



Chapter 2 Objectives and strategies

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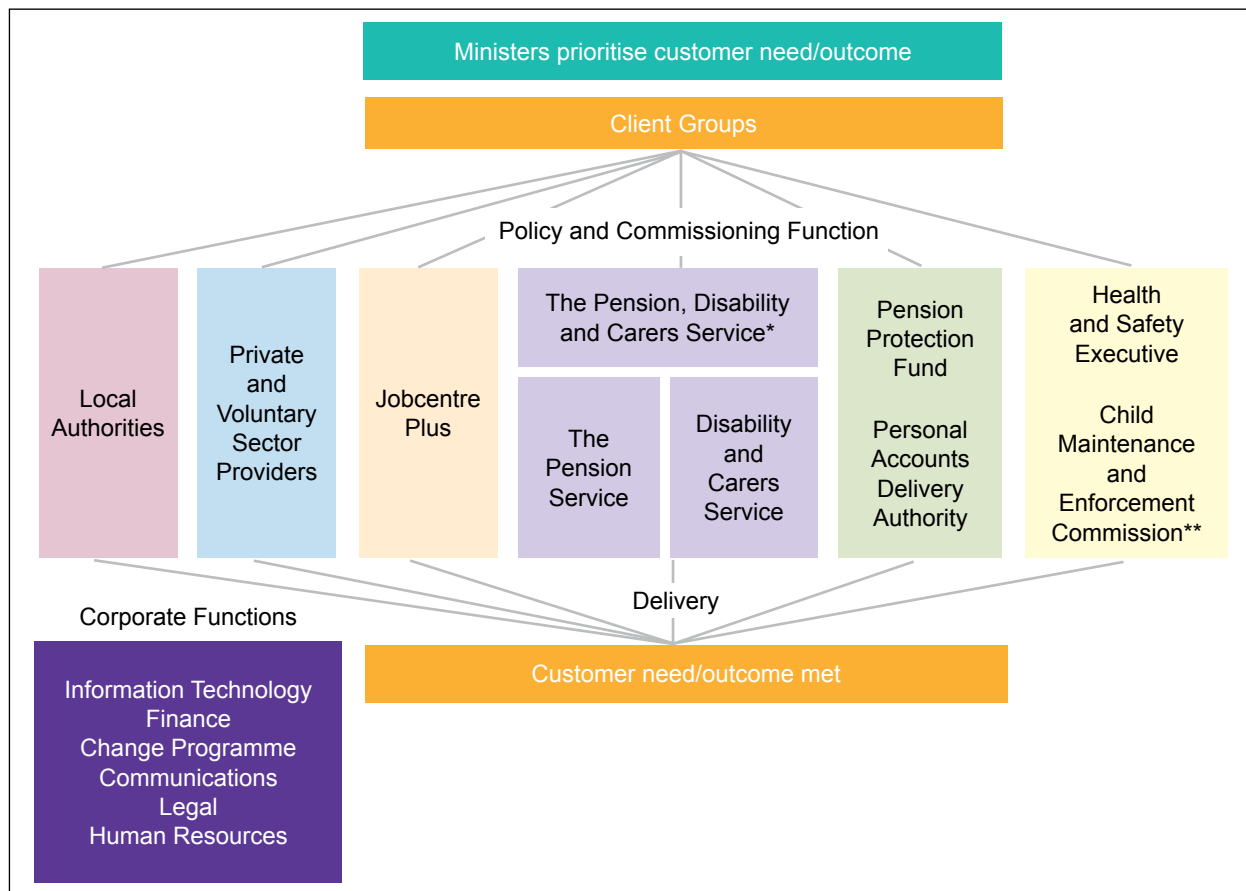
Spending Review (SR) 2004 strategic objectives

1. The Department for Work and Pensions exists to promote opportunity and independence for all. It provides help to individuals and supports the country's economic growth and social cohesion.
2. The Department helps individuals to achieve their potential through employment to provide for themselves, their children and their future retirement. It works with others to combat poverty, both of aspiration and outcome.
3. The Department set out its strategic objectives for the SR2004 period in its Five Year Strategy *Opportunity and security throughout life*¹ (Cm 6447 February 2005). These are to:
 - ensure the best start for all children and end child poverty by 2020;
 - promote work as the best form of welfare for people of working age², while protecting the position of those in greatest need;
 - combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners;
 - improve rights and opportunities for disabled people in a fair and inclusive society; and
 - ensure customers receive a high quality service, including high levels of accuracy.
4. To deliver these objectives, the Department is organised into policy, corporate and delivery functions, as shown in Figure 1.

