

Department for Work and Pensions Delivery Plan 2012-2013

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Permanent Secretary's foreword



We have a huge task ahead of us in the Department for Work and Pensions this year. As well as continuing to deliver and improve our services, we also need to prepare for the delivery of the Government's major, 'once in a generation' reforms in 2013.

All this will be delivered in a very demanding environment where there are still challenges in the economy and in unemployment, and where there is an overriding need to put the public finances on a sustainable footing. We also face the issues raised by an ageing society and widespread under-saving for retirement.

In line with our longer-term strategy, we remain focused this year on our purpose to help people lift themselves out of poverty and stay out of poverty, through work, saving and support. To achieve this, we must continue to deliver important services to millions of people. Some services we will deliver ourselves, some through others. Regardless of how our services are delivered, customers and frontline operations come first.

At the same time, we must make substantial efficiency savings. Between 2010 and 2014, we are required to deliver real-term savings of 26%.

Significant savings have already been delivered, through transformation of corporate functions (such as finance and commercial, human resource and information technology) and increases in productivity. For 2012/13, the continued reduction in our baseline costs equates to a real-term decrease in spending of £343m. Our plans for driving out further efficiencies this year will keep us on track to reduce costs whilst continuing to deliver and improve our services.

Alongside meeting this year's efficiency challenge, we must deliver major reforms across the areas of welfare, pensions, work and disability. Universal Credit, the Work Programme, Personal Independence Payment and State and Private Pension reform will deliver a better, more effective welfare system for the 21st century.

To achieve all of this, our people need to continue to work together with one another, and with their partners inside

and outside of Government, to create an extraordinary department – one that is confident, looks to the future, harnesses the wealth of knowledge and innovation of its staff and engages effectively with the outside world. To support the behaviours, values and competencies we need, the new people performance system we have introduced this year gives equal weight to what we do, and how we do it.

As a department, we have an excellent record of having a positive impact on the lives of our customers and claimants – a record we must maintain as we take forward the major reforms to the services that touch millions of lives every day. We will work together to become an extraordinary Department – and by working together as 'One DWP', we will achieve more and better for less.

A handwritten signature in black ink that reads "Robert Devereux". The signature is written in a cursive style.

Robert Devereux

Section 1: Introduction

This year, we will deploy our resources and prioritise our activities to produce the products and services (outputs) that contribute most to the delivery of our **strategic priorities** (outcomes) to:

- transform lives by embedding the principles of Social Justice – to understand and tackle the root causes of poverty rather than its symptoms;
- encourage people to work and make work pay;
- encourage disabled people and those with ill health to work and enable their independence;
- provide a decent income for people of pension age and promote saving for retirement;
- deliver value for money and reduce levels of fraud and error; and
- enhance collaboration across the Department and build on values that put claimants, customers and frontline operations first.

Our detailed plans for delivering reform and for improving operational efficiency over the four year Spending Review period are set out in the Department's [Business Plan](#). The commitments made in the Business Plan need to be met alongside our ambition to maintain and improve our current services over the course of the year.

As part of our commitment to openness and transparency, we will publish progress reports throughout the year against our Business Plan and demonstrate progress towards achieving our strategic outcomes (see Annex A). Reports can be found here:

<http://www.dwp.gov.uk/about-dwp/what-we-do/transparency/>

Our Delivery Plan for the year is focussed on the inputs, activities and outputs we plan to deliver towards achieving our longer-term strategic outcomes. It ensures that our delivery objectives – how we spend our money, what we do and what we produce – are aligned with our strategic priorities. It describes the full set of activities and outputs we plan to deliver to reform, transform and perform in 2012/13.

Section 2: What and how will we deliver this year?

Every year, millions of people around the country rely on the skills of our operational staff and of our partners to deliver important services to them. In the year ahead while, as a Department, we will be engaged in work to implement key Government initiatives and prepare for major new reforms, the ongoing delivery of our day to day business remains a key priority.

Our five delivery objectives for 2012/13 are:

1. **Labour Market** – support people back into work by delivering effective labour market services;
2. **Benefit Administration / Services for working age and disabled people and for pensioners** – administering the benefit and pension systems accurately and in a timely way;
3. **Social Justice / Services for children** – transforming lives by providing support to the most disadvantaged and helping them turn their lives around;
4. **Delivery of Major Reform** – implementing the Government’s once in a generation reforms of the welfare system; and
5. **Efficiency and Transformation** – transforming our organisation and delivering the required efficiencies whilst maintaining systems and controls.

