

# Department for Work and Pensions Improvement Plan

March 2014

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# A. Foreword

## FOREWORD BY THE DEPARTMENTAL BOARD

Every day, the Department strives to make a positive impact on the people we serve. It might be the pensioner who can keep warm over the winter thanks to the payments we process; the household that now has a wage coming in; or the lone parent who can better manage their finances because their ex-partner is paying proper child maintenance. It is sometimes too easy to lose sight of the lives that are transformed with our support, but it is why we are here.

The recent performance of the labour market gives just one example of what these extraordinary efforts mean. More people are now in work than ever before and the fall in claimant count unemployment over the past year was the largest in 16 years.

We are continuing to deliver outcomes like these at the same time as we are implementing the most significant reforms to the welfare state in generations, reforms which are leading to a fundamental change in the nature of the relationship between the individual and the State.

Looking back over the last 12 months, we have made an enormous amount of progress. Our focus on working more closely across organisational and geographical boundaries has improved the efficiency with which we run our processes. In turn, we are also reducing our delivery costs. Baseline spend is £1.9 billion lower than in 2009-10. We also remain on course to deliver £50 billion of welfare savings in this Parliament as we implement our ambitious programme of reforms.

However, this is just the start of our journey. The expectations of our customers will continue to reflect and be shaped by that of the modern and rapidly changing digital age; the fiscal position will continue to provide an important and challenging context; and, even with many significant reform milestones already completed, we are still managing a further 45 major initiatives.

The Departmental Improvement Plan sets out the next phase in this journey and the steps we will take as a Department to improve the way we work. It complements our Departmental Business Plan, which sets out in detail the major structural reforms that we are delivering and our Capability Plan which sets out how we will improve our capability. The Departmental Improvement Plan does not seek to list all that we are doing, but to give an honest assessment of where we consider the biggest improvements are needed.

The actions and metrics within the plan fall into three areas: those where we expect to see rapid progress within the year, for instance by improving the desktop IT our people use to support their roles; those where we need to invest to reap rewards in the future, such as further upskilling our people; and those which form part of collaborating effectively across a large and complex organisation to ensure we work together as one to deliver our priorities, such as the nature and style of our communications and how we engage our people.

We will monitor progress throughout the year in delivering the improvement actions agreed in this plan and will consider our progress, including additional actions to further strengthen and develop the Department when we refresh it for 2015-16.

We are grateful to all our colleagues who have worked together in developing the thinking behind this plan. This includes people in the delivery part of our Department who gave open and honest feedback as part of focus groups about how we could help them to better deliver their jobs, and to those working in policy and strategy for thinking about how we could make such changes.

We are proud to be part of the team that leads this Department and as we go around the business we are always struck by the commitment and dedication of its people to deliver its ambitious reform programme, improve its efficiency and sustain exceptional levels of customer service. Our journey will continue together, to become a truly exceptional Department that works together as one.

**Robert Devereux**  
**Permanent Secretary**



**Willy Roe**  
**Non Executive Director**



## B. Assessment

### INTRODUCTION

The aim of the Department for Work and Pensions is to help people lift themselves out of poverty and stay out of poverty, through work, saving and support. The work that we do matters to millions of people up and down the country and, each and every day, people across the Department are transforming lives.

We are the largest Department across Whitehall serving around 22 million customers. Table 0.1 highlights some key facts about the scale of our services.

#### **Table 0.1: In 2012-13, we<sup>1</sup>:**

- Supported 3.6 million people to move off Jobseeker's Allowance;
- Advertised job vacancies for 330,000 employers;
- Processed 7.4 million benefit and pension claims;
- Paid £166 billion in benefits and pensions accurately and on time;
- Carried out 24.5 million adviser interviews; and
- Collected/arranged £1.2 billion of child maintenance on behalf of 880,000 children.

At the same time as delivering these crucial services, the Department is also putting in place the most ambitious reform programme across Government through once in a generation changes to the welfare system. These include delivering a cultural shift in the way that claimants look for and are incentivised to find work through Universal Credit; transforming support for disabled people through the introduction of Personal Independence Payment; changing the relationship between parents and the State for child maintenance; and fundamental changes to the State and private pensions system. Together, reforms such as these are making a transformational difference to the people we serve and to our staff.

The Department has a strong track record in delivering an exceptional day job while implementing major reform. But the journey we have embarked on is bigger than ever before and, alongside rising public expectations, is being done in a challenging economic and financial climate. The size of our operation, the scale of reform, and this context has rightly shaped and influenced the way we develop and operate.

To deliver these changes, the focus of the Department has been on building a different sort of organisation. A cornerstone of what we are doing is embracing Civil Service Reform, ensuring that along with other departments we focus on increasing our skills, being more open and providing more services online. But as a large and complex organisation, we are continually developing a programme of improvement specific to us, with a particular focus on:

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<sup>1</sup> Figures are rounded

- **Efficiency and innovation:** we have encouraged an environment where all staff take responsibility to improve what the Department delivers and leaders ask, listen and act on their suggestions. We have, for example, made good progress on empowering people across the Department to improve customer service, as detailed in Case Study 0.1;
- **Performance:** we have focused strongly on ensuring that what works for customers and front line operations comes first, in particular through driving forward a programme of continuous improvement across the entire customer journey. We have also set up “One Service Networks” which ensure that senior leaders work even more collaboratively and tackle cross-operational challenges together;
- **Strategic risk and leadership of change:** we are ensuring that we are encouraging all our people to be leaders. At the heart of our efforts is the “DWP Story”, our narrative for why we are here, our vision, the challenges ahead and what we need to do to get there. We are also ensuring that we successfully introduce our major change programmes and manage the risks that are inherent in any such transformation; and
- **Capability:** our people are our key resource, and we are committed as a Department to valuing and developing everyone’s skills. We have, for example, refocused the Department’s Summer School as a year long development programme for those at AA to SEO grades. We will finalise our Capability Plan in Spring 2014, but cover key improvement actions in this area too as part of this plan.

### Case Study 0.1: Bright Ideas

A key part of our ‘One DWP Story’ is to recognise innovation and encourage our people to work together to develop ideas and solutions to improve the way we work. A key mechanism by which we do this is our Bright Ideas portal which was launched in April 2012 and is focused on:

- **Helping make the Department more innovative** – encouraging staff to have ideas and to collaborate on developing ideas;
- **Improving services** – generating and developing ideas that improve our services and the experience of our customers and staff; and
- **Engaging people across the Department** – ensuring people feel more engaged with the business and believe they have a voice and their views are counted.

Over 64,000 people (circa 60 per cent of the Department’s Full-Time Equivalent staff) have registered on the Bright Ideas Portal, generating over 9,410 ideas. Evidence from an early evaluation suggests that people have had a positive reaction to Bright Ideas, recognising it as channel for innovation, consider that it is far better than any of its predecessors, feel more engaged with the business, believe they have a voice and their views are counted. Bright Ideas also compares very favourably against the industry standard for staff engagement levels for the early years of a scheme.

Of the 9,410 ideas raised, over 1,300 (over 15 per cent) were have been implemented so far. Although implementation rates are hard to compare across similar ideas schemes, as each has its own classification criteria, the implementation rate equates to that of other organisations of a similar size, for example BT. Based on a very small number of ideas, where we have been able to quantify savings, the current return on investment is at least £16 million per annum.

The Department has already made significant progress. Our People Survey results for 2013 show that we are transforming ourselves and the way in which we work together. Staff engagement has risen by 10 percentage points to 54 per cent since the 2011 survey (a rise of approximately a quarter in two years). With only one exception, the responses to every single survey question are more positive than in 2012.

The survey feedback also points to a number of areas for improvement, for example with respect to the management of change, career development and ensuring people have effective IT to do their job. These are all featured in this improvement plan. We have also conducted a separate consultation exercise with our people across the organisation to listen to their views. This included focus groups with representatives from The Pension Service, Child Maintenance Group, Contact Centre Group, Benefit Centre Group, Work Services Group, and the Corporate Centre. We also engaged with Departmental Summer School participants while Departmental Directors consulted with colleagues in other Government Departments to hear their feedback.

Taking into account the evidence gathered from staff, customers and stakeholders, the Departmental Board have agreed the following nine priority areas for improvement under four headings as detailed in Table 0.2.

**Table 0.2: Key areas for improvement**

**1. Efficiency and Innovation**

- 1.1 Maintaining sustainable cost reductions
- 1.2 Digitalisation

**2. Performance**

- 2.1 Delivering services – directly and contracted
- 2.2 Working with and influencing others

**3. Strategic Risk and leadership of Change**

- 3.1 Refreshing our vision and strategy for the Department for the medium to long term
- 3.2 Ensuring our major projects are delivered on time, to quality and within budget

**4. Capability**

- 4.1 Developing our leaders' capability so that we improve delivery of the Department's priorities and the major transformation needed through to 2017 and beyond
- 4.2 Ensuring our people are equipped with the required skills and knowledge
- 4.3 Ensuring we have the right people in the right places, now and in the future

These priorities lead on from progress already made in implementing the Department's **2012 Capability Action Plan** where we looked at: Setting Direction; Talent; Performance; and Innovation.

