



## Chapter 5 Other areas of public interest

## Chapter Five – Other areas of public interest

### Better regulation

160. The Department is committed to reducing regulatory burdens wherever possible, and to minimising the burden of any new legislation, including European Union legislation. This commitment recognises the need to strike the right balance between avoiding unnecessary burdens and protecting the interests of citizens.
161. The Department's Better Regulation Minister is responsible for promoting the better regulation agenda at ministerial level in the Department. At board level, the Director General of Strategy, Information and Pensions oversees better regulation in the Department, and supports the work of the Better Regulation Unit which is part of the Strategy Directorate.
162. The Department's Better Regulation Stakeholder Group, chaired by the Department's Better Regulation Minister, engages directly on the administrative burdens reductions exercise and the simplification plan. The group includes representatives from employers' organisations, large and small businesses, trades unions, and the third sector. This provides a mechanism for the Department to work with representatives of its major stakeholders on better regulation and issues around the benefit structure.
163. The Department has implemented the new Impact Assessment process which has an improved focus on the costs and benefits of new proposals. The Department is finding it a useful tool for improving the better regulation culture and capacity across the Department, and for informing its position on European proposals. The involvement of economists in the Impact Assessment process has been increased and this has enabled the appropriate chief economist to summarise the key findings set out in the Impact Assessments for Ministers.
164. The DWP simplification plan<sup>39</sup> provides details of the Department's progress towards achieving the target to reduce the administrative burden of its regulation by 25 per cent by 2010. This target amounts to achieving reductions of £118 million per annum and is net of any increases to administrative burdens brought about by new regulations.
165. The Department delivered administrative burden reductions of £67 million per annum by 2007. This figure has been adjusted to take account of changes to burdens arising from new regulations, introduced since 1 June 2005. Therefore, in order to meet the target for reducing administrative burdens, the Department needs to identify further net savings of £51 million per annum by 2010.

---

<sup>39</sup> [www.dwp.gov.uk/aboutus/better\\_regulation/simplification-plan-2007.pdf](http://www.dwp.gov.uk/aboutus/better_regulation/simplification-plan-2007.pdf)

166. The Department has undertaken a number of reviews of several of its most burdensome regulations. As a result, the Department expects to reduce administrative burdens in 2008 by up to £62 million per annum through changes in Employers' Liability Compulsory Insurance certificates and Statutory Sick Pay regulations. Further work to reduce administrative burdens is ongoing.
167. The Department is also committed to minimising new policy burdens to the level necessary to achieve social policy aims. The Department is aiming to significantly increase the proportion of people making adequate provision for their retirement. Over the last 12 months, stakeholders have been consulted extensively on the design of a new low-cost personal accounts retirement savings scheme.
168. The complexity of the benefits system can make it difficult for benefit claimants to understand their rights and responsibilities, and hard for the Department's staff and advisers to help people get their correct entitlements. It makes the system more prone to fraud and error; more expensive to administer, and often makes it less effective at promoting employment and tackling poverty.
169. Procedures have been put in place to ensure that policy makers consult the Department's Benefit Simplification Unit when considering changes to benefit systems. The Benefit Simplification Unit has already identified a range of simplifications including the removal of the need to obtain details of an individual's final pay which has removed the need for the Department to make some 1.7m enquiries to employers.
170. The Department is not a major regulatory department – the majority of its regulations involve social security benefits. During 2007–08, two bills (Child Maintenance and Other Payments Bill and Pensions Bill) were introduced to Parliament; and 77 sets of regulations brought forward. The Department continues to achieve full compliance with the Impact Assessment process. Regulation which has a significant impact on business, charities or the voluntary sector is supported by a final Impact Assessment; only four have been published by the Department in 2007–08.
171. The Department consults those affected by policy proposals at an early stage, considering the views expressed and responding positively to suggestions. DWP consultations, and government's response to the comments received, are published on the Department's website<sup>40</sup>.
172. The Department has undertaken eight full public consultations in the last year, each of which complied with the Cabinet Office's code of practice on consultation<sup>41</sup>. In 11 other instances, ministers have exercised their discretion to conduct limited consultation exercises for consultations on more specialised issues, or where proposals had been subject to a previous full public consultation. However, these consultations utilised best practice from the code.