To achieve our objectives and meet the challenge of delivering more and better for less, we need to be confident, look to the future and engage with the outside world. We need to work together as a team – as ‘One DWP’ – demonstrating the behaviours, values and competencies we need to deliver for our customers, partners and staff, and for Ministers and the taxpayer.

We need the right **people** with the right skills and capabilities.

This year, our people performance system is focussed on encouraging and supporting the behaviours, values and competencies we need to adopt to make DWP an extraordinary department.

We need our people to take responsibility and have the power to innovate and make improvements, and we need our leaders to ask, listen and act. To continue on the journey we have started towards ‘One DWP’, we need to deliver cultural and behavioural change in the way we work. Our plans are reflected in the cultural challenges:

- Working collaboratively;
- Taking responsibility and being accountable;
- Tolerating risk;
- Encouraging and building trust in all our relationships;
- Leading visibly;
- Challenging constructively; and
- Facilitating innovation.

We need to work in **partnership** across Government and with the private, voluntary and community sectors to deliver quality services that meet the needs of our customers. We will continue to work with employers to meet their needs and ours in training, placing and retaining people in work, and in helping people save for their retirement.

To deliver **value for money** for the taxpayer and put welfare spending on a sustainable footing, we will exercise rigorous control of our costs to live within our spending plans (see Annex B) and drive out the efficiency savings described in our Business Plan.

Section 3: Delivery objectives

The activities and outputs we plan to deliver to achieve each of our delivery objectives are set out below. Our plans describe both what and how we expect to deliver.

1. Labour Market: we will support people into work by delivering effective labour market services

1.1 Delivering high quality employment support services to the public, in an uncertain economic and labour market context, remains a key priority. The Office for Budget Responsibility forecasts a rise in unemployment from the current level of 8.4% to 8.7% over the course of this year. The impact of recession will continue to be felt by individuals, families, communities and businesses across the UK. We need to be in a position to respond to these economic challenges.

1.2 Our role as a Department is to support people into work, where they are capable of working, and helping them to stay in work. We aim to maintain our excellent track record of providing good quality advice and support through the face to face services of Jobcentres, through our visiting service, and through our partnership with third parties.

1.3 We will continue to focus on moving people off benefits quickly and into sustainable work. Our Jobcentres will provide job-seeking and specialist advisor support to help people move into employment and training. We will work with our partners to provide services for the long-term unemployed, for young people and for disabled people who need employment support tailored to their individual needs.

1.4 In the year ahead, to help people to lift themselves out of poverty and to stay out of poverty through work, we will continue to:

- agree and enforce job-seeking activities, including training and work experience placements as part of Jobseekers' Agreements;
- undertake and follow up Work-Focused Interviews with Employment and Support Allowance customers and with lone parents in receipt of Income Support to ensure that they have the advice and support that they need to prepare for and move into employment;
- build and maintain effective links with a wide range of employers, both nationally and locally, to ensure that job vacancies are identified, advertised and actively pursued by benefit customers supported by our network services; and
- effectively identify people who need more intense employment support and refer them straight onto the Work Programme, Work Choice or specialist disability programmes as appropriate.

1.5 To maintain and improve our current labour market system, we will:

- roll out a flexible model that combines pre-employment training with a work experience placement, including through the Youth Contract for unemployed young people aged under 25;
- provide an online job-matching service for employers and jobseekers from September 2012;
- enforce compliance through the application of sanctions for customers and payment by outcome for providers; and
- expand Access to Work to help people whose health and disability affects the way they do their work and their employers with advice and support with extra costs.

1.6 To continue to increase our effectiveness and value for money:

- Managers and advisors will have the freedom and flexibility to decide for themselves how best to achieve the best possible outcomes for their customers. In this way, we will put the customer at the centre of our business and support frontline staff to build and use their skills and experience.
- Within our organisation and through our relationship with our delivery partners, we will continue to share best practice to reduce variation in performance and achieve our labour market unit cost benchmarks.

2. Benefit Administration: we will administer the benefit and pension systems accurately and in a timely way

2.1 Across our network, we will continue to effectively and efficiently process and maintain applications for benefits and pensions. We will provide services to our customers in a way that we would be happy to receive them ourselves. The vast majority of our benefit expenditure, around 98%, is paid correctly. However, errors and delays cost money that the department and taxpayer cannot afford. We will minimise these by identifying ways of improving all areas of our business and building personal and organisational capability as part of our commitment to continuous improvement.

