>	<b>123</b>	<b>134</b>
<b>Total capital budget</b>	<b>249</b>	<b>357</b>	<b>312</b>	<b>370</b>	<b>371</b>	<b>343</b>	<b>199</b>
<b>Total departmental spending<sup>(19)</sup></b>							
Children	245	290	242	251	394	493	404
Working Age	38,336	39,355	40,342	42,343	42,388	44,055	45,068
Pensioners	50,272	52,817	55,634	59,834	63,095	65,407	68,950
Disability	10,806	11,476	12,466	13,248	14,159	15,017	15,981
Corporate and Shared Services	1,525	2,121	1,558	1,847	2,055	735	1,034
National Insurance Fund	471	890	1,399	1,137	1,083	1,112	1,142
Public Corporations	143	113	108	109	117	131	92
Unallocated Provision	–	–	–	–	–	–	105
<b>Total departmental spending</b>	<b>101,798</b>	<b>107,062</b>	<b>111,749</b>	<b>118,769</b>	<b>123,291</b>	<b>126,950</b>	<b>132,776</b>
<i>of which:</i>							
Total DEL	6,165	7,011	7,719	7,897	7,976	7,702	7,636
Total AME	95,633	100,051	104,030	110,872	115,315	119,248	125,140

TABLE 1: Total Departmental Spending for the Department for Work and Pensions – continued							£ million <sup>(1, 2)</sup>	
	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans	
<b>SPENDING BY LOCAL AUTHORITIES ON FUNCTIONS RELEVANT TO THE DEPARTMENT<sup>(20)</sup></b>								
<b>Current Spending</b>	12,326	13,468	13,195	14,024	14,841	15,625	–	
<i>of which:</i>								
financed by grants from budgets, above	13,642	14,591	14,358	16,910	17,928	18,774	–	
<b>Capital Spending</b>	3	1	#	#	#	#	–	
<i>of which:</i>								
financed by grants from budgets, above	1	5	4	1	#	3	–	

## Notes

- 1 Totals may not sum due to rounding.
- 2 Amounts below £0.5m are indicated by #.
- 3 Departmental Expenditure Limit (DEL) for Resource and Capital set as part of the Spending Review process and amended to incorporate transfers of functions to other Government departments.
- 4 Increase in 2002-03 is due to expenditure incurred on Child Support Reform. Increases from 2005-06 relate to expenditure incurred on the CSA Operational Improvement Plan.
- 5 From 2006-07 expenditure on accommodation and IS/IT was charged to individual businesses. This results in increases in expenditure in the client areas offsetting decreases in Corporate and Shared Services.
- 6 Variations between years are partly caused by changes to the apportionment of National Insurance Fund (NIF) receipts between client areas. In 2005-06 NIF receipts were only apportioned to Working Age and Pensioners. From 2006-07 the Department developed a more accurate method for applying its NIF receipts to those business areas incurring the related costs (Working Age, Pensioners and Corporate and Shared Services).
- 7 Increase from 02-03 relates to the setting up of the Disability Directorate costs which were previously within the Benefits Agency.
- 8 In addition to information provided in notes 5 and 6 variations in this run of figures have been caused by fluctuations in modernisation expenditure, re-structuring of the Department and costs relating to the Efficiency Challenge.
- 9 National Insurance Fund (NIF) Administration relates to the administration costs of processing NIF benefits. The variation in the NIF payment in later years results from a re-calculation to compensate for over/under payments in previous years.
- 10 Includes Remploy Ltd and Pension Protection Fund (2005-06 onwards).
- 11 Near-cash is an HM Treasury measure used to assess expenditure which impacts on the 'Golden Rule'.
- 12 Annually Managed Expenditure (AME) is set as part of the Budget and Pre Budget Report process.

- 13 Elements of asset depreciation were reclassified from DEL to AME in latest HM Treasury Budgeting Guidance, with changes impacted across all years.
- 14 Fluctuations in expenditure from 2003-04 relate to phasing of capital costs of Jobcentre Plus roll out programme.
- 15 Increase in 2005-06 and 2006-07 is a result of planned spending on the Pensions Transformation Programme.
- 16 Negative numbers arise due to the sale of capital assets.
- 17 Figures include net lending on the Social Fund (working age and pensioners).
- 18 The figure for 2005-06 was incorrectly recorded at the time of publication. The outturn for 2005-06 was £102m as reported in the Social Fund Annual Report 2005-06 (Cm6856). This will be corrected in future publications.
- 19 Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and the capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.
- 20 Local Authority spending is not forecast for future years.

TABLE 2: Resource Budget DEL and AME for the Department for Work and Pensions

£ million<sup>(1, 2)</sup>

	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans
<b>Resource DEL</b>							
<b>Children</b>	247	291	247	256	393	499	407
<i>of which:</i>							
Children administration <sup>(3, 5)</sup>	247	291	247	256	393	499	407
<b>Working age</b>	3,504	3,237	3,719	3,882	3,694	4,578	4,415
<i>of which:</i>							
Working Age administration <sup>(4, 5, 6, 7)</sup>	2,266	1,824	1,977	2,291	2,053	3,002	2,982
Employment Programmes <sup>(7)</sup>	964	1,100	1,146	979	918	1,010	717
Grants to Local Authorities <sup>(8)</sup>	235	272	556	573	687	531	680
The Rent Service Executive Agency <sup>(9)</sup>	39	41	40	39	36	35	36
<b>Pensioners</b>	239	292	303	420	174	325	241
<i>of which:</i>							
Pensioners benefits <sup>(10)</sup>	–	–	–	–	#	5	21
Pensioners administration <sup>(5, 6, 11)</sup>	239	292	303	420	174	320	220
<b>Disability</b>	15	3	188	186	227	279	271
<i>of which:</i>							
Disability administration <sup>(5, 12, 13)</sup>	15	3	188	186	227	279	271
<b>Corporate and shared services</b>	1,408	1,991	1,626	1,741	2,035	747	1,039
<i>of which:</i>							
Corporate and shared services administration <sup>(5, 6, 14)</sup>	1,408	1,991	1,626	1,741	2,035	747	1,039
<b>National Insurance Fund</b>	471	890	1,399	1,137	1,083	1,112	1,142
<i>of which:</i>							
National Insurance Fund: administration <sup>(15)</sup>	471	890	1,399	1,137	1,083	1,112	1,142

TABLE 2: Resource Budget DEL and AME for the Department for Work and Pensions – continued

£ million<sup>(1, 2)</sup>

	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans
<b>Public Corporations</b>	143	113	108	109	126	145	106
<i>of which:</i>							
Remploy Ltd.	143	113	108	109	117	131	92
Pensions Protection Fund <sup>(16)</sup>	–	–	–	–	9	14	14
<b>Unallocated Provision</b>	–	–	–	–	–	–	105
<b>Total resource budget DEL</b>	<b>6,027</b>	<b>6,817</b>	<b>7,590</b>	<b>7,731</b>	<b>7,732</b>	<b>7,685</b>	<b>7,726</b>
<i>of which:</i>							
Near-cash	5,985	6,667	7,512	7,643	7,474	7,446	7,563
<i>of which:</i> <sup>(17)</sup>							
Pay	2,514	2,857	2,981	3,105	3,295	2,827	–
Procurement	2,772	3,173	3,558	3,592	3,343	3,701	–
Current grants and subsidies to the private sector and abroad	211	125	169	232	74	120	–
Current grants to local authorities <sup>(8)</sup>	339	391	684	653	745	646	–
Depreciation	36	86	93	123	110	203	–
<b>Resource AME</b>							
<b>Children</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>–</b>	<b>–</b>
<i>of which:</i>							
Children benefits <sup>(18)</sup>	2	2	#	–	#	–	–
Children administration <sup>(19)</sup>	2	1	1	1	5	–	–
<b>Working age</b>	<b>34,808</b>	<b>36,054</b>	<b>36,422</b>	<b>38,396</b>	<b>38,488</b>	<b>39,474</b>	<b>40,725</b>
<i>of which:</i>							
Working Age benefits <sup>(20, 21)</sup>	21,414	21,687	22,610	22,052	21,231	21,272	21,467
Working Age administration <sup>(19)</sup>	2	6	6	5	10	#	–
Employment Programmes	80	174	139	87	72	72	84
Grants to Local Authorities	13,312	14,187	13,667	16,252	17,175	18,130	19,174

