



Chapter 4

Corporate enablers

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Human Resources

Departmental People Strategy

138. A Departmental People Strategy has been developed to underpin the overall organisational capability of the Department. Equipping people, across organisational boundaries where necessary, to deliver the Department's vision and business strategy is the focus of Human Resources activities.

Workforce Management

139. Cross-Departmental management structures and Human Resources processes and policies have remained in place to support the Department in achieving its March 2008 efficiency targets. These aim to manage the headcount reductions efficiently and economically, and to secure and sustain jobs for staff who want to stay with the Department.
140. Most surplus staff have been redeployed either within the Department or to other government departments. In addition, where there are sound business reasons for doing so, the Department has run early severance and retirement schemes to enable staff to leave on a voluntary basis.

Pay

141. After lengthy negotiations with the trades unions, the Department implemented the first year of a three-year pay award in November 2007. This shortened pay scales and increased the rate of progression for staff.

Employee Relations

142. Notwithstanding considerable efforts by both the Department and its trades unions, it was impossible to reach an agreement with two of the trades unions over the pay award. This has resulted in an industrial dispute on this issue. Despite this dispute, work continues on improving and further strengthening the Department's relationship with its recognised trades unions.

Managing attendance

143. The Department's sickness absence level this year is an average of approximately 10 days per employee. This is a similar level to other large, operational government departments. The Department will build on recent improvements by continuing to take a proactive approach to reducing the number of working days lost each year to sickness absence. This includes measures not only to prevent or better manage sickness absence, but also to promote a culture of good health, well-being and good attendance.

Health and safety

144. The Department aspires to the highest standards of health and safety performance. In 2007–08 a proportionate and holistic Health and Safety Management System, based on the Health and Safety Executive's HSG 65 model, has been put in place. This ensures resources are directed to primary areas of health and safety risk and enables managers to provide assurance on levels of compliance against those key risk areas. Further measures include integrating a network of Health and Safety Business Partners across the Department to ensure implementation of more effective health and safety controls and the sharing of best practice.

Diversity and equality

145. The Department aims, firstly, to ensure that diversity and equality of opportunity are an integral part of its work and, secondly, to support the delivery of Public Service Agreements to address any disadvantages, that individuals experience because of their gender, race, disability, age, sexual orientation or religion or belief.

146. Achievements in 2007–08 include publishing the Department's annual progress reports on its race, disability and gender equality schemes; progressing new actions in the 10-Point Plan to support the Department in achieving a diverse workforce; and identifying new ways to increase the Department's effectiveness in the service it provides to customers with accessibility needs.

147. The Department has taken a number of steps to improve its representation rates with some positive results as set out in Figure 26.

Figure 26: Progress against equality targets

Grade	Target	Position at 30 September 2005	Position at 30 September 2006	Position at 30 September 2007
Minority Groups*				
SCS	5	3.7	3.3	4.8
G6/G7	4	3.2	3.1	3.6
SEO	4	3.6	4.0	3.9
HEO	5.5	4.9	5.4	5.7
Disabled people**				
SCS	6	4.8	2.7	1.9
G6/G7/ SEO	4	4.0	3.8	3.9
HEO/EO	7	6.5	6.5	6.5
AO/AA	6	4.6	4.5	4.9
Women***				
SCS	39	32.7	34.2	35.8
G6	45	42.0	41.8	42.2
G7	45	44.7	43.0	43.7

Notes:

*Ethnicity Targets – percentage of minority groups by grade

**Disability Targets – percentage of disabled people by grade

***Gender Targets – percentage of women by grade

Finance

148. Achievements from financial and commercial activity include:

- Publication of the Department's Resource Accounts to Parliament before the Summer Recess for the first time in the Department's history.
- Launch of DWP Shared Services Organisation to provide an integrated range of HR and Finance services to the Department and its Executive Agencies as well as specific services to a number of other government departments. Since its launch in September 2006, it has generated cumulative savings in the region of £50 million.
- Implementation of a new Payments Transmission Channel. This high speed banking channel is used for making over 95 per cent of all DWP payments (approximately 700 million) to customers' bank accounts. The Department was the first organisation in the UK to implement the new service, two months ahead of the planned date.

Commercial strategy

149. In December 2007, the Department's procurement function was given a very positive assessment in one of the first three Procurement Capability Reviews by the Office of Government Commerce (OGC), who stated the Department was 'well on the way to procurement excellence'. For the sixth year running, the Department made the biggest contribution to OGC targets to deliver value for money savings. As a result of improving procurement capability and action to reduce demand in 2007–08, including embarking on a Supplier Relationship Management programme with the Department's top ten suppliers, the total annual expenditure with external suppliers has reduced to below £4 billion compared to £4.27 billion in 2006–07.

Departmental investment plans

Figure 27: Investment plans to 2011

Year	2006–07 Outturn	2007–08 Plan	SR2004	2008–09 Plan	2009–10 Plan	2010–11 Plan	CSR2007
Level of investment (£million)	868	821	1,689	758	468	413	1,639

Note: The figures above represent Departmental capital expenditure and Change Programme investment resource costs. They relate to the final outturn for 2006–07 and forecasts, as at 31 December 2007, for 2007–08 being the end of SR2004. The level of investment for the years 2008–09 to 2010–11 represents the Department's investment plans across CSR2007.