# 1. EFFICIENCY & INNOVATION

## Maintaining sustainable cost reductions

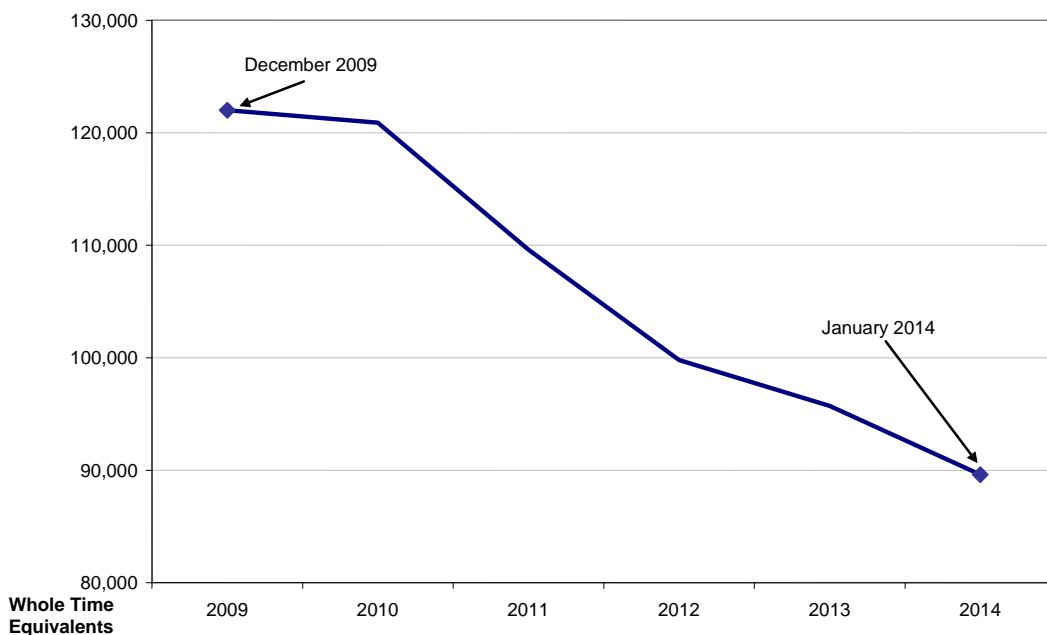
The current fiscal climate has created challenges for the Department in maintaining high levels of customer service while driving down costs. The Department has an excellent record of delivering significant year-on-year savings, with baseline spend now £1.9 billion lower in 2013-14 than 2009-10, a cumulative saving of £7.3 billion in real terms. By the end of 2013-14, the Department will have delivered a 34 per cent real terms reduction in baseline expenditure since 2009-10.

The Department has also managed considerable changes in workforce numbers. Since 2010, we have driven the largest fall in staffing across Whitehall, and one of the largest percentage falls. The Department's workforce peaked in December 2009 at around 122,000 Full-Time-Equivalent and now stands at around 90,000.

The reduction in staff, in part, reflects the unwinding of the economic downturn and the release of temporary staff to manage the increased workloads it created, but also a concerted effort to drive out efficiencies in the business across both the operational and corporate centre arms. In particular, in 2011-12 the Department undertook a major transformation exercise, which included the creation of a single delivery operation by ending the Executive Agency status of Jobcentre Plus and the Pension, Disability and Carers Service, returning their functions to the core of the Department.

We also undertook a major transformation of our core funded 'corporate functions', implementing a new, streamlined design. Between December 2010 and March 2012 the baseline funded corporate function headcount was reduced by around one third. Figure 1.1 shows how our total staffing numbers have changed between 2009 and 2014<sup>2</sup>.

Figure 1.1: DWP Staffing - Changes 2009 to 2014



In addition, the Department has delivered reductions in other running costs. Case Study 1.1 gives some examples.

<sup>2</sup> Whole Time Equivalent figures. Data points are March unless stated. 450 MyCSP staff transferred out in April 2013 and 720 Shared Services in November 2013.



## Case Study 1.1: Delivering reductions in running costs

- **Rationalisation of our estate:** we have vacated 114 sites since 2010, releasing around 207,000m<sup>2</sup> of office space, saving about £90 million a year. We continue to look for further opportunities including co-location with other organisations.
- **Promoting a 'once and done' culture** for a quicker, better and more efficient service, in particular by focusing on continuous improvement across the journey that customers take when claiming benefits, supported by the use of LEAN tools and techniques; for example, inbound telephone enquiries have reduced by around 32 per cent in the period April to November 2013<sup>3</sup>.
- **Reducing expenditure on:**
  - Management consultancy, which between April and December 2013 was £7.5 million - down 14 per cent on the previous year. Since 2009-10 our annual expenditure on consultancy has reduced by over £30 million or 75 per cent; and
  - Goods and services, which at £3,230<sup>4</sup> million in 2013-14 is down £120 million (4 per cent) on the previous year. More efficient procurement, improved demand management and greater Crown commercial leverage will enable underlying procurement efficiencies of about £316 million<sup>5</sup> in 2013-14.

Together, changes such as these have helped the Department to become more efficient and productive as an organisation. As shown in Table 1.1, Departmental productivity has increased over the Spending Review 2010 period. This builds on productivity increases equivalent to 5 per cent per annum from 2005-06 to 2009-10. In comparison, the Office for National Statistics data show that total public service productivity has been largely flat between 2005 and 2010<sup>6</sup>.

**Table 1.1: Annual growth in Departmental productivity**

2010-11	2011-12	2012-13
10%	12%	3%

In addition, the Department has also made important changes to our governance structures to support the delivery of our strategic priorities and to strengthen planning and prioritisation decisions in the Department, including in 2012 introducing a regular process to enable Ministers to consider and prioritise our Change Programme portfolio.

However, as departments will need to continue delivering significant year-on-year savings to help close the fiscal deficit, choices about spending priorities and savings will get tougher. As the Institute for Government report on Whitehall<sup>7</sup> said recently, the challenge for all departments is to emerge not just smaller as a result of reform, but more confident and effective in years to come. A new Executive Team sub-committee, the Departmental Planning Group, has been established to improve the way in which the Department draws together planning activity across the Department on important areas such as digitisation, estates, and workforce. This will support the Departmental Board in taking a stronger role in **reviewing the allocation of resources so that they remain aligned with**

<sup>3</sup> Figures are approximate due to changes in telephony infrastructure

<sup>4</sup> Figure used is provisional

<sup>5</sup> Using Cabinet Office Efficiency and Reform Group commercial savings methodology

<sup>6</sup> Departmental productivity figures are calculated in a consistent way with those published by the Office for National Statistics for total UK public service

<sup>7</sup> [http://www.instituteforgovernment.org.uk/sites/default/files/publications/Transforming\\_Whitehall\\_Departments\\_0.pdf](http://www.instituteforgovernment.org.uk/sites/default/files/publications/Transforming_Whitehall_Departments_0.pdf)

**Ministerial priorities and enable the Department to deliver the necessary efficiencies** (*improvement action 1.1i*). This will embed an annual planning cycle linking the Department's strategic direction to activities, priorities, plans, resources, performance and risk. It will also focus on areas where more radical or strategic choices will be needed to continue reducing resources without adversely impacting on operational performance and delivery of the Department's current change programmes. It will also enable us to intelligently manage winding down some programmes as others build up, including moving resources between priorities to meet both short term temporary and longer term requirements.

Approximately £165 billion of the Department's total budget of £172 billion in 2013-14 covers benefit and pension spend (known as Annually Managed Expenditure or AME). This is broadly managed on two levels - getting it right at the individual level and getting it right in aggregate. At the individual level, other parts of this improvement plan set out the improvements we are making to the customer journey and our focus on paying the right benefit to the right people on time. We are also focusing hard on driving down fraud and error in the welfare system and recovering payments where this does occur, for instance the Department has improved the collection of debt, collecting a record £409 million customer debt in 2012-13.

At the aggregate level, the Department has robust processes in place to keep a focus on its overall AME spending, monitoring expenditure and forecasts within the current financial year as well as developing longer-term projections. The Department's forecasts are scrutinised by the Office for Budget Responsibility and changes to policy affecting this expenditure are negotiated bilaterally with HM Treasury. The joint Department for Work and Pensions / HM Treasury Annually Managed Expenditure Risk Board is also in place to focus on the range of risks and issues affecting the Department's AME.

The Chancellor announced in Budget 2013<sup>8</sup> the introduction of a total Welfare Cap, with the level of the cap (£119.5 billion in 2015/16) announced in Budget 2014<sup>9</sup>. This is a complex area, reaching across the whole Department as well as to other areas of Government. The Department will work very closely with HM Treasury and the Office for Budget Responsibility to ensure we **develop the process and governance arrangements to support implementation of the Welfare Cap** (*improvement action 1.1ii*).

## Digitalisation

Technology is transforming how the people who rely on our services expect to interact with the Department and the way in which we design and deliver our programmes. In December 2012, we published our Digital Strategy<sup>10</sup> which sets out how the Department will by default provide the high quality digital services that people prefer to use.

A key plank of the strategy is to deliver a high quality digital offering, through improving the way in which we design and develop our services so that they are focused on the needs of the users themselves. We are already developing exemplar services covering:

- Universal Credit;
- Personal Independence Payment; and

<sup>8</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/221885/budget2013\\_complete.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/221885/budget2013_complete.pdf)

<sup>9</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/293759/37630\\_Budget\\_2014\\_Web\\_Accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/293759/37630_Budget_2014_Web_Accessible.pdf)

<sup>10</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/193901/dwp-digital-strategy.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/193901/dwp-digital-strategy.pdf)

- Carer's Allowance.