TABLE 2: Resource Budget DEL and AME for the Department for Work and Pensions – continued							£ million <sup>(1, 2)</sup>	
	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans	
<b>Pensioners</b>	<b>49,959</b>	<b>52,450</b>	<b>55,245</b>	<b>59,336</b>	<b>62,888</b>	<b>64,911</b>	<b>68,569</b>	
<i>of which:</i>								
Pensioners benefits <sup>(22)</sup>	48,052	50,478	53,033	57,089	60,543	62,556	66,186	
Social Fund <sup>(23)</sup>	1,907	1,972	2,209	2,244	2,345	2,355	2,383	
Pensioners administration <sup>(24)</sup>	#	#	3	3	–	–	–	
<b>Disability</b>	<b>10,792</b>	<b>11,474</b>	<b>12,279</b>	<b>13,064</b>	<b>13,933</b>	<b>14,740</b>	<b>15,712</b>	
<i>of which:</i>								
Disability Benefits and Grants to Independent Bodies <sup>(25)</sup>	10,792	11,474	12,279	13,064	13,933	14,740	15,712	
<b>Corporate and Shared Services</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>13</b>	<b>–</b>	<b>–</b>	
<i>of which:</i>								
Corporate and shared services administration <sup>(19)</sup>	5	2	1	3	13	–	–	
<b>Total resource budget AME</b>	<b>95,568</b>	<b>99,983</b>	<b>103,948</b>	<b>110,800</b>	<b>115,327</b>	<b>119,125</b>	<b>125,006</b>	
<i>of which:</i>								
Near-cash	95,470	99,828	103,854	110,464	115,065	118,569	124,809	
<i>of which:</i> <sup>(17)</sup>								
Current grants and subsidies to the private sector and abroad	81,799	85,243	89,768	93,770	98,501	100,618	105,709	
Current grants to local authorities	13,304	14,200	13,674	16,258	17,183	18,127	19,171	
Depreciation	10	9	8	9	29	–	–	
<b>Total resource budget</b>	<b>101,595</b>	<b>106,800</b>	<b>111,538</b>	<b>118,531</b>	<b>123,059</b>	<b>126,810</b>	<b>132,732</b>	

## Notes

- 1 Totals may not sum due to rounding.
- 2 Amounts below £0.5m are indicated by #.
- 3 See note 4 in Table 1.
- 4 Includes National Employment Panel (NEP) Ltd and Health & Safety Executive/Laboratory (HSE/HSL).
- 5 See note 5 in Table 1.
- 6 See note 6 in Table 1.
- 7 Employment Programme administration costs moved into the Working Age Administration line in 2004-05.
- 8 Increases in grants to Local Authorities from 2003-04 reflects changes to Housing Benefit/Council Tax Benefit payments with DWP taking responsibility for grants previously paid by ODPM, Scottish Executive and National Assembly for Wales.
- 9 The Rent Service transferred from ODPM in April 2004.
- 10 Relates to payments made by the Financial Assistance Scheme (FAS).
- 11 Includes Office of the Pensions Regulatory Authority (to 2004-05) and The Pensions Regulator (from 2005-06).
- 12 Includes the Disability Rights Commission.
- 13 Increase from 2002-03 relates to the setting up of the Disability Directorate costs which were previously within the Benefits Agency.
- 14 See note 8 in Table 1.
- 15 See note 9 in Table 1.
- 16 The Pension Protection Fund (PPF) became operational in April 2005.
- 17 The breakdown of near-cash in Resource DEL by economic category may exceed the total near-cash Resource DEL reported above because of other income and receipts that score in near-cash Resource DEL but are not included as pay, procurement, or current grants and subsidies to the private sector, abroad and local authorities.
- 18 Relates to Guardian's Allowance and Child's Special Allowance.
- 19 See note 13 in Table 1.
- 20 Working Age benefits include: Severe Disablement Allowance, Industrial Injuries Benefits, Income Support (under 60 years of age), Job Seekers Allowance, Job Grant, Earnings Top Up, Statutory Sick Pay, Statutory Maternity Pay, Incapacity Benefit.
- 21 Reduction from 2005-06 is a result of the migration of child elements of Income Support to Child Tax Credit (HMRC).
- 22 Pensioner benefits include: State Pension, non-contributory Retirement Pension, Christmas Bonus, Pension Credit, TV Licences for the over 75s and Widows Benefits.
- 23 Relates to all Social Fund resource expenditure, including Winter Fuel payments. Figures include Social Fund resource expenditure for working age as well as pensioners.
- 24 Relates to Pensions Compensation Board.
- 25 Disability benefits include: Attendance Allowance, Disability Living Allowance, Disability Working Allowance, Invalid Care Allowance, Vaccine Damage. Grants to Independent Bodies include grants to Independent Living Fund and Motability.

	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans
<b>Capital DEL</b>							
Children	#	3	#	#	#	#	–
<i>of which:</i>							
Children administration	#	3	#	#	#	#	–
<b>Working age</b>	51	119	279	153	290	129	37
<i>of which:</i>							
Working Age administration <sup>(3)</sup>	45	111	268	150	289	122	32
Employment Programmes	2	6	6	2	#	5	4
The Rent Service Executive Agency	4	2	5	1	1	2	1
<b>Pensioners</b>	–	1	1	7	34	64	5
<i>of which:</i>							
Pensioners administration <sup>(4)</sup>	–	1	1	7	34	64	5
<b>Disability</b>	–	–	1	1	1	#	–
<i>of which:</i>							
Disability administration	–	–	1	1	1	#	–
<b>Corporate and Shared Services</b>	123	157	-59	129	29	27	23
<i>of which:</i>							
Corporate services administration <sup>(5)</sup>	123	157	-59	129	29	27	23
<b>Total capital budget DEL</b>	<b>174</b>	<b>280</b>	<b>222</b>	<b>290</b>	<b>354</b>	<b>220</b>	<b>65</b>
<i>of which:</i>							
Capital expenditure on fixed assets net of sales <sup>(6)</sup>	168	268	208	281	351	203	52
Capital support to public corporations	5	6	7	7	3	6	6
Capital support to local authorities	1	5	4	1	#	3	3

TABLE 3: Capital Budget DEL and AME for the Department for Work and Pensions – continued							£ million <sup>(1, 2)</sup>	
	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans	
Capital AME								
Pensioners	75	77	90	80	17	123	134	
<i>of which:</i>								
Social Fund <sup>(7)</sup>	75	77	90	80	17	123	134	
Total capital budget AME	75	77	90	80	17	123	134	
Total capital budget	249	357	312	370	371	343	199	
<i>of which:</i>								
Capital expenditure on fixed assets net of sales <sup>(6)</sup>	168	268	208	281	351	203	52	
Less Depreciation	46	95	101	132	139	203	155	
Net capital expenditure on tangible fixed assets	122	173	107	149	212	–	-103	

#### Notes

- 1 Totals may not sum due to rounding.
- 2 Amounts below £0.5m are indicated by #.
- 3 See note 14 in Table 1.
- 4 See note 15 in Table 1.
- 5 See note 16 in Table 1.
- 6 Expenditure by the department and NDPBs on land, buildings and equipment, net of sales. Excludes spending on financial assets, grants and public corporations' capital expenditure.
- 7 See notes 17 and 18 in Table 1.