¹ www.dwp.gov.uk/publications/dwp/2005/5_yr_strat/

² The Department's employment programmes and many of its initiatives do not have specific upper age eligibility limits. This recognises that people will increasingly wish to work up to age 65 and beyond.

Figure 1: How the Department is organised



Notes:

* The newly formed Pension, Disability and Carers Service will, for the short to medium term, retain the distinct branding of The Pension Service and the Disability and Carers Service in providing its services to customers.

** From July 2008 the Child Maintenance and Enforcement Commission will be created. This Crown Non-Departmental Public Body will replace the Child Support Agency.

Progress towards the Department's objectives in 2007–08

Ensure the best start for all children and end child poverty by 2020

- Following the November 2006 publication of the Harker report *Delivering on Child Poverty: what would it take?* (Cm 6951)³, in March 2007, the Department published its refreshed strategy *Working for Children* (Cm 7067)⁴. This shows that there are now 600,000 fewer children living in relative poverty than in 1998–99 with the increase in lone parent employment being a key contributing factor. From April 2010, in real terms, families with children in the poorest fifth of the population will be, on average, £4,500 a year better off than in 1997 and measures announced in Budget 2007, the Pre Budget Report and Budget 2008 will together help lift around 500,000 children out of poverty by 2010–11.

³ www.dwp.gov.uk/publications/dwp/2006/harker/harker-full.pdf

⁴ www.dwp.gov.uk/publications/dwp/2007/childpoverty/childpoverty.pdf

6. To inject fresh impetus into the Government's strategy, a joint Child Poverty Unit⁵ was established in November 2007. By bringing together officials from DWP and the Department for Children, Schools and Families, as well as from third sector organisations, the Unit will provide an integrated approach across government to tackling child poverty. Following new funding announced in Budget 2008, work will be undertaken to test out innovative approaches to tackling child poverty, exploring solutions to the critical challenges in meeting the 2020 target. The Unit will also work with stakeholders to develop a strategy for the next decade to meet the 2020 goal, building on research and evidence from these pilots.
7. An effective child maintenance system that helps children achieve financial security is integral to achieving the Government's child poverty objectives. The Child Maintenance and Other Payments Bill⁶ is expected to receive Royal Assent by early June 2008. The Bill takes forward, and builds on, the recommendations made in Sir David Henshaw's report *Recovering Child Support: routes to responsibility* (Cm 6894 July 2006)⁷ and the subsequent proposals in the White Paper *A New System of Child Maintenance* (Cm 6979 December 2006)⁸.
8. The Bill sets out a new policy and delivery framework which will give parents more choice in their maintenance arrangements and lift many more children out of poverty. It provides for new institutional arrangements to deliver child maintenance in a new way, including the creation of the Child Maintenance and Enforcement Commission as a Crown Non-Departmental Public Body.
9. In addition, the Government's Ten Year Childcare Strategy continues to improve the quality, availability and suitability of formal childcare, particularly for low-income parents. Formal childcare is a key work enabler for parents, particularly lone parents, and the Government has invested significantly in this area; over £21 billion since 1997. The continued roll-out of Sure Start Children's Centres and Extended Schools, alongside measures such as the sufficiency duty under the Childcare Act 2006, should ensure that progress in this area is maintained.

⁵ www.dwp.gov.uk/childpoverty

⁶ www.publications.parliament.uk/pa/pabills/200607/child_maintenance_and_other_payments.htm

⁷ www.dwp.gov.uk/childmaintenance/pdfs/Henshaw_complete22_7.pdf

⁸ www.dwp.gov.uk/childmaintenance/csa_report.pdf

Ensuring that work is seen as the best route out of welfare

10. More people are now in employment than ever before, and the employment rate is at an historically high level. The number of people claiming unemployment benefits is at its lowest level for 32 years. The number of people on key out-of-work benefits has reduced from about 5.5 million in 1997 to 4.5 million in 2008.
11. In December 2007, the Government published the Command Paper *Ready for work: full employment in our generation* (Cm 7290)⁹ which sets out the next phase of welfare reform. During 2007–08, the Government also published a number of documents¹⁰ on how it intends to extend, modernise and personalise the support it offers to people who often face multiple challenges to finding and keeping a job. These documents also explain how the DWP and the Department for Innovation, Universities and Skills will work together to ensure that more people gain the training and support they need to move from benefits to work and then to progress in work.
12. The key measures the Department is taking are:
 - **lone parents** who can work will be required to actively seek work, helped by a flexible system of pre-work preparation and in-work support, which starts for lone parents whose youngest child is 12 or over from 2008, 10 or over from 2009 and 7 or over from 2010;
 - from October 2008, incapacity benefits for new claimants will be replaced by an **Employment and Support Allowance** which emphasises what a person with a physical or mental health condition can do rather than what they cannot;
 - the introduction of mandatory Pathways to Work interviews and the new Work Capability Assessment for **existing Incapacity Benefit customers who are under 25** from 2009;
 - a more **flexible New Deal** from April 2009, with the first customers referred to contracted provision from October 2009, to better meet the employment and skills needs of those who have been on benefit for a long time, or who have struggled to find a stable pattern of work; and
 - **integrated employment and skills provision**, including: skills screening for all new claimants and full Skills Health Checks for those who need it, tailored provision for those with basic skills needs, and increased access to training allowances for Jobseeker's Allowance customers, all from 2009–10.