We have also started to develop a similar approach for the Single Tier State Pension, where legislation is currently going through Parliament to introduce it from April 2016. A live Universal Credit service is operating in the North West of England and we are developing an enhanced service to roll out Universal Credit nationally. Case Study 1.2 gives more detail on our plans for Universal Credit. Already we have a national service for employers to advertise their vacancies via Universal Jobmatch<sup>11</sup>, which is already one of the largest jobsites in the UK. The service enables employers to directly manage their vacancies online, jobseekers to manage their CV online and both can receive automated matches based on their requirements. The majority of Jobseeker's Allowance claimants are now registered on Universal Jobmatch with an account and are searching for and applying for jobs using the service.

### Case Study 1.2: Universal Credit

- As announced in December 2013<sup>12</sup> the Department has been working in conjunction with the Government Digital Service to explore an enhanced IT system for Universal Credit that uses the latest in technological advances. This system has proved viable and the Department will further develop this work with a view to rolling it out once testing is complete.
- While this work is undertaken, Universal Credit will continue to expand. It is now live in seven areas across the country, growing to 10 by Spring 2014. From there, the live service will expand beyond the existing single claimant group, to progressively start to take new claims from couples in the Summer and families in the Autumn. Once safely tested in the live Universal Credit areas the service will be expanded to more area of the North West. This will enable us to learn from the live running of Universal Credit at scale and for more claimant types.
- Pressing ahead with the expansion and development of the current Universal Credit service, while the enhanced IT is being developed will allow for greater understanding of how individuals in different circumstances interact with Universal Credit. It also allows higher volumes of people to benefit from the better work incentives that come with the new benefit. Importantly, this approach will still allow the Universal Credit programme to roll out within the original budget.
- Current plans will see Universal Credit fully available in each part of Great Britain during 2016, having closed down new claims to the legacy benefits it replaces, such as Jobseeker's Allowance and Income Support. The majority of the existing legacy benefit claimants will be moved over to Universal Credit during 2016 and 2017. Decisions on the later stages of Universal Credit roll out will also be informed by the development of the enhanced digital IT solution and these decisions will determine the final details for how people transition to the new benefit.
- The overriding priority throughout will be continued safe and smooth delivery and, as recommended by the Public Accounts Committee in their recent report on Universal Credit, this will take precedence over meeting specific timings.

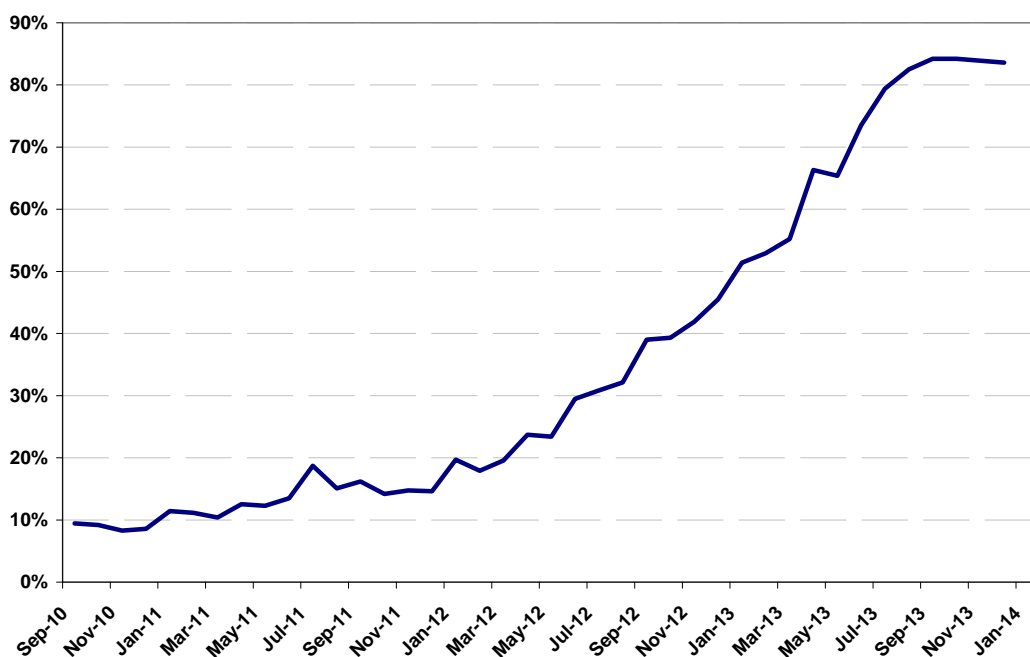
The Department is continuing to move its major transactional services on-line, and we will continue to **develop and roll out our three existing exemplar digital services** (*action 1.2i*), We will also continue to improve the quality of existing services based on our and customers experiences.

<sup>11</sup> <http://jobvacancies.businesslink.gov.uk/IndexDwp.aspx>

<sup>12</sup> <https://www.gov.uk/government/news/universal-credit-progress>

As well as developing new services, we also need to build towards their successful full introduction. By streamlining and simplifying the way we offer services and process claims, we can start to prepare for the future, when more and more tasks will be automated. Getting this right now will pay dividends later and will make for a smoother and easier transition, a transition that is handling less complex transactions and procedures and which is thus easier to deliver. One way in which we have radically transformed the way we deliver our core business is through shifting more new claims for Jobseeker's Allowance to our on-line channel with the proportion of new claims through an on-line medium increasing from 30 per cent to over 80 per cent in the space of a year. Figure 1.2 shows progress since September 2010.

Table 1.2: Proportion of new claims to Jobseeker's Allowance submitted online



A complementary strand of our digital strategy is to support people to use our services, for instance through providing access in our offices, sign-posting people to digital options or supporting the development of their digital skills. Case Study 1.3 highlights how our offices are evolving. Given that an increasing number of employers advertise vacancies only online, it is crucial that jobseekers are able to navigate the various websites, create electronic CVs, and are able to submit applications online if they are to be able to access all potential vacancies and hence improve their potential to secure employment. Examples of how the Department has helped jobseekers include our work with the Department for Communities and Local Government and the Scottish and Welsh Governments to establish the Digital Deal. The Department contributed £300,000 to a £450,000 fund that sponsors 12 different projects testing ways of helping social housing tenants to get and stay online. We will also be rolling out 6,000 Internet Access Devices in Jobcentres during 2014-15 to help those who cannot access our services via other routes. We also need to deliver services in the way people want to access them, for example Carer's Allowance, is accessible already, including from people's smart phones (which is increasingly the way people choose to access the net), as shown in Case Study 1.4.

The Departments IT systems are complex and amongst the largest in the world. We are transforming the delivery of our IT, and the experience of our staff, by improving the tools people use to do their job.

This will help to **ensure the reliability and availability of our IT systems** (*improvement action 1.2ii*). We will achieve this through transforming our legacy systems with new systems and, through our Workplace Transformation Programme, to modernise and upgrade our IT systems.

### Case Study 1.3: Office of the Future

The idea behind the Office of the Future was to showcase and test technology that would enable customers and claimants to operate in a modern digital environment. In creating the Office of the Future, the IT innovation team worked in collaboration with three Jobcentre Plus Offices – London Bridge, Newport (Gwent), and Rusholme – to identify the requirements of a Digital Jobcentre, sourcing the hardware needed and providing ongoing site support while colleagues and claimants familiarised themselves with the new technology. Using these technologies, all three offices actively involved partner organisations to achieve better results for the claimant or customer, for example to offer jobseekers in-house help to write their CVs.

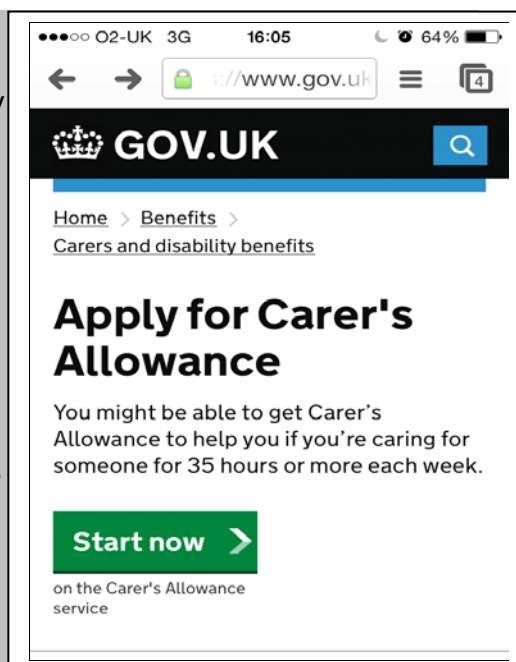
The offices (which are perhaps better referred to as ‘Digital Innovation Centres’) are regularly updated, with new initiatives being developed on an ongoing basis. Ideas currently being examined include self check-in, video-conferencing to reduce the costs of travelling to interviews, and diagnostic questionnaires to help jobseekers determine the kind of work that would be most suitable for them. Following a visit to the London Bridge office, the Secretary of State asked for some of the tried and tested elements to be deployed to the Universal Credit pathfinder sites.



This will deliver, in the short term, more improved and efficient hardware including centralised data storage, and in the medium term (as more and more of our new services and delivery methods come on stream) up-to-date and more modern fully supported software.

#### Case study 1.4: Carer's Allowance

Carer's Allowance is working towards full accreditation by Government Digital Service. The first stage was to replace old, poor, unsupported digital front-end services that enabled initial claims to be made, with a new, world class service. The plan for the next phase of the service design is to extend the current Carer's Allowance digital service to include a replacement for the legacy back-end service, enabling more automation of processing. The service will be further improved by introducing appropriate digital support for those who need it after being piloted and evaluated. We will also use the lessons from developing and running these services to help inform the shape of our wider digital services, such as Single Tier State Pension, as we continue to look for and scope opportunities to improve user and staff experience by digitalising other areas of the Department.