TABLE 4: Capital employed for the Department for Work and Pensions							£ million	
	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans	
Assets on balance sheet at end of year								
Fixed Assets	406	549	610	767	1,008	995	1,110	
Intangible Assets <sup>(1)</sup>	–	–	1	26	40	53	27	
<i>Tangible assets of which:</i>								
Land and Buildings excluding Dwellings	200	155	11	65	62	70	65	
Leasehold Improvements <sup>(2)</sup>	–	11	330	378	580	518	613	
Plant and Machinery	9	8	6	6	5	5	2	
Furniture and Fittings	42	138	15	16	14	13	42	
Transport Equipment	15	19	20	19	18	14	8	
Information Technology	139	217	224	162	193	180	257	
Payments on Account & Assets under construction <sup>(1)</sup>	–	–	2	95	95	141	95	
Investments <sup>(3)</sup>	1	1	1	–	1	1	1	
Current Assets	3,493	3,122	4,261	4,228	3,973	3,971	3,971	
Creditors (< 1 year) <sup>(4)</sup>	-3,099	-3,245	-3,606	-4,603	-3,424	-3,074	-3,074	
Creditors (> 1 year)	–	–	-274	-340	-349	-276	-276	
Provisions	-362	-164	-165	-338	-399	-359	-359	
Capital employed within departmental group	438	262	826	-286	809	1,257	1,372	
NDPB net assets <sup>(5)</sup>	5	4	4	2	1	3	1	
Public corporation net assets	26	32	32	-140	-158	-168	-169	
Total capital employed within departmental group	469	298	862	-424	652	1,092	1,204	

## Notes

- 1 From 2004-05 the Department capitalised software licences and software development. As a consequence intangible assets and payments on account & assets under construction increased due to the purchase of software licences and development of software to support the Department's Change Programme.
- 2 From 2003-04 the Department reviewed its accounting policy in respect of the capitalisation of expenditure on improvements to leasehold properties. As a result expenditure in respect of major capital refurbishment and improvements of properties occupied but not owned by the Department is capitalised and reported under Leasehold Improvements.
- 3 Previously Investments were not separately disclosed but were included in Fixed Assets.
- 4 2004-05 includes two exceptional items – a balance owing to the Contingencies Fund and an amount owed to paying agents.
- 5 From 2004-05 the Department's Non-Departmental Public Bodies, Public Corporations and The Rent Service implemented FRS 17 'Retirement Benefits' and recognised a liability for funding existing and future pensions increases on their Balance Sheet.

TABLE 5: Administration Costs for the Department for Work and Pensions							£ million <sup>(1, 2)</sup>	
	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans	
<b>Administration expenditure<sup>(3)</sup></b>								
Paybill	2,503	2,843	2,956	3,068	3,216	2,816		
Other	2,417	2,864	3,086	3,038	2,793	3,227		
<b>Total administration expenditure</b>	<b>4,920</b>	<b>5,707</b>	<b>6,042</b>	<b>6,106</b>	<b>6,009</b>	<b>6,043</b>	<b>5,917</b>	
Administration income	-108	-123	-132	-126	-161	-100	-119	
<b>Total administration budget</b>	<b>4,812</b>	<b>5,584</b>	<b>5,910</b>	<b>5,980</b>	<b>5,848</b>	<b>5,943</b>	<b>5,798</b>	
<b>Analysis by activity</b>								
Children <sup>(4, 5)</sup>	247	291	247	255	390	494	407	
Working Age <sup>(5)</sup>	2,658	2,325	2,357	2,490	2,699	3,520	3,273	
Pensioners <sup>(5)</sup>	219	419	484	571	618	677	602	
Disability <sup>(5, 6)</sup>	1	#	172	167	197	257	248	
Corporate and Shared Services <sup>(5, 7)</sup>	1,687	2,549	2,650	2,497	1,944	995	1,163	
Unallocated Provision	-	-	-	-	-	-	105	
<b>Total administration budget</b>	<b>4,812</b>	<b>5,584</b>	<b>5,910</b>	<b>5,980</b>	<b>5,848</b>	<b>5,943</b>	<b>5,798</b>	

## Notes

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

TABLE 6: Staff numbers 2000–01 to 2007–08 averaged over each year, showing full-time equivalent (FTE), overtime and temporary staff

	2000-01 actual	2001-02 actual	2002-03 actual	2003-04 actual	2004-05 actual	2005-06 actual	2006-07 actual	2007-08 plans
<b>Permanent Staff</b>								
Children	–	–	13,180	11,149	10,004	10,125	11,205	10,265
Working age	–	–	80,729	76,213	75,651	73,980	70,803	68,367
Pensions	–	–	13,330	18,820	17,250	15,284	13,691	11,998
Disability	–	–	7,225	7,031	6,658	6,394	6,243	5,740
Corporate and shared services	–	–	10,031	10,259	11,260	9,994	8,681	8,113
<b>Total civil service FTE</b>	<b>80,935</b>	<b>117,361</b>	<b>124,495</b>	<b>123,472</b>	<b>120,823</b>	<b>115,777</b>	<b>110,622</b>	<b>104,490</b>
Overtime	1,785	2,525	2,683	2,652	2,491	1,927	2,111	2,090
Temporary staff	2,145	4,231	4,231	4,662	3,674	2,268	1,767	1,679
<b>TOTAL</b>	<b>84,865</b>	<b>124,117</b>	<b>131,409</b>	<b>130,786</b>	<b>126,988</b>	<b>119,972</b>	<b>114,500</b>	<b>108,259</b>
<b>Information Technology Services Agency (ITSA)</b>								
Permanent staff	1,879	–	–	–	–	–	–	–
Overtime	28	–	–	–	–	–	–	–
Temporary staff	34	–	–	–	–	–	–	–
<b>Total ITSA</b>	<b>1,941</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL DWP</b>	<b>86,806</b>	<b>124,117</b>	<b>131,409</b>	<b>130,786</b>	<b>126,988</b>	<b>119,972</b>	<b>114,500</b>	<b>108,259</b>

Notes:

- 1 The figures for 2000-01 are the figures for the former Department of Social Security.
- 2 The figures for 2001-02 and future years reflect the Machinery of Government changes setting up the Department for Work and Pensions from June 2001 onwards.
- 3 Child Benefit Centre staff (around 2,000) transferred to HM Revenue and Customs from April 2003.
- 4 Figures for all years up to 2004-05 are based on full time equivalents and are consistent with Cabinet Office definitions at the time.
- 5 Appeals Service transferred to the Department for Constitutional Affairs from April 2006.
- 6 Actual figures for 2005-06 and 2006-07 are based on the Office for National Statistics specification, which includes all paid staff and has the effect of increasing staff numbers by around 2 per cent.
- 7 Planned figures for 2007-08 use the same specification and are based on agreed headcount plans as at 31 March 2007.
- 8 Figures in this table are average figures over each year as specified. The figures are consistent with, but on a different basis from, the point in time presentation used in Figure 24 in Chapter Three.
- 9 Totals may not sum due to rounding.

