

# The Good the Bad and the Ugly

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# The Coalition Statement

The Coalition:  
our programme  
for government

Freedom  
Fairness  
Responsibility

# The Coalition Statement



# The Coalition Statement

We will extend the scope of the Freedom of Information Act to provide greater transparency.

We will establish a Commission to investigate the creation of a British Bill of Rights that incorporates and builds on all our obligations under the European Convention on Human Rights, ensures that these rights continue

We will provide more protection against aggressive bailiffs and unreasonable charging orders, ensure that courts have the power to insist that repossession is always a last resort, and ban orders for sale on unsecured debts of less than £25,000.

We will require all councils to publish items of spending above £500, and to publish contracts and tender documents in full.

We will give public sector workers a new right to form employee-owned co-operatives and bid to take over the services they deliver. This will empower millions of public sector workers to become their own boss and help them to deliver better services.

We will freeze Council Tax in England for at least one year, and seek to freeze it for a further year, in partnership with local authorities.

# The Coalition Statement

We will significantly accelerate the reduction of the structural deficit over the course of a Parliament, with the main burden of deficit reduction borne by reduced spending rather than increased taxes.

We will introduce arrangements that will protect those on low incomes from the effect of public sector pay constraint and other spending constraints.

We will create strong financial discipline at all levels of government and place an obligation on public servants to manage taxpayers' money wisely.

We recognise that deficit reduction, and continuing to ensure economic recovery, is the most urgent issue facing Britain.

We will set out a plan for deficit reduction in an emergency budget. We have created an independent Office for Budget Responsibility to make new forecasts of growth and borrowing for this emergency budget.

We will hold a full Spending Review reporting this autumn, following a fully consultative process involving all tiers of government and the private sector.

# The Coalition Statement

We will further increase the personal allowance to £10,000, making real terms steps each year towards meeting this as a longer-term policy objective. We will prioritise this over other tax cuts, including cuts to Inheritance Tax.

We will increase the proportion of tax revenue accounted for by environmental taxes.

We will increase the personal allowance for income tax to help lower and middle income earners. We will announce in the first Budget a substantial increase in the personal allowance from April 2011, with the benefits focused on those with lower and middle incomes. This will be funded with the money that would have been used to pay for the increase in employee National Insurance

We will make modest cuts of £6 billion to non-front-line services within the financial year 2010/11, subject to advice from the Treasury and the Bank of England on their feasibility and advisability. A proportion of these savings can be used to support jobs.

# A Challenge and a Problem!

State of the nation  
report: poverty,  
worklessness and  
welfare dependency  
in the UK

## Foreword by the Secretary of State for Work and Pensions

Addressing poverty and inequality in Britain is at the heart of our agenda for government. It is unacceptable that, in one of the wealthiest nations in the world, millions of adults and children are living in poverty. Whole communities are existing at the margins of society, trapped in dependency and unable to progress. In these areas aspiration and social mobility disappear, leaving disadvantaged children to become disadvantaged adults.

Over the past 13 years we have seen more and more money spent on the benefits system in an attempt to move people from below the 60% poverty threshold to above it. Expenditure on child-related benefits alone has almost doubled. Yet despite this expenditure, the figures in this document show that this approach is failing.

Income inequality is at its highest since records began; millions of people are simply parked on benefits with little hope of ever progressing into work; there are 800,000 more working-age adults in poverty than in 1998/99; and high levels of family breakdown, educational failure, addiction and health inequality are having a severe impact on outcomes for both adults and children.

This Government recognises that tackling these issues will require cross-departmental action. That is why we have established a Social Justice Cabinet Committee. As Chairman of the Committee, I will be championing an approach to poverty that recognises its multifaceted nature. We will tackle the factors that trap people in poverty and thereby break the intergenerational cycle of disadvantage. Our approach will deliver sustainable progress.

At the heart of this fight against poverty must be work. I will work to deliver radical reforms to the welfare system. Our core goal will be to improve the quality of life for the worst off – for pensioners, children and working-age adults.

Only by reforming the welfare system, including benefits reform, will we take welfare into the 21st century.