As well as developing new services, simplifying and streamlining current ones and helping customers to go online, we also need to help our staff to develop the digital skills that they will need in the modern workplace. In the Autumn of 2013 we appointed a new Director General for Digital Transformation for the Department, bringing valuable private sector and change management experience. His ambition is that he wants **“the Department to be an exemplar in providing great digital services; delivering better services to our customers and saving the tax payer money through greater efficiency”**<sup>13</sup>

Our aim is to ensure that all staff, particularly on the frontline, have the skills and knowledge to undertake changing job roles and deliver a fully customer-centric service, hence a key focus for the Department will be to **continue to build digital capability amongst staff** (*improvement action 1.2iii*). Table 1.5 gives some examples of initiatives in this area.

#### Table 1.5: Improving our people's digital skills in the Department

- Creating new Digital Academies to train staff in the latest digital techniques and to train increasing numbers of staff to work in specialist roles across the Department;
- Refreshing the role of front-line digital champions across the country; and
- Where necessary recruiting in people with the skills we need from outside of the Department.

As part of this the first Digital Academy launched on 24th February 2014. The Academy will run throughout the year and aims to develop around 100 people in order to build in-house expertise. Delegates will join an eight week intensive training course designed to the best of industry-led standards.

<sup>13</sup> Kevin Cunnington, Digital Transformation Director General

## 2. PERFORMANCE

### Customer experience

The Department provides a vital public service, transforming lives through the support it gives to millions of people every working day. At the heart of what we do is serving our customers and ensuring that what we deliver is of the highest quality. Our ambition is: **“To be recognised as the best and most efficient service delivery operation in the public sector.”**<sup>14</sup>

The Department is building on a strong record of performance for its operational delivery. Approaching the end of the operational year 2013/14 the Department is hitting or exceeding all of its key performance indicators for the year. This is a consequence of a concerted effort to drive up levels of customer and claimant service, and to drive down the cost of providing that service. A rigorous focus has been applied to making the end-to-end customer journey seamless across the different parts of operational business, to identifying and driving out inefficient processes and to compliance with business processes. This has helped to deliver significant improvements in the speed of processing across key claimant handoffs between staff in different parts of the business, volumes of calls from claimants, particularly those to progress chase claims, and the number of complaints from the public about our levels of service. Case Study 2.1 gives just one example about improving the Jobseeker’s Allowance process.

#### **Case study 2.1: An improved process for Jobseeker’s Allowance claims**

Staff in Clydebank and Leicester examined what was needed to improve processes so that jobseekers did not need to chase their claims. Following evaluation the most successful parts of these initiatives, an enhanced Jobseeker’s Allowance new claims process, was launched nationally in November 2013. This includes:

- More effective use of technologies such as Short Message Service (SMS) text messaging, for example by texting appointment times (and evidence requirements);
- Scanning evidence within Jobcentres, so as to share information more quickly by removing the need for faxing or courier transit; and
- An improved way of gathering information needed from customers to enable their claims to be processed, that will reduce calls made to chase a claims progress, and improve the quality of claims passed to benefit centres.

Both customers and staff have reacted positively to the changes. We are continuing to look critically at different aspects of Jobseeker’s Allowance to identify and test opportunities for new approaches to drive further improvement.

Table 2.1 highlights some specific examples of the extent of performance improvement over the twelve months since January 2013. Promoting a 'once and done' culture not only improves customer service, but has also helped to reduce our costs as recorded in chapter 1.

<sup>14</sup> Noel Shanahan, Director General Operations, January 2014

**Table 2.1: Examples of performance improvement<sup>15</sup>:**

- Jobseeker's Allowance speed of processing has increased from 66 per cent to 88 per cent of claims within 10 days;
- Handover rates have reduced from 27 per cent to 15 per cent, meaning significantly more claimants have their query dealt with at the first point of contact;
- Volumes of calls answered within 20 seconds has increased by 167 per cent, with over 78 per cent of calls handled in this time; and.
- Complaints about how long we take to process claims or queries have decreased by 30 per cent.

Welcome as some of our recent improvements are there is still more to do, to ensure we offer the best possible service and reduce costs. The Department's annual Customer Service and Experience Survey<sup>16</sup> recorded that in 2013 81 per cent of claimants surveyed were fairly or very satisfied with the Department's service overall: while comparing well with other services, there is room to improve.

The Department will therefore **continue to actively and critically review the end-to-end customer journeys to identify opportunities to improve service whilst driving out improvements in process and performance and hence improve customer opinion and experience of the service they receive** (*improvement action 2.1i*). A particular focus for the coming year will be on designing a stronger Quality and Assurance Framework that embeds a quality customer service through consistent set of standards. This will be rolled out alongside a revised Customer Charter in April 2014.

## **Services provided under contract**

Delivering an exceptional level of public service also requires that we harness the experience and expertise of others where appropriate, and do so in more innovative and cost effective ways.

The Department currently manages contracts worth approximately £3.354 billion<sup>17</sup> a year, ranging from our network of estates and IT, to the provision of vital employment services for our customers. Over recent years, the Department has recognised the need to improve both the design, negotiation and management of contracts including more robust and earlier intervention to address under-performance. We are always looking to do more and **further strengthen our capability to drive up provider performance by focussing on narrowing the performance variations between providers and on managing contract failure** (*improvement action 2.1ii*).

The Department makes particular use of external organisations in the delivery of its employment services. It spends nearly £1 billion each year on such provision. As of January 2014 it had 138 contracts with 43 different providers to provide back-to-work support through the Work Programme and other contracted provision, focused particularly on incentivising private and voluntary sector

<sup>15</sup> Figures quoted are based on internal operational Management Information reported to senior operational staff to enable them to improve customer experience and deliver a more efficient service.

<sup>16</sup> <https://www.gov.uk/government/publications/dwp-claimant-service-and-experience-survey-2012-rr-831>

<sup>17</sup> Figure relates to 2012/13



contractors to help long term unemployed people and those most at a disadvantage in the labour market to get and keep jobs. Under this approach with payments largely based on the outcomes that providers deliver, 230,000 people have found lasting work since June 2011 through the Work Programme<sup>18</sup>. Another key area of expenditure is on medical services assessments, to support the delivery of Employment and Support Allowance and the implementation of Personal Independence Payment. To further improve contractor performance senior responsibilities at Executive Team and Director level have been sharpened to ensure individual accountability of the end-to-end performance of the Work Programme and Medical Services contracts.

Our previous Commercial Strategy also resulted in a small number of large, long-term multi-service supply contracts, where the main contractors undertook the work of managing sub-contractors and the supply chain. In some categories of spend the Department is essentially also the sole purchaser of products. In future we will use smaller, shorter contracts for standard services, making greater use of Small and Medium Sized Employers, hence broadening the market and giving us providers who will be more responsive to our needs. This means that we need to enhance our skills to undertake procurement work, some of which we have not done for many years. A Departmental Commissioning Strategy will shortly set out, the principles by which we will steward the market and manage contracts in future in order to drive up the performance of providers and provide better value for money.

A new Commercial Director, who has previously developed leading commercial teams in Local Government, was appointed in November 2013, with a clear remit and focus on increasing the Department's commercial capability. His vision is that: **'DWP will be an exemplar in developing the commercial skills needed for the future'**<sup>19</sup>

Already virtually all our specialist procurement posts are filled with Chartered Institute of Purchasing and Supply qualified people. However, ensuring staff have the required skills is an ongoing task, so we have established clear career paths and learning routeways for commercial staff and hence to **continue to build the Department's commercial capability** (*improvement action 2.1iii*). Case Study 2.2 gives an example of how we are improving our commercial capability.

#### **Case Study 2.2: How the Department is improving its commercial capability**

The Department's commercial team used the Government Procurement Skills and Competency Framework to identify the commercial skills they need for the future. Then, using a self assessment survey, the team identified the gaps in their skills and built a development programme to target and close them. This will use a range of learning interventions to target individual skill gaps including:

- The Civil Service Learning Portal's Core and Professional Curricula;
- The Government Procurement Service's Learning Hub;
- Leadership master-classes; and
- In-house training developed and delivered by the Department's Commercial Team.

<sup>18</sup> <https://www.gov.uk/government/news/over-a-quarter-of-a-million-people-escape-long-term-unemployment-thanks-to-the-work-programme>

<sup>19</sup> Andrew Forzani, Commercial Director, October 2013

## Working together across government

As our services must reflect the diversity, complexity and interdependence of the issues that many people in society face today, we increasingly have to create strong partnerships across Government and beyond. Key partners include Her Majesty's Revenue and Customs (HMRC) where our close working is essential to deliver Universal Credit, and local authorities who play a key role in their localities in delivering and joining up services. We keep our key strategic relationships under review to ensure they remain effective for all concerned and focus on delivering our joint priorities.

The need to work effectively together to deliver the Government's priorities is particularly important within the Social Justice agenda. Social Justice sits at the heart of what the Government is seeking to achieve, and the Department continues to lead thinking on policy and analysis across Government. The approach is focussed on tackling poverty but is not solely concerned with income, rather it also focuses on the root causes of poverty. Success therefore relies on strong collaboration and working with others, in particular recognising that the most effective solutions will often be designed and delivered at a local level. For a Department that has historically delivered most of its own services directly, this requires a shift in mindset, to be more open, more collaborative and to focus on outcomes.