TABLE 7: Department for Work and Pensions' identifiable expenditure on services, by country and region							£ million
	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 plans	2007-08 plans
North East	5,004	5,307	5,486	5,653	5,766	5,835	6,052
North West	12,009	12,537	13,229	13,688	14,076	14,307	14,919
Yorkshire and Humberside	8,206	8,649	9,059	9,385	9,681	9,852	10,270
East Midlands	6,036	6,268	6,609	6,954	7,265	7,388	7,804
West Midlands	8,291	8,703	9,213	9,608	9,968	10,103	10,624
Eastern	7,106	7,507	7,947	8,380	8,773	8,931	9,450
London	9,588	10,225	10,945	11,300	11,512	11,599	12,109
South East	9,814	10,275	10,927	11,533	12,114	12,351	13,089
South West	7,092	7,369	7,824	8,238	8,657	8,838	9,363
<b>Total England</b>	<b>73,146</b>	<b>76,840</b>	<b>81,239</b>	<b>84,739</b>	<b>87,812</b>	<b>89,204</b>	<b>93,680</b>
Scotland	8,350	8,637	9,069	9,431	9,719	9,860	10,391
Wales	5,252	5,431	5,710	5,956	6,141	6,232	6,555
Northern Ireland	–	–	–	–	14	–	–
<b>Total UK identifiable expenditure</b>	<b>86,748</b>	<b>90,908</b>	<b>96,018</b>	<b>100,126</b>	<b>103,686</b>	<b>105,296</b>	<b>110,626</b>
Outside UK	1,604	1,692	1,784	1,963	1,957	2,041	2,168
<b>Total identifiable expenditure</b>	<b>88,352</b>	<b>92,600</b>	<b>97,802</b>	<b>102,089</b>	<b>105,643</b>	<b>107,337</b>	<b>112,794</b>
Non-identifiable expenditure	–	–	–	–	–	67	105
<b>Total expenditure on services</b>	<b>88,352</b>	<b>92,600</b>	<b>97,802</b>	<b>102,089</b>	<b>105,643</b>	<b>107,404</b>	<b>112,899</b>

## Notes

- 1 Figures may not sum due to rounding.
- 2 **Tables 7, 8 and 9** show analyses of the department's spending by country and region, and by function. The data presented in these tables are consistent with the country and regional analyses (CRA) published by HM Treasury in Chapter 9 of Public Expenditure Statistical Analyses (PESA) 2007 (Cm7091). The figures were taken from the HM Treasury public spending database in December 2006 and the regional distributions were completed in January and February 2007. Therefore the tables may not show the latest position and are not consistent with other tables in the Departmental Report.
- 3 The analyses are set within the overall framework of Total Expenditure on Services (TES). TES broadly represents the current and capital expenditure of the public sector, with some differences from the national accounts measure Total Managed Expenditure. The tables show the central government and public corporation elements of TES. They include current and capital spending by the department and its NDPBs, and public corporations' capital expenditure, but do not include capital finance to public corporations. They do not include payments to local authorities or local authorities own expenditure.
- 4 TES is a near-cash measure of public spending. The tables do not include depreciation, cost of capital charges, or movements in provisions that are in departmental budgets. They do include pay, procurement, capital expenditure, and grants and subsidies to individuals and private sector enterprises. Further information on TES can be found in Appendix E of PESA 2007.
- 5 The data are based on a subset of spending – identifiable expenditure on services – which is capable of being analysed as being for the benefit of individual countries and regions. Expenditure that is incurred for the benefit of the UK as a whole is excluded.
- 6 Across government, most expenditure is not planned or allocated on a regional basis. Social security payments, for example, are paid to eligible individuals irrespective of where they live. Expenditure on other programmes is allocated by looking at how all the projects across the department's area of responsibility, usually England, compare. So the analyses show the regional outcome of spending decisions that on the whole have not been made primarily on a regional basis.
- 7 The functional analyses of spending in **Table 9** are based on the United Nations Classification of the Functions of Government (COFOG), the international standard. The presentations of spending by function are consistent with those used in chapter 9 of PESA 2007. These are not the same as the strategic priorities shown elsewhere in the report.
- 8 The Corporate Services row of data in the strategic priorities area of **Table 9** includes National Insurance Fund (NIF) Administration relating to the administration cost of processing NIF benefits.
- 9 Benefit expenditure in Northern Ireland is the responsibility of the Northern Ireland Social Security Agency other than the free Television Licence expenditure for those aged over 75 years of age. This expenditure is not shown separately in the table other than for 2005-06.
- 10 The methods of apportioning expenditure between regions will be reviewed during the coming year, in line with the Allsop Review recommendations, so figures are subject to change. However, the figures quoted in the table should give a reasonable indication of the level of spending in each country and region.

TABLE 8: Department for Work and Pensions' identifiable expenditure on services, by country and region £ per head per head

	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 plans	2007-08 plans
North East	1,970	2,091	2,160	2,221	2,254	2,285	2,367
North West	1,773	1,848	1,944	2,005	2,056	2,082	2,165
Yorkshire and Humberside	1,649	1,732	1,808	1,863	1,912	1,930	2,001
East Midlands	1,441	1,484	1,554	1,625	1,687	1,704	1,790
West Midlands	1,570	1,641	1,732	1,801	1,858	1,880	1,971
Eastern	1,316	1,384	1,455	1,526	1,583	1,604	1,687
London	1,309	1,387	1,482	1,521	1,531	1,528	1,582
South East	1,223	1,277	1,352	1,422	1,484	1,505	1,588
South West	1,435	1,483	1,565	1,635	1,708	1,729	1,819
<b>Total England</b>	<b>1,479</b>	<b>1,548</b>	<b>1,629</b>	<b>1,692</b>	<b>1,741</b>	<b>1,759</b>	<b>1,838</b>
Scotland	1,649	1,709	1,793	1,857	1,908	1,930	2,032
Wales	1,805	1,858	1,944	2,017	2,076	2,093	2,193
Northern Ireland	–	–	–	–	8	–	–
<b>Total UK identifiable expenditure</b>	<b>1,467</b>	<b>1,532</b>	<b>1,612</b>	<b>1,673</b>	<b>1,722</b>	<b>1,739</b>	<b>1,819</b>

## Notes

- 1 Figures may not sum due to rounding.
- 2 **Tables 7, 8 and 9** show analyses of the department's spending by country and region, and by function. The data presented in these tables are consistent with the country and regional analyses (CRA) published by HM Treasury in Chapter 9 of Public Expenditure Statistical Analyses (PESA) 2007 (Cm7091). The figures were taken from the HM Treasury public spending database in December 2006 and the regional distributions were completed in January and February 2007. Therefore the tables may not show the latest position and are not consistent with other tables in the Departmental Report.
- 3 The analyses are set within the overall framework of Total Expenditure on Services (TES). TES broadly represents the current and capital expenditure of the public sector, with some differences from the national accounts measure Total Managed Expenditure. The tables show the central government and public corporation elements of TES. They include current and capital spending by the department and its NDPBs, and public corporations' capital expenditure, but do not include capital finance to public corporations. They do not include payments to local authorities or local authorities own expenditure.
- 4 TES is a near-cash measure of public spending. The tables do not include depreciation, cost of capital charges, or movements in provisions that are in departmental budgets. They do include pay, procurement, capital expenditure, and grants and subsidies to individuals and private sector enterprises. Further information on TES can be found in Appendix E of PESA 2007.
- 5 The data are based on a subset of spending – identifiable expenditure on services – which is capable of being analysed as being for the benefit of individual countries and regions. Expenditure that is incurred for the benefit of the UK as a whole is excluded.
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- 10 The methods of apportioning expenditure between regions will be reviewed during the coming year, in line with the Allsop Review recommendations, so figures are subject to change. However, the figures quoted in the table should give a reasonable indication of the level of spending in each country and region.