2.2 We will continue to ensure:

- prompt processing of claims for benefits and pensions and answering of telephone enquiries from the public;

- accurate decisions and payments are made. Where errors do occur, we will take corrective action to adjust underpayments and recover overpayments. We will consider legal action in all cases of fraud and actively pursue debt where appropriate;
- any disputes and complaints that arise are dealt with effectively by responding to enquiries from the public and reviewing all disputed decisions in a timely way; and
- we maintain the quality of our telephony and online service delivery.

2.3 To maintain and improve our current benefit system we will:

- introduce Jobseekers Allowance for lone parents whose youngest child is five or over from May 2012;
- bring forward measures for implementing the Government's announced increase to the State Pension age to 67;
- continue the programme to reassess Incapacity Benefit customers and transfer them to another benefit where appropriate;
- conduct an evidence-based review of the Employment and Support Allowance Work Capability Assessment, develop new work capability criteria and train healthcare professionals to support the introduction of an improved process next year;
- implement the changes the Government has introduced for those in the work-related activity group to limit the period for which contributory Employment and Support Allowance can be paid;

- use credit reference agency data to cleanse the stock of fraud and error from April 2012 and to prevent fraud and error entering the benefit system from December 2012;
- complete the implementation of the fraud and error strategy we share with Her Majesty's Revenue and Customs, to reduce annual welfare overpayments by over one quarter over the 2010 Spending Review period, by rolling out benefit fraud sanctions and civil penalties and introducing both the Single Fraud Investigation Service and the Integrated Risk and Intelligence Service from April 2013;
- finalise plans to reform the appeals process for all of our benefits ready for implementation from April 2013; and
- work with local authorities to plan the successful introduction of both the Benefit Cap and Local Welfare Assistance, which will replace elements of the discretionary social fund, from April 2013.

2.4 To continue to improve our services and increase value for money for the taxpayer we will:

- continue to share best practice to reduce variation in performance and achieve our benefit administration productivity and unit cost benchmarks;
- put benefit advice and common benefit enquiries online from December 2012;
- ensure a simpler transition from working age to pension age by re-using the information we already hold and, where it is safe to do so, automating payment of State Pension;
- introduce a more cost-effective Simple Payments service from July 2012 as a last resort payment method for customers who cannot manage an account of any kind; and

- withdraw the remaining, less secure clerical methods of payment with an intention to move to 100% electronic payments by the end of March 2013.

3. Social Justice and services for children: transforming lives by providing support to the most disadvantaged and helping them turn their lives around

- 3.1 Social Justice is a new approach to understanding and tackling the root causes of poverty rather than its symptoms. The principles of Social Justice are based on ensuring that the most disadvantaged in society have the tools they need to transform their lives and realise their potential.
- 3.2 Government cannot tackle the country's social problems in isolation – the 'Big Society' debate – but as 'One DWP' in the year ahead we will continue to play our part in ensuring individuals, communities and other organisations are empowered to take responsibility, innovate and drive change.
- 3.3 We will establish a Child Poverty and Social Mobility Commission by October 2012, and contribute to the development and delivery of cross-Government initiatives and programmes over the coming year on:
 - Credit Union expansion;
 - strategies for tackling drug and alcohol issues; and
 - policies for individuals and families facing multiple disadvantages as they interact with the welfare system.

- 3.4 We will also contribute to cross-Government efforts to reduce child poverty and break cycles of benefit dependency.
- 3.5 More than 50 per cent of children living in separated families do not have effective financial arrangements in place. Through the Child Maintenance and Enforcement Commission, we will continue to deliver our plans to create a child maintenance system which promotes collaborative outcomes that are best for families and children.
- 3.6 The Welfare Reform Act 2012 includes a number of changes to the current child maintenance system which will be delivered this year. Through the effective administration of the child maintenance system we will drive better outcomes for children by:
- supporting children living in separated families, through family-based arrangements and (where parents are not able to come to their own arrangement) statutory arrangements; and
 - collecting or arranging maintenance payments through a more effective and efficient statutory service.

