

Business Plan 2012–2015

Department for Work and Pensions

31 May 2012

This plan will be updated annually

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A) Coalition priorities

1. Deliver welfare reform

- Introduce the Universal Credit and other reforms to simplify the welfare system and to ensure that the system always incentivises work and that work always pays. The overall reform package will help to make the welfare system affordable in the longer term

2. Get Britain working

- Implement and manage the Work Programme, an integrated package of personalised support to get people into work – from jobseekers who have been out of work for some time, to those who may have been receiving incapacity benefits for many years

3. Help tackle the causes of poverty and improve social justice

- Develop a welfare system that recognises work as the primary route out of poverty and reduces the number of children in workless households. Develop and implement the Social Justice Strategy and Child Poverty Strategy, focused on improving social justice and on eradicating child poverty by 2020

4. Pensions reform

- Provide decent State Pensions, encourage employers to provide high quality pensions and make automatic enrolment and higher pension saving a reality. Phase out the default retirement age to allow more flexibility around retirement

5. Enable disabled people to fulfil their potential

- Develop and implement a disability strategy to enable disabled people to fulfil their potential. Support more independent living for disabled people who face the greatest barriers by ensuring effective strategic development of evidence-based policies for disability benefits. Support disabled people to take up employment opportunities, by developing specialist disability employment programmes which provide employment support for disabled people facing the greatest barriers

6. Improve our service to the public

- Continue to deliver an excellent service to the public, improving its speed, ease and efficiency

Departmental Responsibilities

This page sets out who in the Department of Work and Pensions (DWP) leads on its major responsibilities, including its Coalition priorities.

Robert Devereux, Permanent Secretary

Executive Team

Sue Owen, Director General, Strategy
Terry Moran, Director General, Chief Operating Officer
Kenny Robertson, Acting Director General, Corporate IT
Gill Aitken, Director General, Professional Services
Hunada Nouss, Director General, Finance
Chris Last, Director General, Human Resources
Noel Shanahan, Commissioner and Chief Executive, Child Maintenance and Enforcement Commission

The Department's Executive Team holds collective responsibility for the end-to-end delivery of each coalition priority:

Coalition Priorities

1. Deliver Welfare Reform
2. Get Britain Working
3. Help tackle the causes of poverty and improve social justice
4. Pensions reform
5. Enable disabled people to fulfill their potential
6. Improve our service to the public

Other Major Responsibilities

1. Operational delivery – benefits, employment support, pensions
2. Corporate functions
3. Child maintenance
4. Health and safety

B) Structural Reform Plan

This section sets out the key actions the Department will take to implement its Coalition priorities. An implementation report will be published each month online, setting out progress in completing them.

Additional actions, including contributions to cross-cutting Government agendas such as the Growth Review, can be found in Annex A. All commitments and end dates relating to legislation and pre-legislative scrutiny are subject to parliamentary timetables

1. Deliver welfare reform		
ACTIONS	Start	End
1.1 Introduce the Universal Credit		
i. Develop a cost-effective delivery model for Universal Credit	Started	Oct 2013
ii. Develop a Real Time Information capability with HM Revenue and Customs	Started	Mar 2013
iii. Develop and deliver secondary legislation to support the introduction of Universal Credit	Started	Oct 2013
iv. Launch pathfinder in advance of national roll-out	Apr 2013	Apr 2013
v. Begin roll-out of the national implementation of Universal Credit	Oct 2013	Oct 2013
1.2 Reassess Incapacity Benefit recipients for their readiness to work and their migration to the Employment and Support Allowance (ESA) or other benefits appropriate to their circumstances including introducing the revised Work Capability Assessment		
i. Deliver the phased national rollout of migration of Incapacity Benefit recipients to ESA	Started	May 2014
1.3 Conduct an evidence-based review of the mental function and fluctuating condition descriptors used in the Work Capability Assessment (WCA)		
i. Develop the new assessment criteria to ensure they are suitable for testing, working with key stakeholders	Started	Jul 2012
ii. Train healthcare professionals to conduct face-to-face assessments to provide evidence for the review.	Sep 2012	Oct 2012
iii. Recruit and train an expert panel which will provide advice on the standards that will form the evidence-based review.	Aug 2012	Oct 2012
iv. Conduct assessments and analyse results	Oct 2012	Jun 2013