⁹ www.official-documents.gov.uk/document/cm72/7290/7290.pdf

¹⁰ *World Class Skills: Implementing the Leitch Review of Skills in England* (CM 7181 July 2007) www.dfes.gov.uk/skillsstrategy/uploads/documents/World%20Class%20Skills%20FINAL.pdf
Opportunity, Employment and Progression: making skills work (Cm 7288 November 2007) www.dius.gov.uk/publications/7381-TSO-Skills.pdf
Ready for work: full employment in our generation (Cm 7290 December 2007) www.dwp.gov.uk/welfarereform/readyforwork/readyforwork.pdf

Sustaining the reductions in pensioner poverty and encouraging people to save for later life

13. The number of pensioners living in relative poverty has fallen by over one million since 1996–97. The Department continues to sustain this achievement by promoting the take-up of benefits and simplifying the claims process. For example, customers can now claim Pension Credit, State Pension, Housing Benefit and Council Tax Benefit in a single telephone call.
14. In the White Paper *Security in Retirement: towards a new pensions system* (Cm 6841, May 2006)¹¹ the Government outlined an integrated package of reforms which built on the analysis and recommendations of the Pensions Commission which addressed the challenges posed by an ageing society and widespread undersaving among certain groups.
15. The first part of this reform package was implemented in the Pensions Act 2007. It introduces a simpler, more generous and widely available State Pension to address the historic inequalities in entitlement especially for women. It also provides for a gradual increase in State Pension age to ensure the system is sustainable in the face of demographic change and to enable people to extend their working lives. The measures contained in the Act ensure there is a solid foundation upon which people can plan for retirement.
16. A second Pensions Bill builds on the Pensions Act 2007 through reforms, primarily to the private pension system, that will encourage more people to build up a private pension income to supplement that received from the State. From 2012, all eligible workers will be automatically enrolled into a qualifying workplace pension scheme helping to overcome barriers to saving, such as inertia. For those without access to workplace pension provision, a new low-cost occupational pension scheme will be set up. For the first time employers will be required to contribute to workers' pensions.

Improving the rights and opportunities of disabled people

17. The Department has continued to work towards equality for disabled people through the implementation of the Disability Discrimination Act 2005, including hosting the Government's Office for Disability Issues (ODI), and by promoting effective cross-government implementation of the Disability Equality Duty. Equality 2025, the UK Advisory Network on Disability Equality, held its first public meeting in November 2007. The Disability Equality consultation¹², held in spring 2007, involved disabled people in a debate about the measurement of progress towards disability equality and the *Independent Living Strategy* was published in March 2008. More information can be found in the ODI second annual report, published in December 2007¹³.

¹¹ www.dwp.gov.uk/pensionsreform/pdfs/white_paper_complete.pdf

¹² www.officefordisability.gov.uk/consultations/

¹³ www.officefordisability.gov.uk/publications/report/2007/

18. The Department's employment strategy for disabled people aims to raise the employment rate of disabled people and reduce the numbers of disabled people claiming incapacity benefits¹⁴. The final phase of the rollout of Pathways to Work started in December 2006 and by April 2008 national rollout had been completed. Remploy's modernisation plan was agreed in November 2007, with the aim to expand Remploy's employment services for mainstream employment provision. The Department's public consultation on specialist disability employment services was launched on 3 December 2007 and continued until 10 March 2008. A formal response by the Department to the consultation is expected to be published in June 2008.
19. The Department published its race, disability and gender equality schemes annual progress report in November 2007.