In April 2012 the Government published its Social Justice strategy<sup>20</sup>. Since then the Department has worked in partnership with a number of Government Departments, Local Authorities and the voluntary sector throughout to transform services. Some examples are shown in Case Study 2.3.

In April 2013, the Department published a progress report on the Government's April 2012 Social Justice Strategy "Social Justice; transforming lives"<sup>21</sup>, setting out how the causes of social issues, including poverty, addiction, domestic violence and gangs, are being tackled. The report highlighted a number of findings, including that disadvantages in areas such as education, employment, social support or housing often overlap so must be tackled together.

Looking ahead, the Department will **further develop and strengthen the way we work with and lead external partners to address poverty** (*improvement action 2.2i*). We will increase our focus on improving local delivery as the mechanism by which Social Justice is realised on the ground, helping to shape public sector transformation, continuing to support specific programmes (such as our work on Social Investment and the Troubled Families programme); promoting local leadership; creating close partnership working between the public, private and charitable sectors including embedding the principles of The Compact<sup>22</sup> between the Government and Civil Society organisations; and continuing to build the Social Justice movement. A further Social Justice Progress Report will be published this Autumn.

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<sup>20</sup> <https://www.gov.uk/government/publications/social-justice-transforming-lives>

<sup>21</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/203041/CM\\_8606\\_Social\\_Justice\\_tagged-mw.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/203041/CM_8606_Social_Justice_tagged-mw.pdf)

<sup>22</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/61169/The\\_20Compact.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/61169/The_20Compact.pdf)

### Case study 2.3: Working together to deliver Social Justice

- In partnership with the Department for Education, we established **The Child Poverty and Social Mobility Commission**. The Commission, an advisory Non-Departmental Public Body under the responsibility of the Department for Education, monitors the Government's efforts to improve social mobility and end child poverty.
- The **Troubled Families Programme**, a cross-government programme led by the Department for Communities and Local Government, is designed to turn around the lives of 120,000 troubled families by 2015. It is delivered by Local Authorities and applies the principles of 'payment by results'. The Department has a key role to play in supporting the identification of appropriate families and helping family members find work. In March 2013 we launched a Joint Delivery Agreement to boost the employment agenda within the programme and as of 28 January 2014 7,500 individuals have started a period of employment<sup>23</sup>
- To support the Social Justice Strategy the Department has set up ten three year social investment pilots as part of the £30 million **Youth Unemployment Innovation Fund**. The intent is to generate new and innovative ideas to reverse the trend in rising youth unemployment whilst supporting the development of the social investment market incorporating the voluntary and community sector and charitable sectors, better known as Social Impact Bonds. The UK is seen as a world leader in this space with six Round 1 projects having started delivery in April 2012. Types of support include academic and work experience tasters; support with relationship problems; counselling; small groups working around anger management, drug/alcohol misuse and anti-social/offending behaviour; and peer mentoring. Four Round 2 projects started delivery in November 2012. These projects have a specific focus on disadvantaged 14 and 15 year olds. To the end of March 2013, just over 6,000 young people have received support from the projects, and over 1,800 positive outcomes have been achieved.
- The Department will invest up to a further £38 million in **Credit Unions** to April 2015 as part of efforts to increase access to affordable financial products to people on low incomes.
- In October 2013 the Government launched the cross-departmental **Care Leaver Strategy**. This, for the first time, sets out in one place the steps government is taking - from housing to health services from the justice system to educational institutions and from financial support to work - to better support care leavers for whom the system often does not work, to live independently once they have left their placement. Work continues across government to look at ways to make further improvements and a revised strategy/progress report will be published in October 2014.
- The Government launched its draft **Child Poverty Strategy** 2014-17 for consultation in February 2014<sup>24</sup>. The Strategy sets out how the Government will improve the life chances of children by: raising the incomes of poor children's families by helping them get into work and making work pay; supporting the living standards of low-income families; and raising the educational outcomes of poor children. Alongside the Strategy, was published an in-depth evidence review which identifies what leads families to be stuck in poverty and what leads poor children to become poor adults.

<sup>23</sup> Job starts sources from HMRC P45 data which underreports lower paid employment and self-employment  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/275428/job-starts-troubled-families-programme.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/275428/job-starts-troubled-families-programme.pdf)

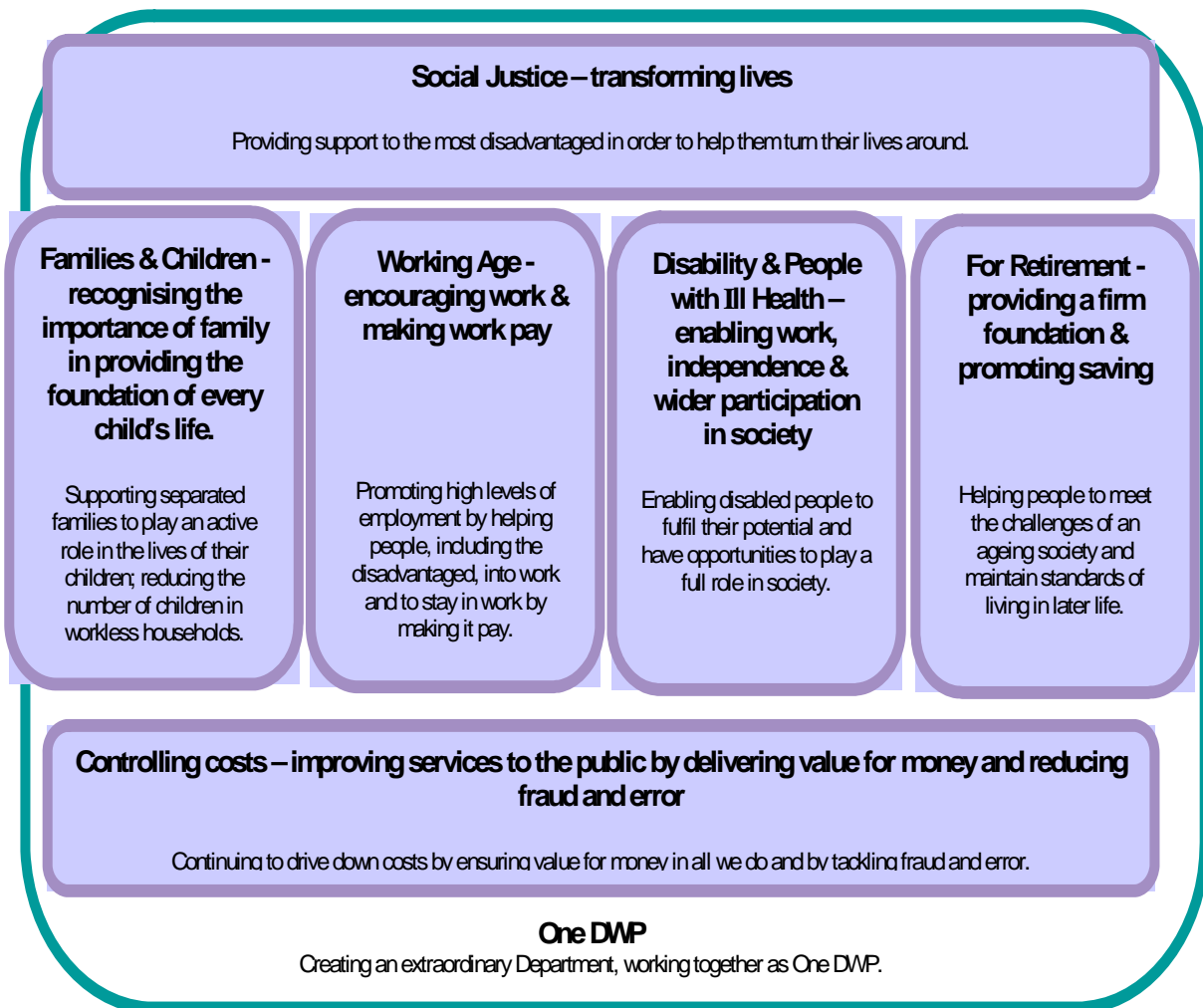
<sup>24</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/285387/Cm\\_8782\\_Child\\_Poverty\\_Strategy\\_Consultation\\_Print.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/285387/Cm_8782_Child_Poverty_Strategy_Consultation_Print.pdf)

### 3. STRATEGIC RISK AND LEADERSHIP OF CHANGE

Implementing the biggest reforms to the welfare system in generations, as well as improving a wide range of existing services, has been built on the obvious commitment and insight of the Department’s staff. Delivering intrinsically complex changes (changes that affect millions of people and that entail changes in delivery methods as well as changes to benefits) on this scale has meant we have had to operate differently as a Department. Most new programmes and ways of delivering them have been under development over the last couple of years, but in 2013-14 we have started to deliver the reforms (such as Universal Credit, Personal Independence Payment and child maintenance reforms). This has included testing that systems and delivery mechanisms work in a real world scenario to reduce the risks to successful implementation, allowing lessons to be learnt and addressed before expanding the rollout. Going forward the task will be to complete the deliver of these transformative changes. We have already, since 2010, successfully delivered 111 change projects and have 43 currently being delivered, with 45 still in the assessment stage.

To support this a key focus for senior leaders has been to ensure that our people understand where we are heading and have clarity over how their role fits into the Department’s strategic priorities (set out in Table 3.1 below).

**Table 3.1: The Department’s strategic priorities**



## Refresh our vision and strategy for the Department for the medium to long term

It is important for everyone to understand their role, how it fits into the Department's priorities and to consider what future changes are in the pipeline or likely to impact on the Department and them. *Our Road Ahead* is an internal communication document which sets out:

- The Department's priorities;
- The implications for our staff and the people we serve; and
- The ways of working we will need to embed to deliver these priorities.