1. Deliver welfare reform

ACTIONS		
	Start	End
v. Publish results	Jun 2013	Jun 2013
1.4 Reform Disability Living Allowance (DLA), ensuring fair access to benefits		
i. Draft secondary legislation to reform DLA and lay it before Parliament	Started	Apr 2013
ii. Introduce Personal Independence Payments for new claims	Apr 2013	Apr 2013
1.5 Introduce benefit cap so that no workless family can receive more in welfare than median after-tax earnings for working households		
i. Draft regulations to implement the benefit cap and lay before Parliament	Started	Oct 2012
ii. Plan for the benefit cap's implementation from April 2013, working with local authorities	Started	Apr 2013
1.6 Reduce the level of benefit expenditure overpaid to a maximum of 1.7% by 2015, as part of the joint DWP and HM Revenue and Customs Fraud and Error Strategy commitment to reduce annual welfare overpayments by over one quarter over the Spending Review period		
i. Develop and test a new fraud risk assessment capability ready for testing in the Universal Credit pathfinder environment	Started	May 2013
ii. Introduce new benefit fraud and error penalties ready for operational use across DWP and available for local authorities	Started	Apr 2013
iii. Introduce the new Single Fraud Investigation Service	Started	Apr 2013
iv. Introduce the new Integrated Risk and Intelligence Service	Started	Apr 2013
1.7 Reform the appeals process for all DWP benefits, introducing a mandatory reconsideration stage and direct lodgement of appeal requests with Her Majesty's Courts and Tribunals Service		
i. Publish Government response to the consultation on the mandatory reconsideration stage	Jun 2012	Jun 2012
ii. Prepare secondary legislation to introduce mandatory reconsideration and lay before Parliament	Started	Nov 2012
iii. Prepare secondary legislation supporting the direct lodgement of appeal requests with HM Courts and Tribunals Service and lay before Parliament	Started	Oct 2012
iv. Implement changes for DWP benefits and child support decisions	Apr 2013	Jun 2013

1. Deliver welfare reform

ACTIONS

	<u>Start</u>	<u>End</u>
1.8 Lead the Government's response to the Frost/ Black review of Sickness Absence: 'Health at work – an independent review of sickness absence'.		
i. Publish the Government's response to the Sickness Absence Review	Nov 2012	Nov 2012

2. Get Britain Working

ACTIONS		Start	End
2.1	Create an integrated welfare to work programme to help unemployed people, including those in disadvantaged groups, get back into work, with providers paid largely by results and including the use of benefit savings from people moving into work. Ensure that Jobseeker's Allowance claimants facing the most significant barriers to work are rapidly referred to the new programme		
	i. Publish first set of Work Programme 12 month outcome Business Plan indicator statistics.	Nov 2012	Nov 2012
2.2	Deliver the Youth Contract for 18-24 year olds between 2012-2015		
	i. Deliver 160,000 wage incentives	Started	Mar 2015
	ii. Deliver a weekly meeting for all 18-24 year olds from month 5 on Jobseeker's Allowance	Started	Mar 2015
	iii. Deliver 100,000 work experience and sector-based work academy places a year (including the previously announced 50,000 places for 2012-13)	Started	Mar 2015
2.3	Continue to deliver the New Enterprise Allowance		
	i. Deliver up to 40,000 business start-ups through the New Enterprise Allowance	Started	Dec 2013
2.4	Work Programme Joint Commissioning		
	i. Introduce a pilot in the Work Programme to test the joint commissioning of employment and reduced re-offending, working with the Ministry of Justice	Started	Nov 2012
2.5	Evaluate the "Day One" initiative		
	i. Evaluate the national "Day One" initiative to mandate prison leavers to the Work Programme and use this to inform the Ministry of Justice evaluation of the pilots to test the commissioning of employment and reduced re-offending	Nov 2012	Nov 2014
2.6	Deliver on employment elements of the Cities agenda		
	i. Agree and implement deals with the core cities (Manchester, Birmingham, Bristol, Leeds, Liverpool, Newcastle, Nottingham and Sheffield)	Started	Jul 2014
	ii. Agree and implement deals with a further tranche of English cities	Jul 2012	Nov 2015