TABLE 9: Department for Work and Pensions' identifiable expenditure on services by function for 2005/06, by country and region

	North East	North West	Yorkshire and Humberside	East Midlands	West Midlands	Eastern	London	South East	South West
Children	54	85	13	6	51	15	3	42	57
Working Age	1,558	3,619	2,363	1,624	2,631	1,697	3,640	2,178	1,620
Pensioners	2,880	7,335	5,283	4,554	5,770	5,975	5,939	8,536	5,893
Disability	758	2,257	1,279	1,007	1,386	1,073	1,348	1,335	1,075
Corporate Services	516	780	743	74	130	13	582	23	12
<b>Total</b>	<b>5,766</b>	<b>14,076</b>	<b>9,681</b>	<b>7,265</b>	<b>9,968</b>	<b>8,773</b>	<b>11,512</b>	<b>12,114</b>	<b>8,657</b>
<i>Of which:</i>									
<b>Employment Policies</b>	<b>247</b>	<b>485</b>	<b>358</b>	<b>168</b>	<b>447</b>	<b>206</b>	<b>448</b>	<b>208</b>	<b>173</b>
<b>Social Protection</b>									
Administration and miscellaneous services	507	899	823	96	325	76	716	101	80
Family benefits, income support and tax credits	847	2,321	1,492	1,102	1,636	1,243	2,962	1,673	1,237
Housing benefits	70	123	93	94	100	118	105	158	94
Incapacity, disability and injury benefits	1,367	3,552	2,071	1,632	2,173	1,628	1,983	2,044	1,659
Personal social services	1	3	2	1	2	1	2	2	1
Public sector occupational pensions	-1	-1	-2	-	-1	-	-1	-	-
State pensions	2,557	6,295	4,550	3,954	4,929	5,260	4,760	7,617	5,227
Unemployment benefits	124	280	214	152	273	161	447	196	116
Widows' benefits	40	110	74	64	83	80	86	114	70
<b>Total Social Protection</b>	<b>5,512</b>	<b>13,582</b>	<b>9,317</b>	<b>7,095</b>	<b>9,520</b>	<b>8,567</b>	<b>11,060</b>	<b>11,905</b>	<b>8,484</b>

Notes:

See notes to Table 8.

£ million									
	England	Scotland	Wales	Northern Ireland	UK Identifiable Expenditure	Outside UK	Total Identifiable Expenditure	Not Identifiable	Total Expenditure on Services
Children	326	60	4	–	390	–	390	–	390
Working Age	20,930	2,439	1,583	–	24,952	66	25,018	–	25,018
Pensioners	52,165	5,572	3,348	14	61,099	1,891	62,990	–	62,990
Disability	11,518	1,515	1,121	–	14,154	–	14,154	–	14,154
Corporate Services	2,873	133	85	–	3,091	–	3,091	–	3,091
<b>Total</b>	<b>87,812</b>	<b>9719</b>	<b>6,141</b>	<b>14</b>	<b>103,686</b>	<b>1,957</b>	<b>105,643</b>	<b>–</b>	<b>105,643</b>
<i>Of which:</i>									
<b>Employment Policies</b>	<b>2,740</b>	<b>187</b>	<b>128</b>	<b>–</b>	<b>3,055</b>	<b>–</b>	<b>3,055</b>	<b>–</b>	<b>3,055</b>
<b>Social Protection</b>									
Administration and miscellaneous services	3,623	164	80	–	3,867	–	3,867	–	3,867
Family benefits, income support and tax credits	14,513	1,686	981	–	17,180	2	17,182	–	17,182
Housing benefits	955	100	63	14	1,132	–	1,132	–	1,132
Incapacity, disability and injury benefits	18,109	2,503	1,845	–	22,457	64	22,521	–	22,521
Personal social services	15	2	1	–	18	–	18	–	18
Public sector occupational pensions	-6	–	–	–	-6	–	-6	–	-6
State pensions	45,149	4,749	2,881	–	52,779	1,874	54,653	–	54,653
Unemployment benefits	1,963	228	111	–	2,302	–	2,302	–	2,302
Widows' benefits	721	89	45	–	855	17	872	–	872
<b>Total Social Protection</b>	<b>85,042</b>	<b>9,521</b>	<b>6,007</b>	<b>14</b>	<b>100,584</b>	<b>1,957</b>	<b>102,541</b>	<b>–</b>	<b>102,541</b>

TABLE 10: Expenditure on the New Deals and Action Teams								£ million
	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans
<b>Administrative expenditure (see notes 1-3)</b>								
New Deal for young people	119	89	93					
New Deal 25 plus	18	73	71					
New Deal for over 50s	11	5	5					
New Deal for lone parents	29	37	44					
New Deal for disabled people	7	6	15					
New Deal for partners	10	6	6					
<b>Sub-total for New Deals</b>	<b>194</b>	<b>216</b>	<b>234</b>	<b>111</b>	<b>113</b>	<b>121</b>	<b>94</b>	<b>93</b>
Action Teams (see note 4)	5	14	23	11	13	14	7	0
<b>Sub-total</b>	<b>199</b>	<b>230</b>	<b>256</b>	<b>122</b>	<b>126</b>	<b>134</b>	<b>101</b>	<b>93</b>
<b>Programme expenditure (DEL)</b>								
New Deal for young people (see note 7)	293	219	178	215	211	153	135	161
New Deal 25 plus	42	140	114	137	135	98	86	103
New Deal for over 50s	3	2	3	3	3	1	0	0
New Deal for lone parents	14	9	18	20	24	26	42	42
New Deal for disabled people	7	4	16	28	65	68	73	74
New Deal for partners	1	2	0	0	1	1	1	0
<b>Sub-total for New Deals</b>	<b>360</b>	<b>376</b>	<b>328</b>	<b>404</b>	<b>439</b>	<b>347</b>	<b>337</b>	<b>380</b>
Action Teams (see note 4)	6	23	30	32	23	31	16	0
<b>Sub-total</b>	<b>366</b>	<b>399</b>	<b>358</b>	<b>437</b>	<b>462</b>	<b>378</b>	<b>352</b>	<b>380</b>

TABLE 10: Expenditure on the New Deals and Action Teams – continued								£ million
	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans
<b>Programme expenditure (AME)</b>								
New Deal for young people (see note 5)	–	–	43	49	43	35	40	40
New Deal 25 plus (see note 5)	–	–	53	52	44	36	41	44
New Deal for over 50s (see note 6)	42	80	79	38	0	0	0	0
Sub-total	42	80	174	139	87	72	80	84
<b>Total</b>	<b>607</b>	<b>709</b>	<b>789</b>	<b>698</b>	<b>676</b>	<b>584</b>	<b>533</b>	<b>557</b>

The table shows total expenditure by the Department for Work and Pensions on the New Deals and Action Teams, including expenditure funded from the Windfall Tax.