This was first produced in 2012 and the 2013 People Survey confirms that 85 per cent of our people have a clear understanding of the Department's purpose. In 2013 we also saw a nine percentage point improvement in the number of staff who believe that the Departmental Executive Team has a clear vision for the future of DWP.

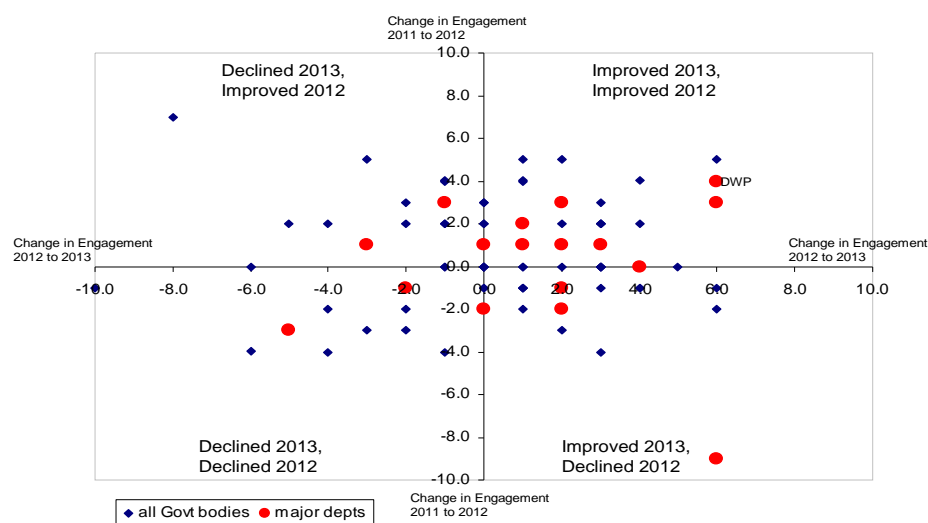
The results from the 2013 People Survey<sup>25</sup> show that we are making significant progress in helping people across the Department understand how their work contributes to the Department's objectives, with 84 per cent agreeing that is the case (an increase of six percentage points since the 2012 survey). The number who agreed that the "DWP Story" helped them to understand their role also increased by 11 percentage points on the previous year. Together, this indicates a real improvement in helping people to see the big picture. Table 3.2 gives more detail.

	2011	2012	2013
I have a clear understanding of DWP's purpose	73	79	85
I have a clear understanding of DWP's objectives	71	77	83
I understand how my work contributes to DWP's objectives	73	78	84

Our ambition here is to further build on the changing culture of our organisation, one where staff are increasingly more likely to say "I don't know why we do that" when faced with an issue and seek to be part of solving the issue rather than "I don't know why *they* do that" and expect someone else to solve for them. This is reflected in the improvement in our "Engagement Index" in the People Survey. Table 3.3 shows how significant an improvement the Department has made in the last couple of years compared to other Departments.

<sup>25</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/269668/dwp-staff-survey-2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/269668/dwp-staff-survey-2013.pdf)

**Table 3.3 Improvement in People Survey Engagement Index**



Whilst the Department has a clear set of priorities for the medium term, the Executive Team is now reviewing what the landscape and strategy should look like in the longer term, as the Department starts to realise its digital ambitions. The Department will **refresh “Our Road Ahead”, the Departments vision and strategy for the Department and communicate this to our people** (*improvement action 3.1i*).

## **Ensure our major projects are delivered on time, to quality and within budget**

### **Assessing and Prioritising Change**

To support Ministerial priorities we have already developed a rigorous approach to support prioritisation through our Change Assessment function which ensures that Ministers can assess their priorities against our strategic and business goals and check they are deliverable in the context of our funding.

Change Assessment looks at potential impacts of new initiatives on other programmes in order to support robust and transparent decisions. This includes looking at considerations of prioritisation, providing advice on proposals, questioning the evidence and identifying further work to be done in advance of any decision. In the year to January 2013, Change Assessment dealt with around 300 proposals, deciding which to support and or continue with as a result of an assessment of their strategic fit, affordability, deliverability and value for money.

### **Business Architecture Model**

The Department is also improving its ability to track how our high level strategic priorities map to the way in which we organise and deploy our resources. Our newly developed business architecture model provides a more robust method of understanding and analysing the Department.

The model is essentially a database of the products and services we provide to customers, the processes we use and the resources we deploy; and incorporates our portfolio to support the accurate design and scheduling of future services. The top-down nature of the model enables us to look differently at our business and will support more joined-up and consistent strategic

planning and impacting. In keeping with many of the themes in this plan it will also enable us to identify strategic issues that impact a number of areas of the business, and drive out duplication and inefficiency.

## Managing Change

Importantly our Change Assessment function and the Business Architecture Model will also support our wider ambitions to further improve the way we manage change in the organisation. Increasingly managing change successfully is not just about what the Department itself does, but also how our partners deliver, and hence the continuing focus on ensuring that our contracts deliver and that we continue to develop our commercial skills as covered in chapter 2. Our 2013 People Survey shows we have made improvements in managing change (the percentage agreeing or strongly agreeing that we manage change well increased by 10 percentage points).

The Department has a clear framework for managing the risks inherent in its activities, which includes an expectation that risk information will be collected and reported through management levels. Communicating appropriate information in a timely fashion about the risk profile is an important responsibility at all levels in order to give adequate context for decision making. In the coming year we will continue to ensure that any barriers to escalating developments are identified and removed and that accountability for communicating appropriate risk management information continues to be clearly communicated as part of these continuous improvements.

Our largest programmes and policy initiatives (Table 3.4 lists our 15 Major Project Authority<sup>26</sup> portfolio projects) are managed through a single Departmental portfolio, looking across the whole landscape rather than individual areas.

**Table 3.4: Departmental Major Projects Authority portfolio projects:**

- Universal Credit
- Personal Independence Payment Implementation
- Child Maintenance Group Change
- Automatic Enrolment Programme
- Fraud, Error and Debt
- Specialist Disability Employment Programme
- State Pension Reform – Single Tier
- Benefit Cap
- Central Payment System
- Incapacity Benefit Reassessment
- Work Programme
- Youth Contract
- IT Transformation Programme
- Estates Programme
- Health and Work Services

The Department has recently reviewed its approach to appointing Senior Responsible Owners (SROs). To strengthen our ability to successfully deliver major programmes, these will now have a full time SRO and a Senior Business Sponsor (SBS) as well as a Programme Director or Programme Manager. High level key accountabilities have been developed for SRO's,

<sup>26</sup> <https://www.gov.uk/government/policy-teams/major-projects-authority>

Programme Directors/Managers and SBSs. This ensures that our Major Projects land safely within the business, taking account of operational pressures.

We are also further developing the skills of our people. Robust plans are in place to ensure that key - and experienced - Project Directors/Managers and SROs (including for all of the Departments Government Major Projects Authority portfolio projects) will have started training through the Major Project Leadership Academy by the end of 2014.

Recognising the importance of continuing to deliver change on such a large scale we will continue to focus on **continuous improvement in our management of major projects through governance, assurances and risk management. Taking a rigorous approach through prioritisation and assessment of proposals** (*improvement action 3.2i*). As mentioned at the start of this chapter, this will include moving forward from designing and piloting, where our strategy to ensure we get the design right, and have tested that we have done so, will make implementing more manageable. Also as covered earlier in improvement action 1.1i and later in improvement action 4.3i, this is about continuing to be flexible and agile in deploying our resources in the most effective way to deliver our priorities.

The Department recently achieved reaccreditation to the Association for Project Management (the first Government Department to do so) but we need to **continue to build our capability in managing projects** (*improvement action 3.2ii*) so that we can safely deliver these major projects.



## 4. CAPABILITY

### **Develop our leaders' capability so that we improve delivery of the Department's priorities and the major transformation needed through to 2017 and beyond**

The Department's people are its key asset, it is through them that its priorities are delivered. Recognising their crucial role, it is important that all of the Department's people have the support they need particularly during a time of considerable change.

People engagement is a crucial aspect of this, so that individuals and teams know what it is they need to deliver and what changes mean for them and so they can concentrate on the priorities as well as prepare for the future.

We have been framing this engagement through the "DWP Story". This explains, in a simple way, our purpose, the challenges we face in delivering our priorities, the Department we need to become to meet these priorities and the expectations we have of all our people as leaders. An integral part of how we have reinforced these messages across the Department has been a series of events where senior leaders have directly engaged with over 4,000 front-line leaders and people from our corporate directorates. The Department will **continue to develop its leaders' capability to enable them to support staff to deliver the Department's priorities** (*improvement action 4.1i*). The next phase of the "DWP Story" events will build on the progress made and will consider future challenges and opportunities such as the use of more digital technologies and developing our capability, two of the themes identified in this plan.

### **Ensure our people are equipped with the required skills knowledge**

To deliver our priorities, we need to support our people to do the best job possible. We start from a good position, with 85 per cent of our people saying in the 2013 Departmental People Survey that they feel they have the skills to do their job effectively, but recognise the need for people to both keep their skills up to date and to develop new ones.

We promoted the launch of the Civil Service Capability Plan in May 2013 encouraging people to register on the Civil Service Learning portal, providing signposts to the main learning interventions. DWP is one of the largest Department's across Government to achieve 100 per cent registration with Civil Service Learning and have promoted learning and development activity so that all staff undertake at least five days of learning and development per year.