---

<sup>40</sup> DWP consultations: [www.dwp.gov.uk/resourcecentre/consultation\\_papers.asp](http://www.dwp.gov.uk/resourcecentre/consultation_papers.asp)

<sup>41</sup> [www.berr.gov.uk/files/file44364.pdf](http://www.berr.gov.uk/files/file44364.pdf)

173. The Department's agencies and independent regulators also follow the principles of better regulation. The Pensions Regulator was established in line with Hampton principles and this has ensured that work-based pension regulation uses a flexible and proportionate regulatory approach.
174. The Department was one of the first to adopt the Government's policy that domestic regulation which impacts on business should commence on one of two dates (6 April and 1 October) each year. However, it has been necessary on one or two occasions to introduce legislation slightly earlier than 6 April to tie in with the commencement of the Pension Protection Fund's accounting year (1 April).
175. The Health and Safety Executive, which is sponsored by the Department, publishes information about better regulation performance in its annual report and accounts<sup>42</sup>.

## Sustainable development

176. The Department's commitment to deliver against the targets for Sustainable Operations on the Government Estate (SOG E) is contained in the Department's second *Sustainable Development Action Plan*<sup>43</sup> (October 2007), which covers the next three years. It focuses on delivering government targets, sharing ownership between business areas and the Department's Sustainable Development Team. It was launched in combination with the Department's 7th *Sustainable Development Annual Report*<sup>44</sup>.
177. The Department is already exceeding its total waste targets for 2010–11 and with its Service Partners plans to increase the range of materials being recycled.
178. Carbon reduction targets remain the most challenging, despite an intensive programme to reduce energy consumption run jointly by the Department and its Estates Partners (LSTRILLIUM). Early indications for 2007–08 are promising, showing significant reductions in both fossil fuel and electricity consumption. In addition, new computer equipment and a pilot scheme to rationalise printers show scope for further improvement over the coming years.
179. A review of business mileage has resulted in plans for significant reductions in travel and an intensive communication campaign encouraging more sustainable alternatives such as video and telephone conferencing.
180. The Department recognises that climate change is likely to have a major impact on its work in the coming years. As a result, the Meteorological Office was commissioned to report on the likely effects on the Department's operations and policies. Further work will enable the Department to continue to meet the needs of its customers for many years to come. In addition, a revised Estate Strategy will support future office location decisions ensuring a transition to a more sustainable estate.

<sup>42</sup> [www.hse.gov.uk/aboutus/reports](http://www.hse.gov.uk/aboutus/reports)

<sup>43</sup> [www.dwp.gov.uk/sus-dev/index.asp](http://www.dwp.gov.uk/sus-dev/index.asp)>

<sup>44</sup> [www.dwp.gov.uk/sus-dev/index.asp](http://www.dwp.gov.uk/sus-dev/index.asp)>

181. During 2007, key groups such as policy makers and procurement specialists have been the subject of a concentrated effort to build sustainability into their decision-making processes.
182. The Department's Sustainable Procurement Strategy has been updated and sustainability continues to be embedded through the Department's supply chain.
183. The Department continues to be at the forefront of sustainable development activity across the public sector and is involved in many working and policy development groups.