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

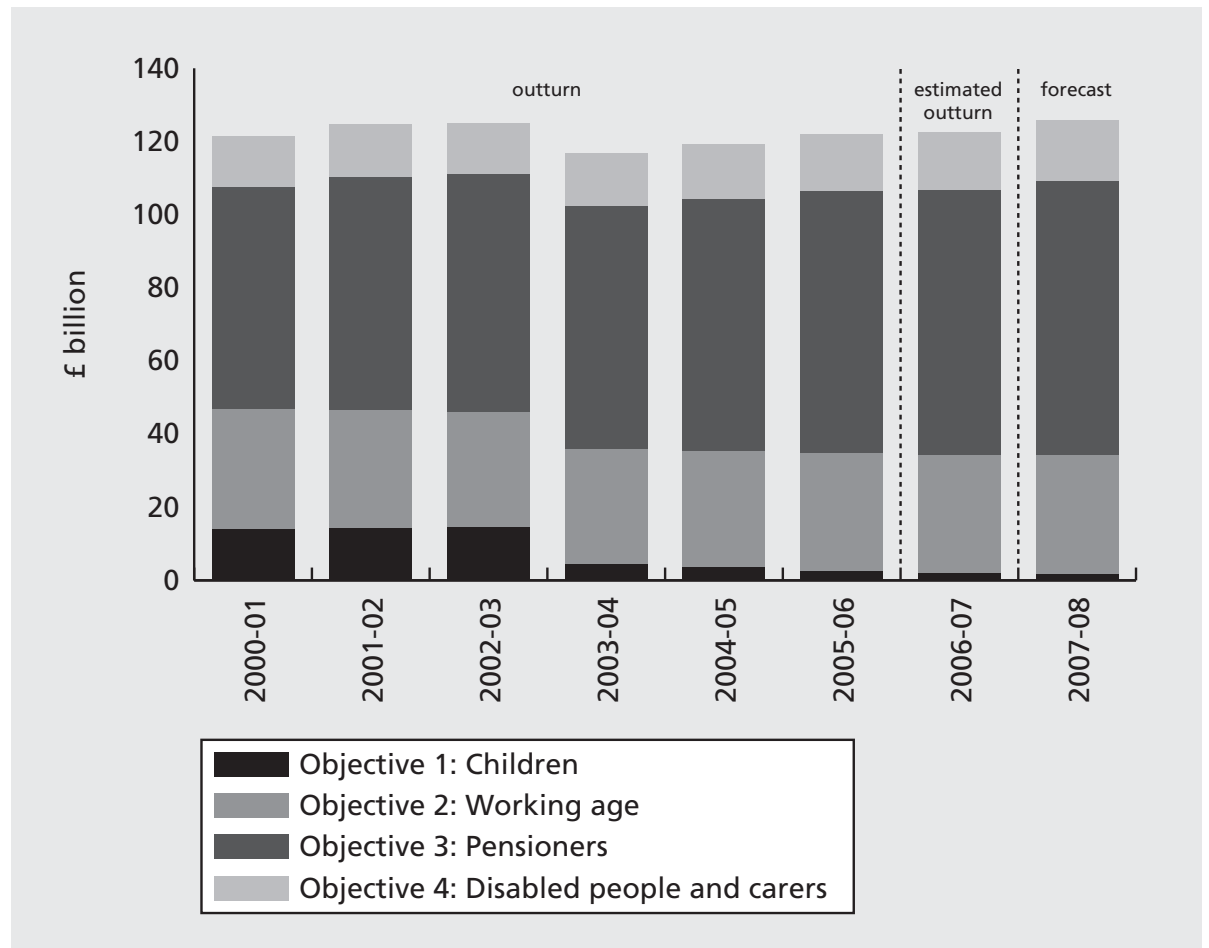
#### Notes

- 1 Following agreement with HM Treasury to remove the 'ring fences' from the New Deals in 2002-03, the Department no longer manages administrative budgets for the individual New Deals, allowing managers extended flexibility in deploying the resources available to them. Consequently information on administrative expenditure by individual New Deal is not available for 2003-04 and later years.
- 2 Administrative expenditure for 2002-03 is estimated.
- 3 Administrative expenditure for 2003-04 onwards is for staff costs only and is not comparable to earlier years' figures which include all administrative expenditure.
- 4 Action Teams came to an end in autumn 2006.
- 5 Allowance payments to New Deal for young people and New Deal 25 plus participants. Prior to 2002-03 these allowances were made from programme expenditure (DEL).
- 6 Subsumed within the Working Tax Credit from 2003-04.
- 7 Progress2Work is not included in this table.

## Annex B – Trends in benefit expenditure from 2001-02 to 2007-08

Figure 30 Benefit expenditure by objective (2007-08 prices)

This chart shows how expenditure on benefits relates to the Department for Work and Pensions' objectives.

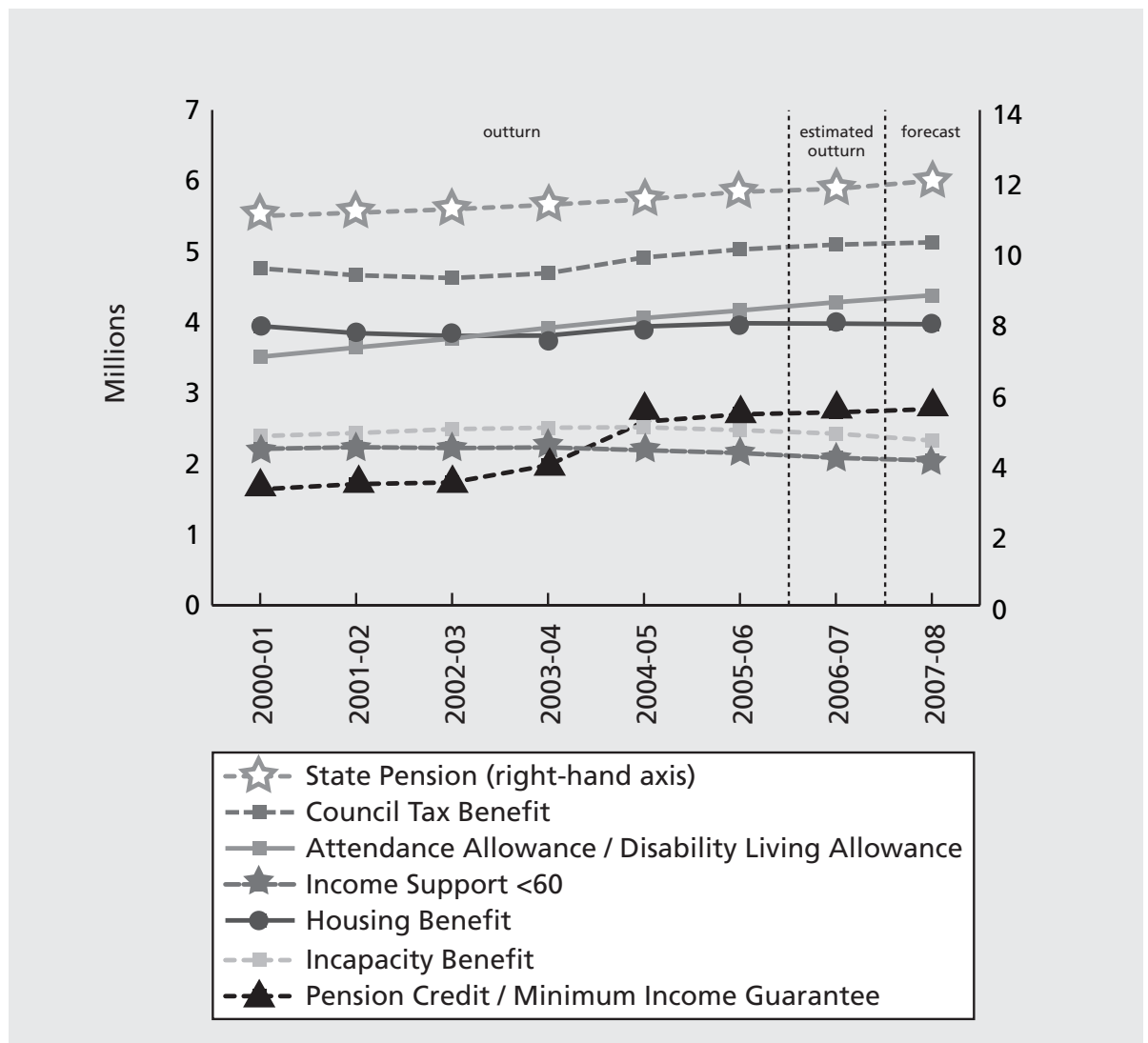


Source: Department for Work and Pensions' benefits administration and forecast data.

Note: Expenditure in 2006-07 reflects the latest estimate of outturn, and not the amounts voted by Parliament.

**Figure 31 Numbers in receipt of key benefits**

This chart shows how many people receive each of seven key benefits.



Source: Department for Work and Pensions' benefits administration and forecast data.

Notes:

- 1 The chart shows all benefits with a caseload of at least one million in any year, except Winter Fuel Payments (where caseload is similar to Basic State Pension in all years) and free TV licences for the over-75s (where expenditure is relatively small and the main drivers are simply the cost of the TV licence and the number of people over 75).
- 2 The left hand axis applies to all benefits except State Pension.
- 3 Beneficiaries may receive more than one benefit at a time.
- 4 Figures are based on Work and Pensions Longitudinal Study (WPLS), except for Housing Benefit, Council Tax Benefit and Attendance Allowance, because cases in payment for those benefits are not currently available within WPLS.
- 5 Incapacity Benefit includes credits-only cases. Most Incapacity Benefit credits-only cases are in receipt of Income Support.