Benefit payments

150. The Government has announced that there will be a successor to the Post Office card account (POCA) and a procurement exercise has begun with an Invitation to Tender being issued to short-listed suppliers and contracts are due to be awarded in July 2008.
151. The Government intends to procure a new service which will support the main methods by which DWP pays its customers, namely payment into a bank or building society account, and the existing Post Office card account and its successor.

Improving financial control

152. The Department needs to demonstrate the highest standards of financial management and control. The Department's Resource Accounts for 2006–07 were qualified on two issues:
- substantial levels of estimated losses from fraud and error in benefit expenditure; and
 - material uncertainties in respect of benefit overpayment debtors.
153. The Department's objective is to ensure that its Resource Accounts are unqualified. It has agreed a programme of work with the NAO in respect of both aspects of the qualification, designed to provide the basis for removing the qualification.

Information Technology

Transforming IT and telephony services

154. One of the biggest global IT and telephony transformation programmes has delivered:
- more reliable systems, with a record 99.6 per cent service availability in the nine months to December 2007, and quicker recovery from incidents;
 - new Voice over Internet Protocol (VoIP) telephony and increased network capacity. It is the first major UK application of VoIP technology supporting more than 40 networked contact centres in the new contact centre network, enabling the Department to respond to the increasing demands of its huge customer base;
 - 135,000 new desktops and encrypted laptops for staff and nearly 70,000 new Internet Protocol telephones; and
 - efficiency benefits to the Department – the reduction in the unit costs of IT services produced by realigned contracts with Electronic Data Services and BT has reduced IT costs overall, despite the growth in demand for IT and telephony.

Modernisation programme

155. The Department's portfolio consists of 200 modernisation projects. Improved governance has supported strong project performance in 2007–08, for example:
- The Customer Information System, one of the largest databases in Europe, provides a single, accurate view of key information and identity for all citizens who have ever had a National Insurance number. It is helping to join up services for customers by providing tailored online access for local authorities and government departments, and is central to the Government's ID management proposals.
 - The Pensions Transformation Programme is improving customer service by modernising and simplifying the benefit claim process, enabling new customers to make applications for Pension Credit, State Pension, Housing Benefit and Council Tax Benefit in a single call of no more than 20 minutes.
 - The Employment and Support Allowance project plays a pivotal role in delivering the Government's vision of a modern, active welfare state. The use of proven IT solutions from the Pensions Transformation Programme is informing its design, so that it is ready for the planned launch in autumn 2008.
156. Once projects have been completed the Department continues to improve their performance, for example:
- The Customer Management System (CMS) provides staff with on-screen information and guidance. It enables data to be gathered and transferred electronically to benefits payment systems, reducing the use of paper. The performance of CMS has been improved substantially since its introduction through a number of additional releases.
 - The Resource Management System delivers an up-to-date resource management, information and transaction tool to staff at their desks.

Improving capability

Strategy

157. An innovative IT Strategy has been developed as a fundamental part of the Department's Change Programme. It uses a mixture of proven and innovative solutions to establish an integrated IT platform that is less complex, and more adaptable. Early examples of the strategy in action are:

- providing a self-service tool for customers;
- a single sign-on, piloted from February 2008 – easier access to systems for staff, reduced helpdesk costs and more secure; and
- unlocking the information in legacy systems – presenting information to staff in the way that best suits their work by removing the need to navigate through multiple screens.

Contributing to service transformation across government

158. The Department continues to develop its leading role in government-wide transformation for the citizen by:

- enabling the *Tell Us Once* project, which will minimise multiple customer contacts at key life events;
- using the Customer Information System as the secure basis for joining up services around the customer across government;
- leading the development of:
 - Directgov; and
 - the Government Gateway;
 to become the digital service for the citizen; and
- driving the Government's Supplier Management Initiative to secure better value for money from suppliers.

159. The continued transformation and modernisation of the Department's own IT and telephony has put it in a position to make this contribution.

Figure 28: The Department's key IT-enabled projects

Project	Purpose and achievements to date	Start date	Current expected completion date	Current forecast cost £m	Expenditure to date £m
Pensions Transformation Programme	The programme is transforming the Pension Service, bringing together business and IT change in ways that improve customer service and deliver efficiencies.	January 2002	2010–11	599	500
Customer Information System	This project will deliver a database of key citizen information to be shared across the Department. The database will complement information currently available in the Department's key customer information systems (the Personal Details Computer System and Departmental Central Index) and become their replacement.	July 2003	October 2008	88	81
Employment and Support Allowance	The project delivers the system and processes to implement the new Employment and Support Allowance.	August 2006	October 2008	295	89
Central Payment System	A modern, integrated central payment engine and accounts payable system to improve accounting for benefit/pension payments, reduce risks of service failure, increase speed and efficiency, provide information for improved customer service and reduce fraud and error.	April 2004	March 2011	153	74

Notes:

1. This is a rolling programme of a number of business and IT improvement projects with individual start and completion dates.
2. The table includes only those projects which are predominantly IT-enabled.
3. The current forecast cost column provides forecasts to project implementation. Expenditure on projects is formally approved by the Department's governance process and authorised through review gates, to establish that projects are meeting the expected standards.
4. The current expected completion date may change depending on factors such as: changes in scope, cost or quality. Such changes must be approved by the appropriate governance body. Any significant change to the expected end date for projects in this table must be approved by the Department's Change Delivery Committee, chaired by the Chief Information Officer.