

## Foreword from the Secretary of State

I believe the Welfare State exists to improve people's chances in life.

In order to sweep away the barriers that stand between people and a better future, everything we do must aim to give our customers ever greater control over their lives. We provide people the opportunities to work and get on in work wherever they can. For those who are not in a position to have a job, we provide the means to ensure that they too can live independently.

These principles provide the direction for our recent reforms of the Welfare State: better incentives to work for lone parents, an easier way to save for retirement and higher expectations and improved support for sick and disabled people provided by the Employment and Support Allowance. These same principles will also inform the reforms to come, as together we build on what we have already done.

This report demonstrates that the Department is well placed to deliver these new reforms. We have met in full the ambitious efficiency targets set by the 2004 spending review. We have delivered savings of nearly £1 billion a year and reduced our headcount by over 30,000 while actually increasing our productivity. We have shown that it is possible to improve service and reduce the cost to taxpayers at the same time.

We are playing our part to stamp out the disadvantage and inequality that can blight a child's entire future. The joint Child Poverty Unit, the updated Departmental strategy Working for Children, and the development of the Child Maintenance and Enforcement Commission all demonstrate the Department's continuing commitment to ending child poverty.

For those of working age, *Ready for work* set out our steps towards the goal of an 80 per cent employment rate in order to bring the independence of work to more people than ever before. Pathways to Work is now in place across the country and we look forward to the implementation of the Employment and Support Allowance by the end of the year, as we lead the world to actively engage with sick and disabled people who in the past for too long have been overlooked or written off.

The Pensions Act 2007 was passed, paving the way for the current Pensions Bill which will enable millions more people to save for retirement, while the extension of the Financial Assistance Scheme has ensured a secure, independent future for many pensioners otherwise facing hardship and uncertainty. These are significant achievements for people of all ages.

We have also achieved much in improving the way in which we deliver to our customers. The National Audit Office praised the successful modernisation of the Jobcentre Plus network. The new Pension, Disability and Carers Service will enhance our dealings with millions of customers and the Personal Accounts Delivery Authority has been created to develop proposals to make it easier to save for retirement.

In February this year the Department launched its Commissioning Strategy that will redefine the relationship between the Department and the providers who deliver an increasing proportion of our welfare to work programmes. The flexibility and innovation that these providers offer will help tackle the problems of the hardest to help, providing them greater opportunities for work and in turn the greater independence that brings.

This report shows that in many areas we are making good progress. This is a testament to the abilities and commitment of the staff in the Department and its agencies, as well as those with whom we work to deliver on the targets. We still have more to do to achieve the ambitious goals that we have set and we must continue to build on the excellent work done to date to strive towards a society where everyone has the opportunity to be the authors of their own lives.

A handwritten signature in black ink, appearing to read 'JP', enclosed within a large, loopy, hand-drawn oval shape.

**James Purnell MP**

Secretary of State for Work and Pensions