### Analysis of benefit expenditure by Departmental objective

All expenditure figures discussed in this section are in 2007-08 prices.

Figure 30 (benefit expenditure) presents information according to the four benefit expenditure-related Departmental objectives in the Department's Public Service Agreement. Since it is possible to receive more than one benefit at a time, Figure 31 simply shows numbers of recipients for a range of key benefits.

More detail on medium- and long-term benefit expenditure is published on the Department's website at [www.dwp.gov.uk/asd/asd4/expenditure.asp](http://www.dwp.gov.uk/asd/asd4/expenditure.asp)

### Main trends

Slow overall growth driven by policy changes and demographics

With the transfer of benefits to other government departments, comparisons over time can prove difficult. From 2003-04 (when responsibility for Child Benefit transferred to HM Revenue and Customs) to 2007-08, the Department for Work and Pensions' benefit spending is expected to rise by an average of 1.9 per cent a year in real terms. Growth is driven in particular by the introduction of Pension Credit in 2003-04, age-related payments in 2004-05 and 2005-06 and the extension of the payment period for maternity benefits in 2007-08. In addition, caseloads for pensioner benefits increase throughout the period due to longer life-expectancy, greater coverage for women and post-World War Two 'baby boom' women reaching pension age.

Offsetting these effects is the transfer of Income Support and Jobseeker's Allowance child amounts to HM Revenue and Customs tax credits, with spending of £4.3 billion in 2003-04 reducing to £1.7 billion in 2007-08 and eventually falling to zero.

Contributory benefits account for over half of the Department's benefit spending, and income-related benefits over 30 per cent. The remainder comes from non-contributory, non-income-related benefits, principally disability and carer benefits and the Winter Fuel Payment.

### Children

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

Department for Work and Pensions' spending on children first fell significantly in 2003-04 with the transfer of Child Benefit (then worth nearly £10 billion in real terms) to HM Revenue and Customs. The remaining expenditure (on child elements of Income Support and Jobseeker's Allowance) is gradually migrating to Child Tax Credit, which does not feature in this report as it is administered by HM Revenue and Customs. Complete migration has not yet taken place and so expenditure (forecast to be £1.7 billion) will still be incurred in 2007-08. However, the Department's benefit spending on children will fall to zero in due course.

### People of working age

Spending stable at over £32 billion a year in real terms; most spending is through income-related benefits and Incapacity Benefit

The main reasons for benefit receipt among working-age people are unemployment, lone parenthood and sickness or disability. Although unemployment has risen in recent years, it is still relatively low (and is now falling again) and benefits for unemployed people are forecast to account for only 13 per cent of all working-age spending in 2007-08. Lone parent benefits account for a further 24 per cent and incapacity-related benefits<sup>1</sup> 39 per cent. The remainder is made up principally of bereavement and maternity benefits. Overall, income-related and incapacity-related benefits amount to 90 per cent of all working-age spending.

Declining caseloads in Income Support (especially lone parents) and Incapacity Benefit are forecast to contribute to falling spending on these benefits in 2007-08. Spending on working-age recipients of Housing Benefit and Council Tax Benefit is rising as caseloads have increased from 2004-05 onwards and rents and Council Tax tend to rise faster than prices.

Among the smaller benefits, Statutory Maternity Pay jumps significantly in 2007-08 as a result of extending the payment period from 26 to 39 weeks.

### People over pension age

Increasing spending reflecting an ageing population and new spending directed at retired people; spending over £75 billion in 2007-08

Expenditure on people over pension age is growing by 3.1 per cent a year on average over the period shown. Significant factors here have been the introduction of Pension Credit in 2003-04, and the linking of uprating to earnings rather than prices, as well as age-related payments in 2004-05 and 2005-06. Basic State Pension is by far the largest benefit (£47 billion in 2007-08) and above-inflation uprating from 2001-02 to 2003-04 has also contributed to growth.

Increases in the population over pension age, better contribution records for women and growing entitlements to Additional Pension further influence the rate of growth. Overall, however, spending on people over pension age remains stable at around 6 per cent of GDP.

### Disabled people and carers

Spending growing steadily as Disability Living Allowance progresses towards maturity; spending over £16 billion in 2007-08

Disability and carer benefit expenditure grows by 2.4 per cent a year on average over the period. The main factor is the maturing of Disability Living Allowance, where caseloads are still growing. This has a knock-on effect on the Carer's Allowance caseload, which in turn is also driven upwards by reforms, including the abolition of the upper age limit for claiming the benefit.

<sup>1</sup> Incapacity Benefit, Severe Disablement Allowance and Income Support paid because of sickness or disability.

Attendance Allowance is also growing after a period of relative stability. The impact of initiatives by The Pension Service and local authorities is believed to be the main factor here.

## Annex C – How the Department is organised

The Department is organised to deliver effectively and efficiently the outcomes determined by Ministers, building on its Five Year Strategy and meeting its Public Service Agreement. The Department is structured to discharge four key roles:

- Development of department-wide strategy, planning, resource allocation and corporate policies and standards.
- Identifying effective strategies, policies, resource allocation and approaches to service delivery that best meet the needs of particular client or customer groups which the Department serves.
- The direct delivery of services to meet specified customer outcomes for particular clients/customers.
- Where it is most cost-effective to do so, the procurement and/or delivery of shared services and infrastructure on a department-wide basis.

In the main, the Department's services to customers are provided by or through its executive agencies:

- Jobcentre Plus
- The Pension Service
- Child Support Agency
- Disability and Carers Service
- The Rent Service

Annex D provides references to more information about the Department's Agencies and Non-Departmental Public Bodies.

**The Executive Team** supports the **Head of Department** in providing corporate leadership and works collaboratively to manage the Department in delivering its key objectives, ensuring that risks and opportunities are well managed. **The Departmental Board** has advisory and challenge functions. It is responsible for scrutinising, challenging and providing advice on delivery strategies, plans and programmes, performance and governance arrangements.