3. Help tackle the causes of poverty and improve social justice

ACTIONS	Start	End
3.1 Social Justice		
i. Report on progress made in delivering Social Justice since publication of Social Justice: transforming lives	Mar 2013	Mar 2013
3.2 Support more lone parents into work		
i. Introduce Jobseeker's Allowance for lone parents whose youngest child is 5 or over	Started	Nov 2012
3.3 Reform the child maintenance system		
i. Revise strategy and implementation plan for changes to child maintenance	Started	Jun 2012
ii. Implement revised strategy to continue improvements to the child maintenance system	Jul 2012	Jul 2014
3.4 Support for separated and separating families		
i. Co-ordinate support services for separated and separating families	Started	Mar 2015
3.5 Introduce a £30 million Innovation Fund which utilises social investment to support disadvantaged young people		
i. Award contract for external evaluation	Started	Jun 2012
ii. Begin evaluation of round one contracts, with an interim report on Implementation findings from the early months of the Innovation Fund	Started	Nov 2013
iii. Implement round two contracts	Oct 2012	Oct 2015
iv. Begin evaluation of round two contracts over five years and publish the findings from Innovation Fund case studies.	Oct 2012	Jun 2015
3.6 Reform Social Fund		
i. Implement move to local provision to replace Community Care Grants and Crisis Loans for general living expenses	Started	Apr 2013
ii. Implement reforms to the remaining part of the Social Fund	Started	Oct 2013

3. Help tackle the causes of poverty and improve social justice

ACTIONS	Start	End
3.7 Child Poverty and Social Mobility		
i. Establish a Child Poverty and Social Mobility Commission	Started	Oct 2012

4. Pensions Reform

ACTIONS		Start	End
4.1	Change the State Pension system to help ensure that it is sustainable and fair between generations		
	i. Publish a White Paper on a single tier pension for future pensioners	Jun 2012	Jun 2012
	ii. Set out the Government's proposals for ensuring that future changes to the State Pension age reflect increases in longevity at the time of the Office of Budget Responsibility's Fiscal Sustainability Report	Jul 2012	Jul 2012
	iii. Prepare legislation for the announced changes to the State Pension age timetable to bring forward the increase to 67 and for the introduction of a single tier pension for future pensioners	Started	Apr 2014
4.2	Make enrolment into pension schemes automatic, working with the industry		
	i. Introduce regulations to extend the timetable for implementing automatic enrolment to ease the burden on small business (fewer than 50 employees) – small businesses will not be required to start auto-enrolling employees until June 2015.	Started	Jul 2012
	ii. Start delivery of auto-enrolment into pension schemes	Oct 2012	Oct 2012
	iii. Evaluate the Workplace Pension Reforms against the published evaluation strategy and publish the first evaluation report	Oct 2012	Sep 2013
4.3	Develop proposals to re-invigorate private pensions		
	i. Develop and publish paper for wider public discussion	Started	Oct 2012
	ii. Streamline regulations on disclosure of information to pension scheme members	Started	Oct 2012
4.4	Develop proposals to address the issues of small pension pots by improving the transfer process and reviewing the rules for short service refunds		
	i. Publish response to consultation	Jul 2012	Jul 2012
	ii. Implement measures agreed following consultation	Jul 2012	Dec 2014