4. Delivery of Major Reform: we will implement the Government's once in a generation reforms of the welfare system

- 4.1 Our programme of structural reform aims to deliver improved outcomes for our customers through the transformation of both the welfare system and the way that it is delivered. It will put a simpler, more efficient and sustainable welfare system in place for the next generation.
- 4.2 This year, in advance of the implementation of reforms beginning in April 2013 we will prepare for:
- The introduction of **Universal Credit**, a single benefit which people who are out of work or on a low income can claim. It is designed to achieve a fundamental change in attitudes to work; encouraging and supporting people moving towards work or increasing their hours so that they can clearly see they are better off in work. This year we will develop and finalise transitional and migration plans for Universal Credit, ensuring that IT solutions, including digital services, are in place ahead of the launch of the pathfinder in April 2013.
 - The introduction of **Personal Independence Payment**, a new benefit to replace Disability Living Allowance, to enable a more accurate, more objective, more consistent and more transparent consideration of individuals' circumstances. This year, we will put robust implementation plans, including IT solutions, in place to support the roll out for new claims from April 2013.
 - **State Pension Reform.** By July 2012, we will set out proposals for future changes to State Pension age. We will also publish a White Paper to take forward Government proposals for a simpler, 'Single Tier', State Pension system to better support private saving.
 - **Private Pension Reform.** We will complete our preparation for delivery of auto-enrolment into pension schemes for employees of large employers (50 plus) from October 2012, and amend legislation by July 2012 to defer the process for smaller employers. We will develop new proposals to re-invigorate private pensions by October 2012.

- **Reform of Services to Disabled People:** We will publish a new disability strategy, 'Fulfilling Potential', by July 2012. We will consult by December 2012 on the future of the Independent Living Fund in the context of the Social Care White Paper. We will run 'Right to Control' pilots to help us develop and implement a new system for giving disabled adults control over the support they need to live their lives.

5. Efficiency and Transformation: we will transform our organisation and deliver the required efficiencies whilst maintaining systems and controls

- 5.1 Throughout the year we will continue to implement our plans to transform the department and to deliver our challenging agenda within tight resource constraints. We will build capability across the department through a programme of cultural change, driven by strong and effective leadership that supports everyone across 'One DWP' to achieve the best that they can. Alongside this, we will refocus resources from the centre of the department to front line delivery to ensure that whilst delivering efficiencies we also maintain and improve our effectiveness in achieving our strategic priorities.
- 5.2 To achieve all of this, we require a new 'One DWP' approach to service delivery. Our organisational transformation has already begun. In October 2011, we introduced a single delivery operation for services to working age people, pensioners, disabled people and carers. We also implemented a new streamlined structure for the corporate centre that provides clear processes and accountabilities for progressing initiatives from strategic development through to operational delivery.
- 5.3 To succeed in delivering services that are accessible, efficient and based on customer needs, we also need to adopt new mindsets. We are following six delivery principles:
- put the claimant and customer at the heart of all our efforts;
 - promote flexibility so that local services can be tailored to meet local needs;
 - assess and deliver change in a robust, controlled and focussed way;
 - provide digital services by default;
 - continually improve our processes and service delivery and champion excellence at all levels; and
 - harness the expertise of those best placed to deliver by commissioning services and working in partnership with others.
- 5.4 Plans for further organisational transformation this year include:
- focussing on how we manage change effectively across the organisation. We will help leaders and managers develop the skills and behaviours needed to support and deliver organisational change and motivate, engage and coach their teams. Implementing the new performance management arrangements will support the recognition and reward of achievement and help tackle poor performance effectively;
 - developing the capabilities and skills required to deliver our strategic priorities and meet the future needs of our organisation, including delivery of our new services and building our professional capability and expertise;

- developing detailed organisational plans for operational areas to support the delivery of both the policy changes that start to come on line from April 2013 and the residual elements of the current benefits system that will remain until 2017;
- ensuring that our policy processes and structures are improved and remain focused to deliver the ambitious reform programme;
- providing clear lines of accountability throughout the organisation, led by the Permanent Secretary and the restructured and refocused Departmental Board and Executive Team who will lead and direct the work of the Department;
- moving to a single Programme Management Office function to oversee all change activity for the Department across our major programmes, ensuring through strong governance arrangements that change projects are delivered on time and within budget, and that the people impacts are managed effectively; and
- embedding the Department's new single Finance organisation to coordinate and challenge all commercial and financial activity across the Department to ensure that the Department lives within agreed budgets and continues to drive value for money in all that it delivers.