We are developing a Departmental Capability Plan which will be completed in Spring 2014. This will address the wider Government ambitions and aims, including the priorities identified for Civil Service Reform and the Civil Service Capabilities Plan:

- Digital;
- Project Management;
- Commercial skills; and
- Leadership.

Building our capability in these four key areas, which has already been considered and addressed in earlier chapters, helps us to meet some of the challenges identified earlier in this document, in particular around building our digital capability, managing our change portfolio and getting the best out of our contracts.

The Capability Plan also focuses on addressing capability through the following lenses:

- Developing Digital;
- Leading and Managing Change;
- People Performance;
- Skills and Knowledge; and
- Talent Development.

We have also completed the Annual Skills Review, with analysis of the findings from this exercise presented at Executive Team level. We are now in the process of agreeing priority areas to target with learning and development activities over the next 12 months, and will agree this programme with Civil Service Learning. We will continue to use this exercise to monitor our improvement in these key areas.

We will also look at areas specific to the Department.

## Procedural Training and Professional Development

As a very large delivery organisation, the Department also need to **continue to improve the effectiveness of the Department's procedural training and professional development** so that our people continue to have the knowledge and skills they need to do their jobs well (improvement *action 4.2i*).

Case study 4.1 gives examples of some recent initiatives in upskilling our people.

### Case study 4.1: Upskilling our people

- **Adviser Learning** – we have made good progress to support learning in partnership between managers, trainers and learners themselves. The adviser learning routeway was refreshed over the last year, using a blend of tools including: digital media; workplace and formal classroom learning; support to line managers in using effective pre-and post-event briefing; coaching and feedback.
- The Civil Service **Policy making upskilling** curriculum is being built to develop a Departmental policy curriculum linked to a “5 a year” development commitment and accreditation. This was launched in January 2014.
- In preparation for rolling out to advisers the **Claimant Commitment** district coaches were appointed to support line managers and advisers. They supported work with claimants in a very different way using techniques trialled in the pilot areas with the support of Cabinet Office psychologists. They meet up with learners once they have had time to consolidate their learning and discuss with groups of learners how they have put the learning into practice, what difficulties they have encountered and how these might be overcome.

## Ensure we have the right people in the right places, now and in the future

Having the right people in the right jobs, including for the right amount of time (such as seeing major projects through to successful delivery) is important for us to be able to deliver our priorities. Equally some areas of work either come to an end or (building on our efficiency drive and improved customer service) require less resources to deliver. By keeping the required level of resources under review we are able to move people to our priority areas, both in the short-term and to meet longer term requirements. Examples include moving people who were working on the Social Fund to other areas of the business when the Department stopped delivering some elements of the scheme.

At the same time we need to ensure that we also think about the future, developing our talent to meet future challenges of the changing world in which we work (where new skills such as digital and commercial skills are more at a premium). Succession plans for key leadership roles are now completed and being refined for critical Senior Civil Service (SCS) roles to include cross business unit and ideally cross-government named successors. Work on succession planning across Government via the professions is also ongoing.

Table 4.2 gives some examples of our talent development and succession planning:

### Table 4.2: Talent development and succession planning

- The **Executive Talent pool** supports the development of members of the SCS who have the potential and aspiration to work at the most senior levels of government. All SCS leaders are being encouraged through a consistent leadership objective to provide visible effective leadership that delivers business objectives and improves employee engagement
- The Departmental Executive Team continues to hold a monthly **People Development Forum** at which the focus is senior talent development and succession planning activity. All members of the SCS are assessed on a bi-annual basis and the outputs reviewed and moderated at Executive level, thus driving the talent agenda to be part of our culture
- This group also sponsors specific interventions on **Early and Emerging talent** (Grades 6/7); and champions the agenda across the Department. A new Early Talent scheme is currently being designed, and the assessments used for the SCS are also deployed down to Grade 7 level in all business areas, and below Grade 7 level within some parts of the business.
- The Department has a good record of placing our people into cross-Whitehall and our own **leadership development initiatives**, including the Future Leadership Scheme, the Senior Leadership Scheme and the High Potential Development Scheme.
- The Department has around 150 Fast Streamers on its internal programme, meaning it is the largest recruiter of future leaders from the **Civil Service Fast Stream**.

We continue to focus our efforts to include robust succession planning so that key posts can be filled by identifying individuals who could potentially undertake these key roles in advance, facilitating more joined up talent management across Whitehall (and supporting secondments in and out of the Department to get broader private sector and other relevant experience). The Department is actively using secondments and loans to develop talent. We are also moving talent to support the wider Civil Service and develop people's skills across a broader area, including facilitating a greater number of managed moves and exchanges across Government.

We also continue to review the allocation of staffing resources to the various parts of the Departments business to ensure they are best deployed to meet the needs of our priorities and as part of our drive for greater efficiency and better customer service as mentioned in previous chapters.

Building on this strong start we are **continuing to improve our resource allocation, talent management and succession planning** (improvement *action 4.3i*).

## C. Improvement Planning

This plan has set out the key areas in which we need to further improve in order to meet the challenges that we face over the next few years. We need to focus improvement on 15 key actions. These are grouped under the four Improvement Plan headings of:

- Efficiency and Innovation;
- Performance;
- Strategic Risk and Leadership of Change; and
- Capability.

Whilst this is not a full list of everything the Department is doing to deliver and improve its business, these 15 actions are the ones that we consider to be the most important and on which to focus.

### **SUMMARY**

Some of these actions will pay fairly swift dividends, and we expect to see improvements made within a year, such as improvements in the IT hardware our staff use. For others we are investing for the future, particularly when it comes to building the skills of our people. In particular, we have recognised that going forward it will be an increasingly be a digital world, and we need to adjust to this – from how we develop policies, to how we make them accessible to our claimants and customers. We also recognise that to deliver our business we will be increasingly working with others to provide services to us via contract, so our commercial capability will remain a focus throughout. In successfully managing the Department through these changes we will also increasingly need good project management skills and leaders who can deliver the vision and direction to help all of our people on our journey.

Below is a summary of our improvement actions.

# SUMMARY OF IMPROVEMENT ACTIONS

<p><b>1. EFFICIENCY and INNOVATION</b></p> <p><b>1.1 Maintaining sustainable cost reductions</b></p> <p>1.1i Review the allocation of resources so that they remain aligned with Ministerial priorities and enables the Department to deliver the necessary efficiencies</p> <p>1.1ii Develop the process and governance arrangements to support implementation of the Welfare Cap</p> <p><b>1.2 Digitalisation</b></p> <p>1.2i Develop and roll out the three existing exemplar digital services: (i) Universal Credit; (ii) Personal Independence Payment; (iii) Carer's Allowance, so that access is digital where appropriate; and (iv) Develop and roll out a fourth, Single Tier State Pension</p> <p>1.2ii Ensure the reliability and availability of our IT systems</p> <p>1.2iii Continue to build digital capability amongst staff</p>
<p><b>2. PERFORMANCE</b></p> <p><b>2.1 Delivery of services – directly and contracted</b></p> <p>2.1i Continue to actively and critically review the end-to-end customer journeys to identify opportunities to improve service whilst driving out improvements in process and performance and hence improve customer service opinion and experience of the service they receive</p> <p>2.1ii Further strengthen our capability to drive up provider performance by focussing on narrowing the performance variations between providers and managing contract failure.</p> <p>2.1iii Continue to build our commercial capability amongst staff</p> <p><b>2.2 Working with and influencing others</b></p> <p>2.2i Further develop and strengthen the way the Department works with and leads external partners to address poverty</p>
<p><b>3. STRATEGIC RISK and LEADERSHIP OF CHANGE</b></p> <p><b>3.1 Refresh our vision and strategy for the Department for the medium to long term</b></p> <p>3.1i Refresh "Our Road Ahead", the Department's vision and strategy for the Department and communicate this to our people</p> <p><b>3.2 Ensure our major projects are delivered on time, to quality and within budget</b></p> <p>3.2i Continue to improve our management of major projects through governance, assurances and risk management. Taking a rigorous approach through prioritisation and assessment of proposals</p> <p>3.2ii Continue to build our capability in managing projects</p>
<p><b>4. CAPABILITY</b></p> <p><b>4.1 Develop our leaders' capability so that we improve delivery of the Department's priorities and the major transformation needed through to 2017 and beyond</b></p> <p>4.1i Continue to develop leaders' capability to enable leaders to support staff in delivering the Department's priorities</p> <p><b>4.2 Ensure our people are equipped with the required skills and knowledge</b></p> <p>4.2i Continue to improve the effectiveness of the Departments procedural training and professional development, so that our people have the knowledge and skills they need to do their</p> <p><b>4.3 Ensure we have the right people in the right places, now and in the future</b></p> <p>4.3i Continue to improve our resource allocation, talent management and succession planning</p>