5. Enable disabled people to fulfil their potential

ACTIONS		Start	End
5.1	Launch the new Disability Strategy “Fulfilling Potential” and work towards achieving the stated outcomes		
	i. Draft and publish the new Disability Strategy	Started	Jul 2012
	ii. Start implementation, working with other Government departments	Jul 2012	Jul 2013
	iii. Review progress and evaluate the effect of policies on everyday life, working with stakeholders including Disabled People’s organisations	Sep 2012	Sep 2013
5.2	Reform Specialist Disability Employment Programmes		
	i. Develop and deliver cross-government initiatives on disability employment, including Ministerial cross-government group	Started	Apr 2014
	ii. Ensure clear fit of disability employment provision with mainstream employment programmes	Started	Apr 2014
5.3	Oversee and evaluate the seven ‘Right to Control’ areas, giving disabled people the right to have more choice and control, to have specific services arranged on their behalf, where practical, or to commission services and purchase equipment directly by taking a cash payment to have a mixture of these options		
	i. Run Right to Control pilots	Started	Dec 2012
	ii. Evaluate the Right to Control and publish final report	Jan 2013	Sep 2013
5.4	Strengthen Disabled People’s User Led Organisations (DPULO) to provide opportunities for disabled people to take an equal role in society, have more choice and control over the services provided and how they are delivered		
	i. Establish a national network of DPULOs	Started	Dec 2013
	ii. Effectively administer the Facilitation Fund and work with DPULO Ambassadors to build the sustainability of local organisations	Started	Mar 2015

5. Enable disabled people to fulfil their potential

ACTIONS		
	Start	End
5.5 Reform the Independent Living Fund (ILF) to provide those disabled people who face the greatest barriers with sustainable funding for independent living		
i. Consult on the future of the ILF post April 2015 in the context of the Social Care White Paper	Started	Dec 2012

6. Improve our service to the public

ACTIONS	Start	End
6.1 Save money by making online services our preferred channel		
i. Put benefit advice and common benefits enquiries online	Started	Dec 2012
ii. Increase the proportion of new claims to Jobseeker's Allowance submitted online to 80%	Started	Sep 2013
6.2 Deliver the recommendations of the Löfstedt review of Health and Safety legislation 'Reclaiming Health and Safety for All'.		
i. Launch a consultation on self-employment exemptions to Health and Safety	Jul 2012	Nov 2012
ii. Revoke the first set of Health and Safety regulations	Started	Oct 2012
iii. Introduce a binding code of practice for Local Authorities to ensure consistent and proportionate Health and Safety inspection and enforcement activity	Started	Apr 2013
iv. Complete an initial review and launch a consultation on proposals for the revision, consolidation, withdrawal or otherwise for the 32 Approved Codes of Practice	Jun 2012	Sep 2012
v. Amend the Reporting of Injuries, Diseases and Dangerous Occurrences Regulation and its associated guidance to provide the clarity for businesses on how to comply with the requirements	Started	Oct 2013
vi. Launch a consultation on removing the second set of Health and Safety regulations	Started	Jul 2012
vii. Take forward plans to revoke or consolidate around 50% of regulations in line with the Löfstedt review as part of wider plans to revoke or improve around 84% of Health & Safety regulations	Started	Jul 2014
6.3 Improve the way we respond to complaints about our service		
i. Streamline our process by moving to a two-tier, telephony-based model to improve the quality of complaint resolution and customer satisfaction	Started	Mar 2013
ii. Promote a 'once and done' approach to complaints to reduce the volume of complaints that escalate to the second tier under the new model to no more than 5%	Started	Mar 2013
iii. Achieve 90% customer satisfaction with the new complaints model.	Started	Mar 2013

C) Departmental expenditure

Planned expenditure and major projects ¹

This section sets out the Department's planned expenditure over the Spending Review period, as agreed with the Treasury, and expected cost for the 2012/13 financial year of the Department's major projects.