## International work

184. The Joint International Unit (JIU) works with policy and operational teams throughout the Department to coordinate DWP's international work. The JIU also serves the Department for Children, Schools and Families and the Department for Innovation, Universities and Skills. During 2007–08 the JIU has played a key role in taking forward UK interests in EU and wider international fora and made significant achievements in:
  - providing effective and relevant policy and knowledge exchange in support of domestic policy development, including pensions and welfare to work;
  - successfully working with other key countries, such as France and Germany, on sharing practical approaches to common global challenges, such as extending working lives to manage an ageing population and tackling causes of poverty;
  - negotiating the new EU social security regulations: the family benefit and unemployment benefit chapters were agreed in principle in December;
  - responding on behalf of the UK to the European Commission's social reality stocktaking consultation. This will feed into the preparation of a renewed Social Agenda, which the Commission will present in mid-2008, and the debate on the future of the European budget after 2013;
  - raising the profile of skills in Europe by calling for a European skills assessment in the 2008 Spring European Council Conclusions. The aim is to assess the skills challenge, and examine long-term skills needs and priorities of the EU to 2020, in response to global economic change and social challenges;
  - supporting the Department's interests in the work of the Organisation for Economic Co-operation and Development (OECD), Council of Europe and the G8; and
  - taking forward successful negotiations with social partners and others in the International Labour Organisation (ILO) to agree an independent mechanism to assist with governance and oversight of the organisation and to adopt new ILO standards for the fishing sector.

185. The JIU also manages the European Social Fund (ESF) programme in England to support policies to achieve employment opportunity for all. In 2007–08 it:
- provided about £600 million of ESF funding to projects helping over 776,000 people improve their employability and skills. About 55 per cent of participants were in work or entered further training when they completed their ESF funded provision; and
  - reached agreement with the European Commission on the policy priorities and delivery arrangements for the 2007–2013 ESF programme in England. The new programme has two key priorities: extending employment opportunities to disadvantaged people; and developing a skilled and adaptable workforce. The Department and the Learning and Skills Council launched the first tendering rounds for ESF projects in autumn 2007 to enable new projects to start from spring 2008.

## Ministerial correspondence from members of the public

186. When a member of the public writes to one of the Department's Ministers, the letter may be replied to by an appropriate official on their behalf. Between January and December 2007, 15,265 letters were received and of these 94 per cent were replied to within the target of 20 working days.

## Citizen redress

187. The Department for Work and Pensions' agencies have well-developed processes for dealing with complaints, and their customer service standards and performance are described in their Annual Reports and Accounts. Details of redress arrangements are included on agency websites, and leaflets advising customers about complaints procedures are also available on request from Jobcentre Plus, Pension Centres and Disability Benefit Centres, and from local Citizens Advice Bureaux.
188. From April 2007, the remit of the Department's Independent Case Examiner was widened to provide all DWP customers with access to an impartial and independent tier for the review of their complaints. In this extended role over 1,800 cases were resolved in the last year.
189. Under a Department-wide scheme, each agency compensates any of its customers for any additional costs, losses or other effects of maladministration. In 2007–08, 26,605 ex gratia compensation awards were made under these arrangements totalling around £7 million.

## Communications and marketing

190. The Department aims to ensure that customers know about its services and the policies that affect their daily lives and to bring about behavioural and attitudinal change – through a number of internal and external communications campaigns.
191. The Department's communications function has delivered over 50 campaigns, published 30 magazines, reports and white papers, and has run over 125 conferences during 2007–08. Its achievements include:
- The Jobcentre Plus staff magazine *Plus* winning the 'Magazine of the Year' award at the Communicators in Business northern region awards.
  - The DWP staff magazine *DWPeople* being short-listed as a finalist in the 2007 PR Week Awards for best corporate publication.

Figure 29: Major publicity campaigns costing over £500,000 during 2007–08

Major Publicity Campaigns	Aims	Costs (£ '000)
Employability (pilot campaign)	Challenge employer attitudes on the recruitment and retention of disabled people and people with health conditions.	2,000
Fraud and Error	Tackle benefit fraud by showing potential fraudsters that the consequences of committing benefit fraud are serious.	6,900
Now Let's Talk Money	Reduce financial exclusion by increasing awareness of, and access to, local sources of free, impartial financial advice.	2,000
Child Maintenance Enforcement Campaign	Raise awareness of the Child Support Agency's enforcement measures and, through this, to increase the propensity of non-compliant non-resident parents to comply by convincing people that the Agency can and will take action.	1,180
Pension Credit	Raise awareness of Pension Credit and other benefits within the entire pensioner population, encouraging eligible pensioners to apply and to claim other entitlements.	1,380
Local Employment Partnerships	Encourage employers to sign up to a new partnership with government – we provide them with well-prepared people with the right attitude, while they offer job opportunities to people who have been previously overlooked.	850
Lone Parents Campaign	Target lone parents according to their attitudes to work and encourage them to make an appointment with an adviser, or order support products with useful information.	1,110

## Sponsorship

192. Government departments are required to publish details of any sponsorship received which exceeds £5,000 in their annual reports. The Department received no such payments in 2007–08.