## D. Metrics to Measure Improvement

Improvement being made	Metric used to measure progress	Date to review metric & details of who undertakes review	Trigger that will signal mitigating action needs to be taken
<b>1. EFFICIENCY and INNOVATION</b>			
<b>1.1 Maintaining sustainable cost reductions</b>			
<p><b>1.1i</b> Review the allocation of resources so that they remain aligned with Ministerial priorities and enables the Department to deliver the necessary efficiencies</p>	<p>Refreshed planning system to start being implemented, including reporting processes from April 2014</p> <p>From a starting position of £7.388 billion in 2009-10 for baseline funding (running costs which does not include benefits and pensions) deliver efficiency savings to bring this down to £5.223 billion in 2014-15 and to £4.970 billion in 2015-16</p>	<p>Financial data compiled monthly and results reported to the Department's Departmental Planning Group, Executive Team and Board</p> <p>Review of new processes and reports by Executive Team and Board after six months of operation</p>	<p>Assessment via feedback on how the processes are working, including quality and relevance of information provided</p>
<p><b>1.1ii</b> Develop the process and governance arrangements to support implementation of the Welfare Cap</p>	<p>Delivery of project milestones to introduce in 2015</p>	<p>Department for Work &amp; Pensions / Her Majesty's Treasury Annually Managed Expenditure Risk Board via a series of meetings in the run up to each Budget and Autumn Statement according to a process agreed by both Departments</p>	<p>If project milestones are not met</p>
<b>1.2 Digitalisation</b>			
<p><b>1.2i</b> Develop and roll out our three existing exemplar digital services (Universal Credit – UC; Personal Independence Payment – PIP; and Carer's Allowance – CA so that access is digital where appropriate. Learn lessons on an ongoing basis and applying across services and develop and roll out a fourth: Single Tier State Pension - STSP. Working closely with Government Digital Services (GDS)</p>	<p>(i) UC gateway for current live service will be expanded so that from summer 2014 we progressively start to take claims from couples and, in the autumn, from families, who would have otherwise claimed JSA. Once safely tested in the live areas, will expand to more of NW England</p> <p>Further develop the work started with GDS to test and implement an enhanced online digital service, which will be capable of delivering the full scope of UC and make provision for all claimant types</p> <p>(ii) PIP work is being aligned with the delivery of managed reassessment that begins in October 2015.</p> <p>(iii) CA – Public Beta service: working towards fully accredited by GDS end 2014 with 80% uptake by April 2015.</p> <p>(iv) STSP: Alpha (Block 1) phase to be completed April 14, Beta phase</p>	<p>Programme Board Programme Senior Responsible Officers Digital Service Managers Monthly/Quarterly</p>	<p>Projects/services fails to meet milestones and delivery standards</p>

Improvement being made	Metric used to measure progress	Date to review metric & details of who undertakes review	Trigger that will signal mitigating action needs to be taken
	(Block 2) June 14, Beta phase (Blocks 3-5) March/April 2015  All digital services, as they are developed and delivered will consider: customer satisfaction; completion rate; cost per transaction		
<b>1.2ii</b> Ensure the reliability and availability of our IT systems	(i) Device Log-in/Application Start-up Times: Refreshing desk top IT will improve reliability and speed up access. Roll-out due for completion end of 2014/15  (ii) System Availability: Sustain/improve business and On-Line system availability of >99.5% to optimise productivity and enhance user experience.  (iii) User Satisfaction. Improve user experience/perceptions. People Survey Question F03 ("The IT I have access to provides effective support for the job I do").	IT Executive Team Meetings (Monthly)  IT Executive Team Meetings (Monthly)  IT Executive Team Meetings (Quarterly) using IT user Pulse Survey results	Performance targets are not met. Roll-out slippage.  Performance Target is not met  Annual People Survey improvement not achieved Quarterly Pulse Survey improvement not achieved Unsuccessful service improvements
<b>1.2iii</b> Continue to build digital capability amongst staff	(i) No of staff attending and completing learning & development at each level of expertise  (ii) Develop the Department's Digital Academy, with first cohort to go through from early 2014. Training programme and objectives are under development  (iii) Ensure every digital service development team and live support staff receive the relevant support to help to ensure appropriate capability is developed in other staff	Policy Managers/HR 6 monthly/yearly	Low percentage achieving  Exemplar service delivery teams do not have the appropriate tools and infrastructure

## 2. PERFORMANCE

### 2.1 Delivery of services – directly and contracted

<b>2.1i</b> Continue to actively and critically review the end-to-end customer journeys to identify opportunities to improve service whilst driving out improvements in process and performance and hence improve customer opinion and experience of the service they receive	Departmental Business Plan Indicator "Customer and claimant opinion of Departmental service level" (which measures the percentage of people who have had meaningful contact with the Department and who are either fairly or very satisfied) and develop metric relating to customer experience.	Operational Executive Team – annually (when figure becomes available, with last results published March 2014) as well as ongoing via monthly/quarterly performance reporting mechanisms using a range of existing performance, efficiency and service delivery indicators/measures	Falls in the indicators/measures used to measure customer satisfaction and experience
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Improvement being made	Metric used to measure progress	Date to review metric & details of who undertakes review	Trigger that will signal mitigating action needs to be taken
2.1ii Further strengthen our capability to drive up provider performance by focussing on narrowing the performance variations between providers and managing contract failure.	Ministerial agreement to the strategy and engagement of key stakeholders.  Performance improvements and achievement of VFM in individual projects and contracts	Commissioning Strategy to be published in early 2014  Senior Steering Group (including Operations, Finance & Strategy Directors) monitors progress	Through assessments of the steering group or where lead Directors or key cross government or external stakeholders raise concerns
2.1iii Continue to build commercial capability amongst staff	Number of staff attending and completing learning and development at each level of expertise	Reviewed on a quarterly basis by the Commercial Directorate Senior Management Team, in conjunction with HR	Where we are not achieving our targets in specific areas we will review and mitigate
<b>2.2 Working with and influencing others</b>			
2.2i Further develop and strengthen the way the Department works with and leads external partners to address poverty	The Social Justice Strategy, published April 2012, summarises the key elements of the Government's approach to addressing the root causes of poverty and its entrenchment. The first progress report was published in 2013 and progress reports will be produced every year together with regular updates throughout the year on the specific indicators under the five key Social Justice priorities	Led by Social Justice Director in conjunction with relevant policy and delivery Directors and their management teams as part of the annual process, supported by ongoing evaluation of activity. Next Social Justice Progress Report due to be published Autumn 2014	Lack of progress in seeing year on year improvements in the Social Justice priority outcomes
<b>3. STRATEGIC RISK and LEADERSHIP OF CHANGE</b>			
<b>3.1 Refresh our vision and strategy for the Department for the medium to long term</b>			
3.1i Refresh "Our Road Ahead", the Departments vision and strategy for the Department and communicate to our people	Refresh agreed by Executive Team and published internally Spring 2014  People Survey questions B06 ("I have a clear understanding of DWPs purpose")  People Survey question B43 ("I believe that DWPs Departmental level Executive Team has a clear vision for the future of DWP")	Executive Team in Spring 2014  Executive Team when survey results available in the Autumn	Final draft not completed by Spring 2014  No progress made in % with positive responses
<b>3.2 Ensure our major projects are delivered on time, to quality and within budget</b>			
3.2i Continue to improve our management of major projects through governance, assurances and risk management. Taking a rigorous approach through prioritisation, and assessment of proposals	Delivering against agreed plan / milestones. With supporting regular accurate, informative, insightful and effective reports, clear and effective and programme governance, risk management, supporting assurance evidence to identify and escalate where appropriate, including any lessons learned and shared across projects  Supported by the People Survey Question B45 ("I feel that change is managed well in DWP")	Via Departmental project governance with monthly reports to the Executive Team and quarterly reports to the Departmental Board	Where assessments do not show delivery is on relevant track bearing in mind the normal trajectory of major, complex projects.  Supported by year on year improvement in score form People Survey

Improvement being made	Metric used to measure progress	Date to review metric & details of who undertakes review	Trigger that will signal mitigating action needs to be taken
3.2ii Continue to build our capability in managing projects	Percentage increase in the number of staff with accredited training	Reviewed on a quarterly basis by the Portfolio Management Unit Leadership Team, in conjunction with HR colleagues	Where targets are not being met in specific areas progress will be reviewed and mitigation action undertaken as appropriate
<b>4. CAPABILITY</b>			
<b>4.1 Develop our leadership capability so that we improve delivery of the Department's priorities and the major transformation needed through to 2017 and beyond</b>			
4.1i Continue to develop leaders' capability to enable leaders to support staff in delivering the Department's priorities	People Survey question F08 ("The DWP story helps me to understand my part in helping DWP achieve all it has to do")	Reviewed by HR Executive Team (HRET) and Executive Team (ET) when results are available in each autumn	If improvements are not made in the score
<b>4.2 Ensure our people are equipped with the required skills and knowledge</b>			
4.2i Continue to Improve the effectiveness of the Department's procedural training and professional development so that our people have the knowledge and skills they need to do their jobs	Improvements in the People Survey question B33 ("I have the skills I need to do my job effectively")  Supplemented by staff opinion via open email feedback, whilst also encouraging suggestions for development of other products	Operational Executive Team to review annually when the results are published	If a decline in the % answering positively
<b>4.3 Ensure we have the right people in the right places, now and in the future</b>			
4.3i Continue to improve our resource allocation, talent management and succession planning	Succession plans in place for all Departmental SCS with net replacement ratios of: one potential successor immediately available, two (unique) available longer term  Use Civil Service Resourcing Talent & Assessment Services Talent Toolkit and Talent Health Check which is being developed to track the maturity of the talent culture in Departments.  Regular review of strategic deployment of resource within the organisation to ensure effective delivery is maintained	Succession plan for all Director Generals and Director roles completed by end April 2014 Wider SCS succession plans completed by end April 2015  HR Director General will use as the basis of their conversation with Head of HR across the Civil Service about their Departments talent management culture and practices.  HR Strategic Resource conversations with business representatives to plan and agree effective resource utilisation in line with priorities	Overall RAG status on health of succession pipelines shows Amber or Red  If the culture and practice are not developing in the right direction  When delivery is impacted: both underutilisation and under resourcing

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