Planned expenditure (£bn)	2011/12 (forecast outturn)	2012/13	2013/14	2014/15
Total departmental expenditure limits ²	7.6	8.1	8.0	8.0
Administration spending	1.1	1.4	1.1	1.1
Programme spending	6.2	6.4	6.5	6.7
Capital Spending	0.3	0.3	0.4	0.2

Major Projects expected cost (Top 4, £m)	2012/13	Whole Life Cost
Universal Credit	270	13,845
Work Programme ³	82	5,627
Personal Independence Payment	133	2,598
Enabling retirement Savings Programme	112	1,049
Total (all major projects)	989	26,992

Definitions:

Administration spending: the costs of all central government administration other than the costs of direct frontline service provision

Programme spending: spending on activities, goods and services, such as pay and benefits (excl. administration spending as defined above)

Capital spending: spending on assets with a lasting value, such as buildings and equipment

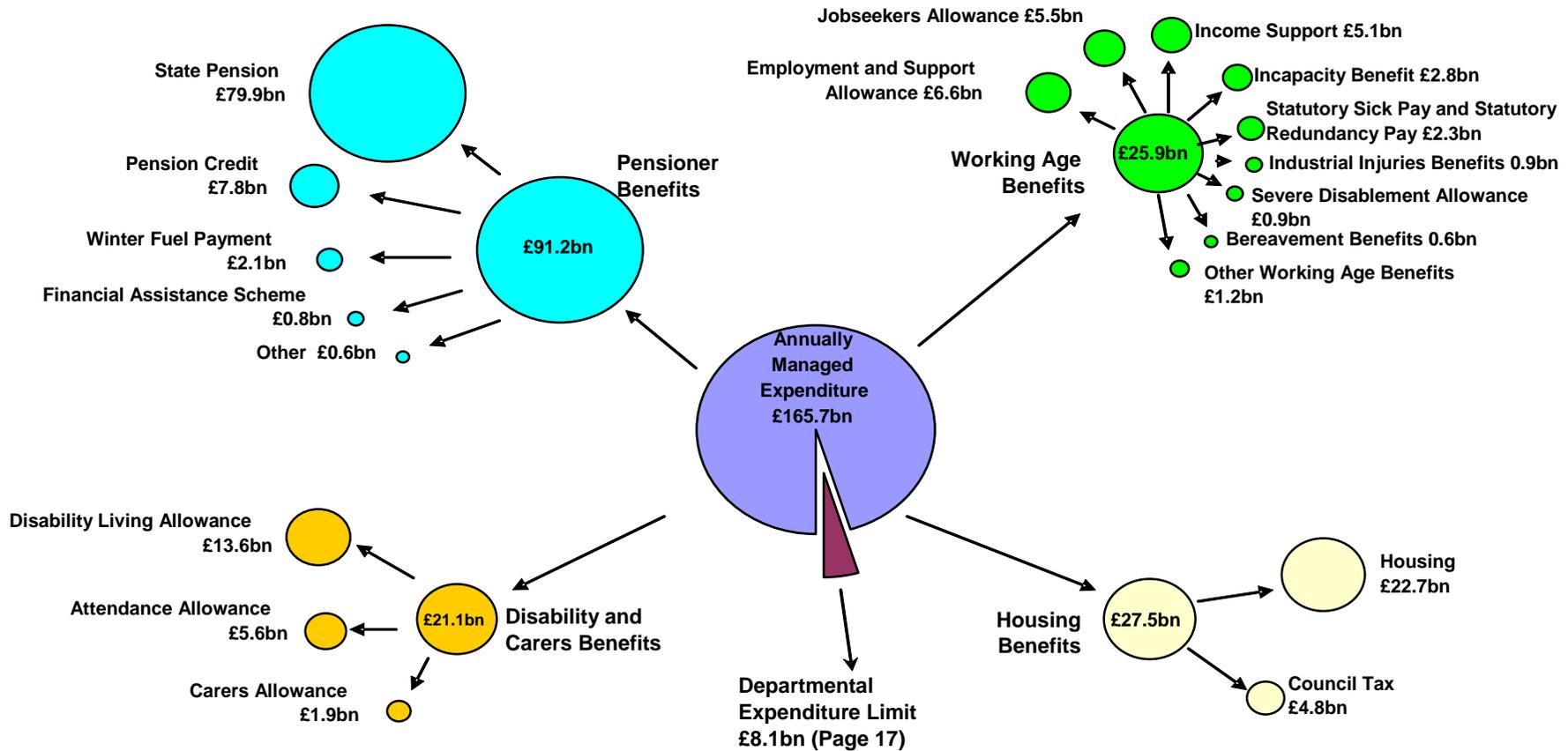
¹ Excludes departmental Annually Managed Expenditure. Numbers may not sum due to rounding