## Consultancy and staff substitutes/interims

193. Expenditure (including VAT) by the Department and its agencies on these services rose to £412.5 million in 2003–04 but fell by 16 per cent in 2004–05 to £345.6 million and by 39 per cent to £210.6 million in 2005–06. In 2006–07 it rose by 28.5 per cent to £270.5 million.

194. The level of expenditure on consultancy and interim staff reflects a high, but reducing, requirement for external expertise to support the Department's modernisation programmes, particularly to introduce new IT systems. In the years to 2003–04 the Department used consultants and interim staff to help modernise its legacy IT infrastructure, integrate business processes inherited from predecessor organisations and modernise service delivery, including introducing Pension Credit and New Tax Credit. The increase in expenditure in 2006–07 was due to support required for major programmes to transform IT sourcing and finance capabilities. A range of measures to improve control over the use of consultants and interim staff has been introduced across the Department.

Figure 30: Departmental expenditure (including VAT) on externally acquired staff resources (£million)

Description	2002–03	2003–04	2004–05	2005–06	2006–07
Management consultancy	47.57	223.35	98.64	77.59	116.77
IT consultancy	93.47	83.37	69.73	52.70	45.85
Staff substitutions	150.48	51.49	53.03	52.99	61.98
Professional services		54.32	104.68	7.72	31.20
Casuals/temps	–	–	19.55	19.60	14.73
<b>Total</b>	<b>291.52</b>	<b>412.53</b>	<b>345.63</b>	<b>210.60</b>	<b>270.53</b>

## Public Accounts Committee recommendations

195. The Committee of Public Accounts published four reports during 2007–08 involving the Department for Work and Pensions. These were:
- 17 May 2007 – 26th Report: Department for Work and Pensions – *Progress in tackling pensioner poverty – encouraging take-up of entitlements*<sup>45</sup> (HC169);
  - 5 July 2007 – 37th Report: Child Support Agency – *Implementation of child support reforms*<sup>46</sup> (HC812);
  - 9 October 2007 – 56th Report: *Delivering effective services through personal advisers*<sup>47</sup> (HC312);
  - 7 February 2008 – 9th Report: *Helping people from workless households into work*<sup>48</sup> (HC301).
196. A copy of the Government responses to the above reports can be found on The Stationery Office official documents website<sup>49</sup>.

---

<sup>45</sup> [www.publications.parliament.uk/pa/cm200607/cmselect/cmpubacc/812/81202.htm](http://www.publications.parliament.uk/pa/cm200607/cmselect/cmpubacc/812/81202.htm)

<sup>46</sup> [www.publications.parliament.uk/pa/cm200607/cmselect/cmpubacc/312/31202.htm](http://www.publications.parliament.uk/pa/cm200607/cmselect/cmpubacc/312/31202.htm)

<sup>47</sup> [www.publications.parliament.uk/pa/cm200607/cmselect/cmpubacc/312/31202.htm](http://www.publications.parliament.uk/pa/cm200607/cmselect/cmpubacc/312/31202.htm)

<sup>48</sup> [www.publications.parliament.uk/pa/cm200708/cmselect/cmpubacc/301/30102.htm](http://www.publications.parliament.uk/pa/cm200708/cmselect/cmpubacc/301/30102.htm)

<sup>49</sup> [www.publications.parliament.uk/pa/cm200607/cmselect/cmpubacc/169/16902.htm](http://www.publications.parliament.uk/pa/cm200607/cmselect/cmpubacc/169/16902.htm)