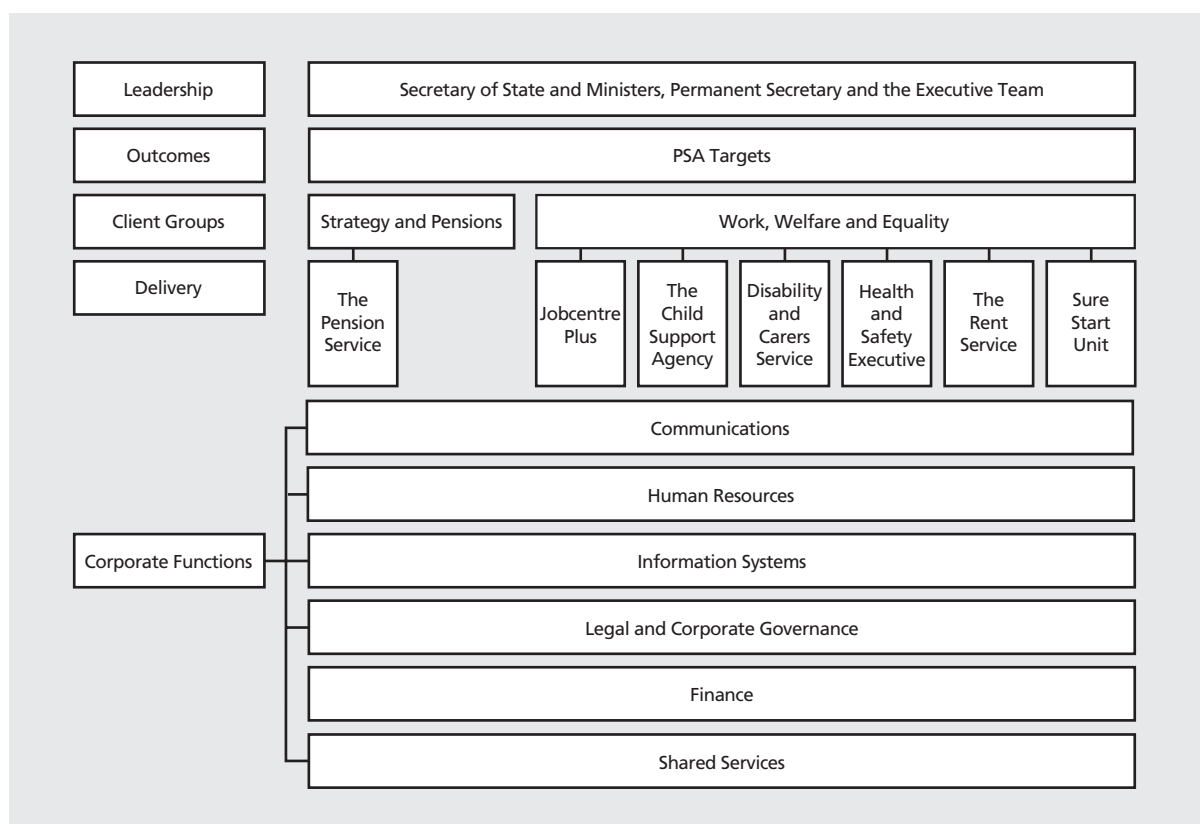
Additionally, policies and services to support expanding childcare and helping lone parents into work are developed by the Sure Start Unit – with joint responsibility with the Department for Education and Skills. The Department also has ministerial responsibility for the **Health and Safety Commission** and the **Health and Safety**

**Executive**, whose mission is, working with the local authorities, to protect people's health and safety by ensuring that risks in the changing workplace are properly controlled.

Many of the Department's services are delivered jointly with a wide range of partner organisations, for example Housing Benefit and Council Tax Benefit are administered by local authorities.

More detailed information about the structure and governance of the Department can be found in the Departmental Framework.<sup>2</sup>

**Figure 32 How the Department for Work and Pensions is organised**



**The Department's Client Groups** are responsible for setting and defining policy and monitoring the achievement of the Department's Public Service Agreement targets.

**The Department's Delivery Businesses** are responsible for delivering services to customers which help deliver the Department's PSA targets and objectives within the resources available to them. Their specific targets and objectives are set out in more detail in their individual business plans.

**The Department's Corporate Functions** support the rest of the Department in delivering its objectives in an effective way. They carry out a number of cross-cutting initiatives to help improve the performance of the Department.

## Annex D – The Department for Work and Pensions' agencies and Non-Departmental Public Bodies

More information about the Department's agencies is available from their websites.

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

[www.jobcentreplus.gov.uk](http://www.jobcentreplus.gov.uk)

The Annual Report and Accounts for 2005-06 is available at:  
[www.jobcentreplus.gov.uk/JCP/Aboutus/Publications/Annual\\_Report\\_2005-6/index.html](http://www.jobcentreplus.gov.uk/JCP/Aboutus/Publications/Annual_Report_2005-6/index.html)

The Business Plan for 2007-08 is available at:  
[www.jobcentreplus.gov.uk/JCP/stellent/groups/jcp/documents/websitecontent/dev\\_011985.pdf](http://www.jobcentreplus.gov.uk/JCP/stellent/groups/jcp/documents/websitecontent/dev_011985.pdf)

The Annual Report and Accounts for 2006-07 will be available in summer 2007

**The Pension Service** delivers frontline services to today's and future pensioners.

[www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)

The Annual Report and Accounts for 2005-06 is available at:  
[www.thepensionservice.gov.uk/aboutus/annualreport/home.asp](http://www.thepensionservice.gov.uk/aboutus/annualreport/home.asp)

The Business Plan for 2007-08 will be available at: [www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)

The Annual Report and Accounts for 2006-07 will be available in summer 2007.

**The Child Support Agency** administers the child support system.

[www.csa.gov.uk](http://www.csa.gov.uk)

The Annual Report and Accounts for 2005-06 is available at:  
[www.csa.gov.uk/pdf/english/reports/arep0506.pdf](http://www.csa.gov.uk/pdf/english/reports/arep0506.pdf)

The Business Plan for 2007-08 is available at:  
[www.csa.gov.uk/pdf/english/reports/plan0708.pdf](http://www.csa.gov.uk/pdf/english/reports/plan0708.pdf)

The Annual Report and Accounts for 2006-07 will be available in summer 2007.

**Disability and Carers Service** delivers a range of benefits to disabled people and carers.

[www.dwp.gov.uk/dcs](http://www.dwp.gov.uk/dcs)

The Annual Report and Accounts for 2005-06 is available at:  
[www.dwp.gov.uk/publications/dwp/2006/dcs/dcs-ar-05-06.pdf](http://www.dwp.gov.uk/publications/dwp/2006/dcs/dcs-ar-05-06.pdf)

The Business Plan for 2007-08 is available at:  
[www.dwp.gov.uk/lifeevent/benefits/dcs/business\\_plan07/](http://www.dwp.gov.uk/lifeevent/benefits/dcs/business_plan07/)

The Annual Report and Accounts for 2006-07 will be available in summer 2007.

**The Rent Service** provides a range of advice in connection with the private rented housing sector in England.

[www.therentsevice.gov.uk](http://www.therentsevice.gov.uk)

The Annual Report and Accounts for 2005-06 is available at:  
[www.therentservice.gov.uk/documents/corporate\\_publications/TRSAnnualReport200506.pdf](http://www.therentservice.gov.uk/documents/corporate_publications/TRSAnnualReport200506.pdf)

The Business Plan for 2007-08 is available at:  
[www.therentservice.gov.uk/documents/corporate\\_publications/business-plan-2007-to-2008.pdf](http://www.therentservice.gov.uk/documents/corporate_publications/business-plan-2007-to-2008.pdf)

The Annual Report and Accounts for 2006-07 will be available in summer 2007.

The Department also has ministerial responsibility for the **Health and Safety Commission** and the **Health and Safety Executive**, whose mission is, working with the local authorities, to protect people's health and safety by ensuring that risks in the changing workplace are properly controlled. They are Crown Non-Departmental Public Bodies, sponsored by the Department.

[www.hse.gov.uk](http://www.hse.gov.uk)

The Annual Report and Accounts for 2005-06 is available at:  
[www.hse.gov.uk/aboutus/reports/0506/ar0506.pdf](http://www.hse.gov.uk/aboutus/reports/0506/ar0506.pdf)

The Business Plan for 2007-08 is available at:  
[www.hse.gov.uk/aboutus/plans/hscplans/0506/plan0506.pdf](http://www.hse.gov.uk/aboutus/plans/hscplans/0506/plan0506.pdf)

The Annual Report and Accounts for 2006-07 will be available in summer 2007.

## The Department's associate bodies and public appointments

The Department sponsors a wide range of bodies to achieve its objectives; these include executive, advisory and tribunal Non-Departmental Public Bodies, Public Corporations, and other arms-length and short-term bodies. Details are available from the Department's website<sup>3</sup>.

The 10th report of the Committee on Standards in Public Life recommended that departments prepare an Annual Appointment Plan and adopt it as the key strategic document for each department, to set out policy and practice relating to the public appointments of chairs and board members of the public bodies they sponsor. The current Annual Appointment Plan can be found on the Department's website.

The Department ensures that public appointments are determined through a fair, open and transparent process that can command public confidence in accordance with Cabinet Office guidance.

<sup>3</sup> [www.dwp.gov.uk/ndpb/public\\_bodies.asp](http://www.dwp.gov.uk/ndpb/public_bodies.asp)