² Excludes depreciation

³ Figure represents investment costs only (not full delivery costs)

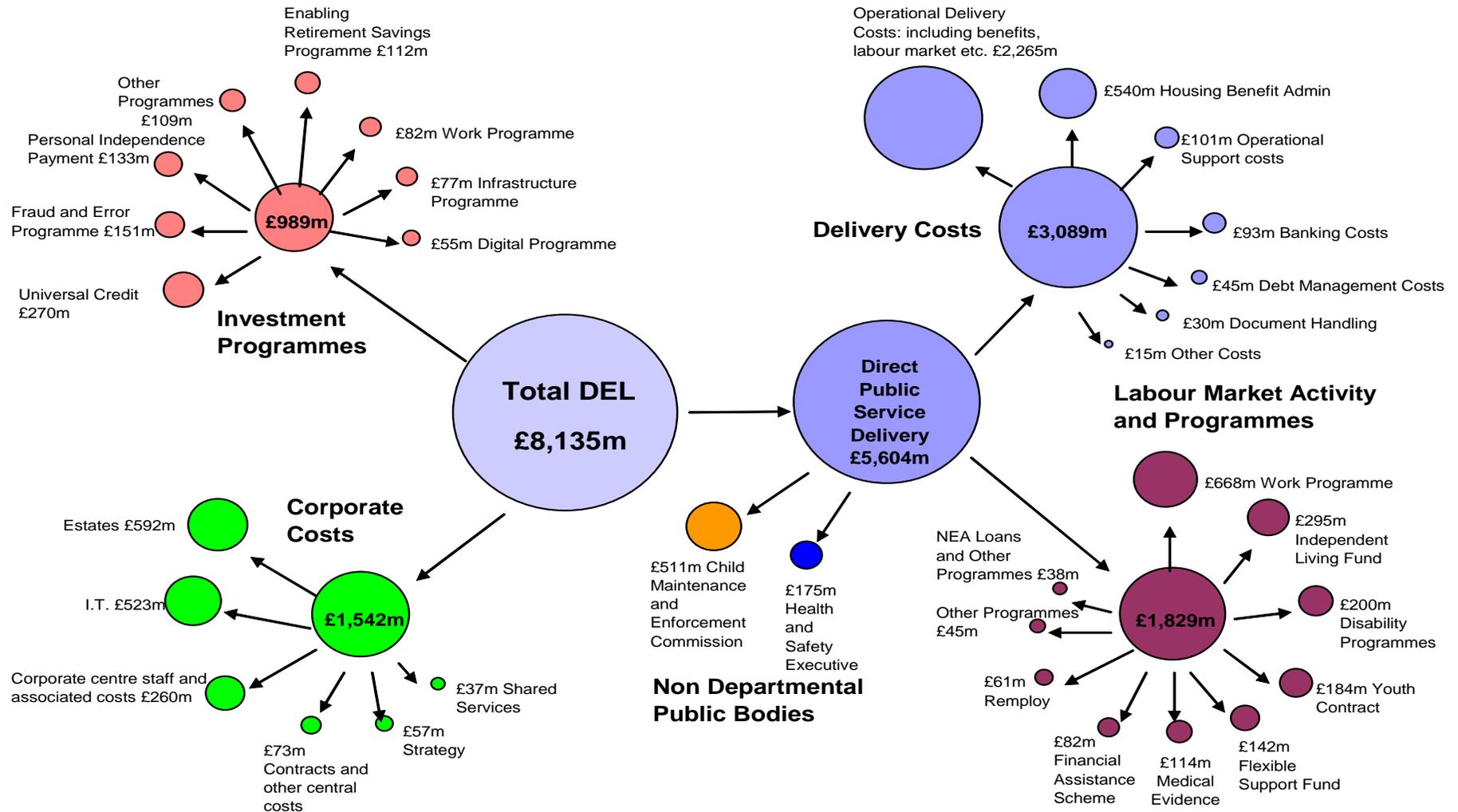
Indicative budget allocation

This chart sets out details on how the Department will allocate its £173.8bn 2012/13 financial settlement.



Indicative budget allocation

This chart sets out further detail on how DWP's settlement will be spent for the 2012/2013 financial year across key programmes and activities.



Departmental efficiency

This data allows the public to compare the Department's operations to other organisations by setting out the cost of common operational areas, and sets out the Department's efficiency plans for 2012/13.

Spending Category	Latest data (31 Dec 2011)	Actions to improve operational efficiency in 2012/13
HR	90,011 Payroll Staff (FTE) (31 Dec 11) ¹	Efficiency savings and productivity improvements will be delivered through a range of enablers such as developing self service delivery, improved methods of payment, benchmarking performance of individual units against each other, use of lean techniques and further streamlining of corporate functions.
Estates	897,751 square metres (2010/11 benchmark)	Reduce our estate by 60 buildings where they are no longer required for service delivery- saving an anticipated £40m per annum.
Procurement	Procured goods and services with a value of £4,308m in 2010-11 and £2,597m to Quarter 3 2011/12 (Oct – Dec 2011).	Realise savings of £340m (10%) in 2012/13 through improved procurement capability, demand management, further centralising procurement and exercising greater Crown commercial leverage.
Major Projects	£26,992m total investment whole life costs	The Department is investing in a number of major projects and programmes, which collectively help to deliver improved services and reduce costs. The majority of our major projects reduce either Administrative or Benefit expenditure at different stages of their lifecycle.
Information Technology	Procured ICT goods and services with a value of £769m in 2010/11 and £697m to Quarter 3 2011/12 (Oct – Dec 2011).	During 2012, we will commence open competitions to deliver new contracts for the Public Sector Network, IT Hosting and Service Integration. The first of these contracts will be delivered in 2013, leading to increased value for money and access to innovative new services (including cloud computing). Throughout the period, the Department will continue to pursue cost-reduction initiatives under the existing contracts; working with our suppliers to find innovative ways of reducing IT spend, whilst maintaining or improving end user experience.
Corporate Services	£58.86m spent in Q3 2011/12 (Oct-Dec 2011)	As a result of the Corporate Centre Review, there will be limited operational efficiencies in 2012/13, as the Department is undergoing an extensive transformation exercise, which entails holding a number of time-bound roles this year. However, as these roles are released at the end of 2012/13, there will be greater efficiencies realised on staff and staff-related expenditure over the remainder of Spending Review 2010.

¹ Payroll staff figure includes Department and Agencies only.