5.5 Our plans for improving **efficiency** this year are set out in detail in our Business Plan [\[link\]](#) and include:

- continuing to move towards simpler, streamlined, more cost-effective digitally-based systems. Ensuring our current systems provide value-for-money, and are available and effective in supporting our front line;

- developing self-service delivery, simplifying methods of payment and benchmarking to compare the performance of individual units;
- reducing staff absences to an average of 7.0 days a year by ensuring robust policies are in place, and sickness absence is effectively reported and managed;
- reducing our estate by 60 buildings where buildings are no longer required for service delivery, saving an anticipated £40m per annum;
- realising savings of £340m (10 per cent) from procured goods and services, through improved demand management and by further centralising procurement and exercising greater Crown commercial leverage; and
- reducing administrative spend and/or benefit expenditure by delivering benefits from investment, including over £600m in benefit expenditure by reducing fraud and error and around £31m by recovering debt.

5.6 To ensure that every penny is spent effectively, we have also reviewed our systems and controls. To maintain robust levels of assurance throughout the year, we will:

- undertake and report on a programme of audits, approved by the Departmental Audit Committee, by our independent Internal Audit team;
- further embed risk management into key business decision making processes, by building business capability and confidence that enables managers to take decisions based on the balance of risk and reward;

- implement financial controls to help us manage resources effectively, control costs and drive performance; and
- continuously plan to ensure we have the right people and resources in the right place at the right time to deliver affordably, effectively and efficiently.

5.7 We also plan to implement a number of initiatives that will increase our **effectiveness** in helping people to help themselves. Simply increasing spending on welfare is not the answer. By promoting high levels of employment and helping people who are out of work to move into work and stay there, we will control our welfare spending and ensure the most vulnerable in society are protected. Reassessing Incapacity Benefit claims, time-limiting claims for Employment and Support Allowance and implementing Youth Contract will all contribute to controlling welfare spending this year.

5.8 Our sponsorship of Arms Length Bodies will ensure:

- child maintenance functions transition successfully into the Department from July 2012, if Parliamentary approval is given, to implement the Government's plans to abolish the Child Maintenance and Enforcement Commission;
- health and safety workplace inspections ensure that current statutory requirements are being complied with and legal action is successfully pursued in appropriate cases where they are not. Health and safety complaints by members of the public are investigated promptly;

- an implementation plan is developed and agreed across Government for delivering Professor Löfstedt's recommendations for reducing health and safety regulations. Begin the process of reducing health and safety regulations by a half over the next three years; and
- value for money and effective services are provided from our Arms Length Bodies.

Section 4: Conclusion

In this Delivery Plan, we have presented what and how we will deliver this year against our five, mutually-dependent delivery objectives. Continuing to transform our department to 'One DWP' this year will enable us to simultaneously:

- Maintain an excellent service to the public.
- Deliver efficiencies.
- Achieve our strategic priorities.
- Be ready to implement the planned 'once in a generation' reforms next year.
- Start to plan the delivery of the next phase of reforms.
- Develop and engage our people.
- Achieve more and better for less.

Annex A: The Department's published indicators for 2012/13

The tables below set out the key input, impact and other indicators¹ published in the Department's Business Plan to help the public to judge the effect of our policies and reforms. The indicators have been designed to enable us to demonstrate how we are spending taxpayers' money and to enable the public to make an assessment about the Department's efficiency and productivity.

A Quarterly Data Summary provides regular updates on the trend of these indicators and other key data.

Input Indicators

Overall Department for Work and Pensions productivity measure

Impact Indicators

Proportion of the lowest earners that experience wage progression (%)

Rates of people moving from key out of work benefits (%)

Fraud and Error in the benefit system, as a percentage of expenditure (%)

Number of people on key out of work benefits (million)

Proportion of young people not in full-time education who are not in employment (%)

Proportion of children living in workless households (%)

Rate of pensioner poverty (%)

Number of employees in a pension scheme sponsored by their employer (million)

Average age people stop working (years)

Rate of disability poverty (%)

Gap between the employment rates for disabled people and the overall population (%)

Public opinion of DWP service levels (%)

Other Data Sets

Number of Incapacity Benefit recipients reassessed and those moving from Incapacity Benefit to Employment and Support Allowance nationally

Proportion of customers for whom providers have achieved a Job Outcome payment at 12 months on the programme

The proportion of households that are workless (%)

Number of disabled people taking up Right to Control, by location (thousands)

Proportion of new claims for Jobseekers Allowance submitted online (%)

Our Open Data Strategy is published separately and sets out the Department's approach to increasing transparency across a wider range of data sets. Details are provided in our Business Plan.

¹Details of how these indicators are measured can be found at: <http://www.dwp.gov.uk/publications/corporate%2Dpublications/dwp%2Dbusiness%2Dplan%2D2011%2D2015/business%2Dplan%2Dtransparency/>

Annex B: The Department's financial plans for 2012/13





