

Foreword from the Secretary of State

The Department's objectives to eradicate child poverty, promote employment opportunity for all, and ensure pensioners have a secure retirement are some of the most challenging social ambitions ever set by government. Yet, as this report highlights, this year we have taken another significant step towards achieving these goals.

We have continued the transformation of welfare delivery, with a more professional, efficient and customer-focused service. The modernisation of the Jobcentre Plus office network is substantially complete; we are on track to extend the Pathways to Work programme across Great Britain by April 2008; the Pensions Transformation Programme has delivered successful simplifications to the benefit claims process; and over eighteen million pension forecasts have been issued to help people plan for their retirement.

These changes are making a real difference to people's lives here and now. The results are clear. There are now two and a half million more people in work than in 1997, with the traditionally disadvantaged groups seeing a greater improvement in their employment rate than anyone else. Since 1997, the child poverty rate has fallen faster than in any other EU country and over three million pensioners are receiving their entitlement to Pension Credit.

But this year we have also laid the foundations for the future.

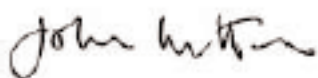
The Welfare Reform Act marks an historic step forward in the promotion of employment opportunity for all; while the report I commissioned from David Freud has provided the foundation for a renewed welfare-to-work policy and delivery strategy which will meet the challenges of the next decade in reaching out to those who remain furthest from the labour market.

The Pensions Bill has cemented a consensus around a sustainable, affordable and trusted pensions settlement that will enable both current and future generations to save for a long and healthy retirement.

And our proposals for a radically new child maintenance system will help address child poverty more effectively, empowering parents to take responsibility for making their own arrangements and replacing the existing Child Support Agency with a new organisation, the Child Maintenance and Enforcement Commission (C-MEC).

The progress we have made is a reflection of the dedication and professionalism of our staff and the new and wider partnerships they have built with all those who share our commitment to delivering the targets in this report.

We must now go further in building on this progress and making the long-term changes which will allow us ultimately to meet these targets and achieve a truly fair and inclusive society with equality and social justice for all.



John Hutton

Secretary of State for Work and Pensions