Spending Category	Latest data (31 Dec 2011)	Actions to improve operational efficiency in 2012/13
Fraud, Error and Debt	£1,200m Fraud, £2,100m Error (2010/11 figures) and £3,463m Debt (at 31 Dec 2011) identified	<p>The Fraud and Error Strategy will become one of the DWP Major Projects for 2012/13 to ensure that we deliver a new approach to preventing fraud and error as part of the welfare reform agenda. To support our commitment to reduce fraud and error levels to no more than 1.7% by 2015, we will aim to deliver over £600m in additional Annually Managed Expenditure savings by March 2013 through the Fraud and Error programme from Case Cleanse, Credit Reference Agency data matching, additional debt recoveries and the Automated Transfer to Local Authority System (ATLAS).</p> <p>Our current operational improvement activity will ensure levels of fraud prosecutions are maintained while driving up value for money, and will align activity across operations on internal error to focus on reducing financial impact.</p>
Small and Medium Employers and Voluntary Organisations	In Q3 2011/12 (Oct – Dec 2011/12), the Department made the following direct payments: £67.85m procurement was spent with Small and Medium Employers; £32.13m procurement was spent with Voluntary and Charitable Sector; £4.55m grants were awarded to Voluntary and Charitable Sector.	<p>Use procurement and supplier/market management to achieve a diverse supply base and promote the use of Small and Medium Employers and Voluntary and Charitable Sector suppliers in our supply chains.</p> <p>Use and promote the Merlin Standard to ensure fair treatment of Voluntary and Charitable Sector and Small and Medium Employer organisations in supply chains.</p>

D) Transparency

Indicators and other key data

The Department has adopted the following input and impact indicators to help the public assess the effects of our policies and reforms on the cost and impact of public services. These indicators, and the other data specified here and in our Open Data Strategy, will be regularly published online.

Description	Type of data
General indicators	
Proportion of the lowest earners that experience wage progression *	Impact indicator
Deliver Welfare Reform	
Rates of people moving from key out of work benefits **	Impact indicator
Fraud & Error in the benefit system, as a percentage of benefit expenditure	Impact indicator
Number of Incapacity Benefit recipients reassessed and those moving from Incapacity Benefit to Employment and Support Allowance nationally	Other key data
Get Britain working	
Number of people on key out of work benefits	Impact indicator
Proportion of young people not in full time education who are not in employment***	Impact indicator
Proportion of customers for whom providers have achieved a Job Outcome payment at 12 months on the programme ***	Other key data
Help tackle the causes of poverty and improve social justice	
Proportion of children living in workless households*	Impact indicator
The proportion of households that are workless*	Other key data
Pensions reform	
Rate of pensioner poverty***	Impact indicator
Number of employees in a pension scheme sponsored by their employer	Impact indicator
Average age people stop working	Impact indicator

Description	Type of data
Enable disabled people to fulfil their potential	
The rate of disability poverty***	Impact indicator
The gap between the employment rates for disabled people and the overall population*	Impact indicator
The number of disabled people taking up Right to Control, by location	Other key data
Improve our services to the public	
Public opinion of DWP service levels	Impact indicator
Proportion of new claims to Jobseekers Allowance submitted online	Other key data
Overall Department for Work and Pensions productivity measure	Input indicator

* Indicator also supports ‘Get Britain Working’ Coalition priority

** Indicator also supports ‘Get Britain Working’ and ‘Help tackle the causes of poverty’ Coalition priorities

*** Indicator is also a Social Mobility indicator

Open data

This section sets out as a summary DWP's commitment to open data. Further details, including what new datasets will be published and when, will be set out in full in DWP's Open Data Strategy, to be published this summer.

The Strategy will set out the Department's approach to increasing transparency across a range of data sets. It will capture the data the Department collects and currently releases including client data, procurement data and customer satisfaction and experience data as well as plans to release new data sets over the next two years. It will also discuss how the Department can contribute to the creation of dynamic markets (working with our data user communities in the welfare and commercial sector) and how we propose to improve the quality of data.