Continuing to improve delivery services

Change Programme

20. The DWP Change Programme is driving delivery of the Department's business strategy, which will transform the way it delivers services for customers, as detailed in a blueprint – 'Work, Welfare, Well-being, Well delivered'.
21. In line with the Government's Service Transformation agenda, the Change Programme, working with the Department's delivery businesses, will provide more integrated services that better meet the needs of the Department's customers and offer greater choice on how they access those services.
22. During 2007, a Customer Insight team was established as a permanent Departmental function to help ensure that the needs of the customer are at the heart of policy and service delivery, and nine Lean pathfinder initiatives were launched in seven locations, with further rollout from spring 2008.
23. The Department is also piloting improved services for customers who move in and out of work, in collaboration with Her Majesty's Revenue and Customs (HMRC) and local authorities, and is leading the Tell us Once project which is exploring the feasibility of a one stop service for customers to report key changes of circumstances across government, using a channel of their choice. From spring 2008, customers will be able to access new and existing Departmental services through the Directgov site¹⁵.

Benefit simplification

24. The Department's benefit simplification guide to best practice was revised in May 2007¹⁶. The guide brings together best practice in a succinct and accessible way, and ensures that the reduction of complexity is considered as a priority before making any changes.

¹⁴ For more information see Chapter 2 of *A New Deal for Welfare: Empowering People to Work*.

¹⁵ www.directgov.gov.uk

¹⁶ www.dwp.gov.uk/publications/dwp/2006/simplification-guide-best-practice.pdf

25. In 2007 the Department introduced a number of simplifications, including:
- ignoring certain compensation payments in the final pay packet when assessing new claims to working age benefits (removing the need for around 1.2 million telephone calls to employers each year);
 - revising and updating medical guidance for Disability Living Allowance and Attendance Allowance Decision Makers; and
 - announcing, via the 2007 Pre Budget Report, the abolition of the separate, lower single person rate in Income Support and Jobseeker's Allowance for those aged 16-17 years, reducing three benefit rates to two.
26. The Department also announced, on 5 December 2007, a package of changes to income-related benefits for pensioners which further demonstrates its commitment to making the process of claiming benefits less intrusive, less confusing, and more automatic to provide a better experience for the customer. The changes also deliver simplified arrangements for staff to help deliver the improved service.
27. The Department continues to look at the feasibility of a single system of benefits for people under pension age. The December 2007 command paper *Ready for Work: full employment in our generation* set out five guiding principles for benefit reform. These are that a simple benefits system should promote work, be affordable, have clear obligations, have straightforward rules and ensure fair treatment.

The New Performance Framework

28. The Comprehensive Spending Review 2007 introduced a reduced set of Public Service Agreements (PSAs) which reflect government-wide priorities and focus on the most important areas for collective action. The Secretary of State for Work and Pensions will have responsibility for two PSAs:
- PSA8 – Maximise employment opportunity for all; and
 - PSA17 – Tackle poverty and promote greater independence and well-being in later life.
29. The Department will contribute to nine further PSAs, which are led by other government departments. These are:
- Halve the number of children in poverty by 2010–11, on the way to eradicating child poverty by 2020;
 - Increase the number of children and young people on the path to success;
 - Increase the proportion of socially excluded adults in settled accommodation and employment, education or training;
 - Make communities safer;

- Improve the economic performance of all English regions and reduce the gap in economic growth rates between regions;
 - Improve long-term housing supply and affordability;
 - Improve the skills of the population, on the way to ensuring a world-class skills base by 2020;
 - Ensure controlled, fair migration that protects the public and contributes to economic growth; and
 - Address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief.
30. The PSAs are underpinned by seven Departmental Strategic Objectives (DSOs) which are intended to cover the totality of the Department's business and to express the key outcomes that it is seeking to deliver:
- DSO 1: Reduce the number of children living in poverty.
 - DSO 2: Maximise employment opportunity for all and reduce the numbers on out-of-work benefits.
 - DSO 3: Improve health and safety outcomes.
 - DSO 4: Promote independence and well-being in later life, continuing to tackle pensioner poverty and implementing pension reform.
 - DSO 5: Promote equality of opportunity for disabled people.¹⁷
 - DSO 6: Pay our customers the right benefits at the right time.
 - DSO 7: Make DWP an exemplar of effective service delivery to individuals and employers.
31. The Comprehensive Spending Review (CSR) 2007 settlement also requires the Department to deliver an ambitious value for money reform programme generating annual cash-releasing savings of £1,225m by 2010–11.
32. The Department's Three Year Business Plan 2008–2011¹⁸ sets out how the DSOs will be delivered with the resources available to the Department over the CSR07 period. The *2007 CSR Value for Money Delivery Agreement*¹⁹ sets out how savings will be made.

¹⁷ The title of this Strategic Objective has been altered from the one published in the 2007 CSR to reflect machinery of government changes.

¹⁸ www.dwp.gov.uk/publications/dwp/2008/3yrplan

¹⁹ www.dwp.gov.uk/publications/dwp/2007/CSR-value-for-money-delivery-agreement-2007.pdf