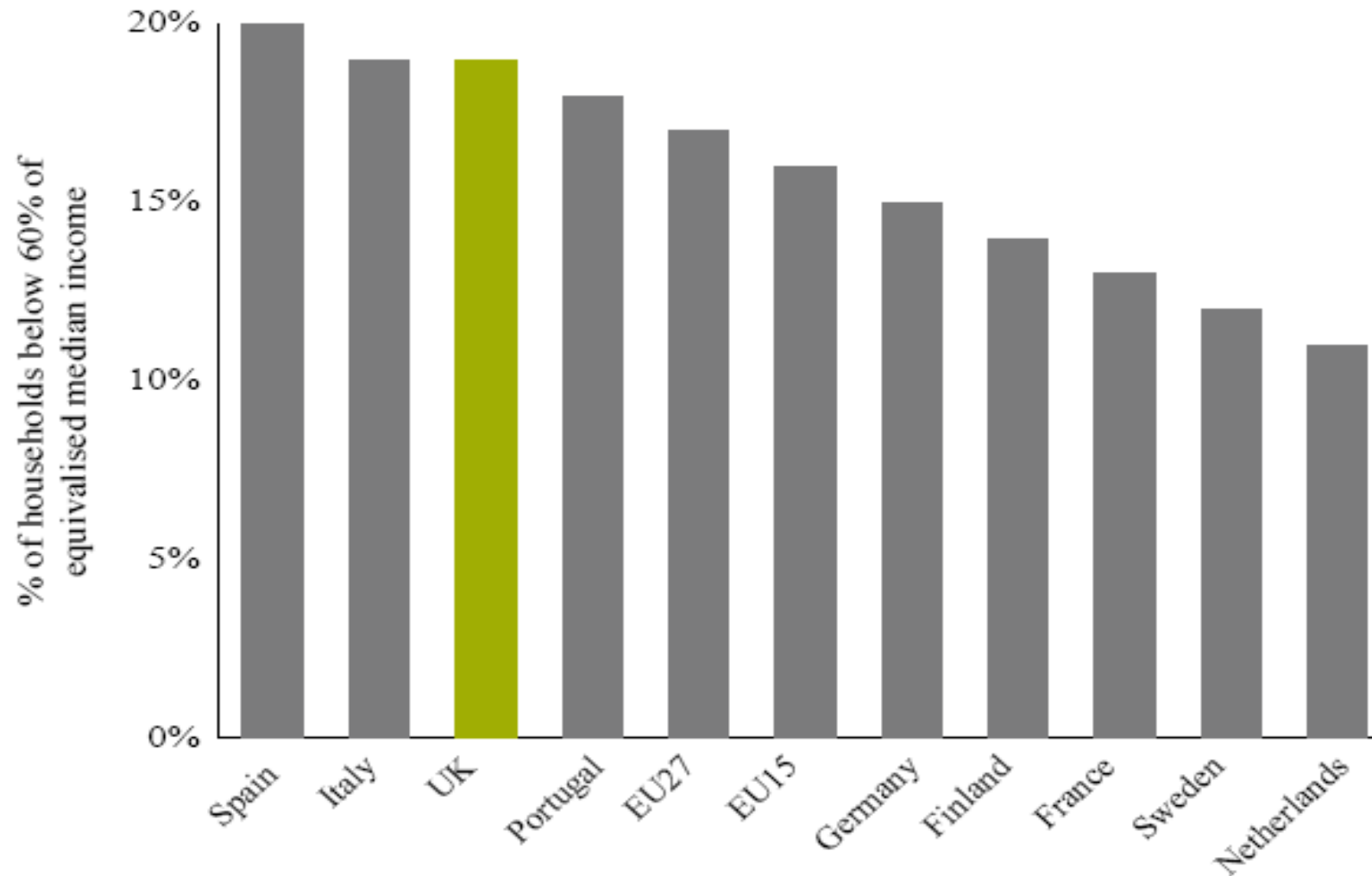


Iain Duncan Smith  
Secretary of State for Work and Pensions

# The Key Messages

- 800,000 more working age adults in poverty than in 1998/99
- Creation of a Social Justice Cabinet Committee
- Tackle functions that trap people in poverty
- Our approach will deliver sustainable progress

# Relative Poverty



# The Impossible Dream?

% young people not in  
education, employment  
or training  
(OECD comparator)



22/24

# The Impossible Dream?

% adults in  
jobless households  
(European comparator)



*25/27*

# The Impossible Dream?

% children in  
jobless households  
(European comparator)



28/28

# The Queens Speech

- Local Government (Revocation of Structural Change) Bill
- Office of Budget Responsibility Bill
- The Freedom Bill
- Decentralisation and Localism Bill
- Public Bodies Bill
- Broadband Infrastructure Bill

# The Savings

- CSR 2011/2014
  - £156bn each year?
- Financial year 2010/2011 (a modest approach according to George)
  - £6.2bn overall
  - £128m Northern Ireland
  - £1.2bn local government individual grant reduction
  - No reduction in £29bn formula grant
  - De-ring fencing grants of over £1.7bn
  - A Council tax freeze

# Where do we go from here?

- Efficiency
- Reduce waste
- Responding to public sector savings
- Localisation
- A new approach to local government
- Optimise service delivery
- Create secure gateways

# Local Government in Context

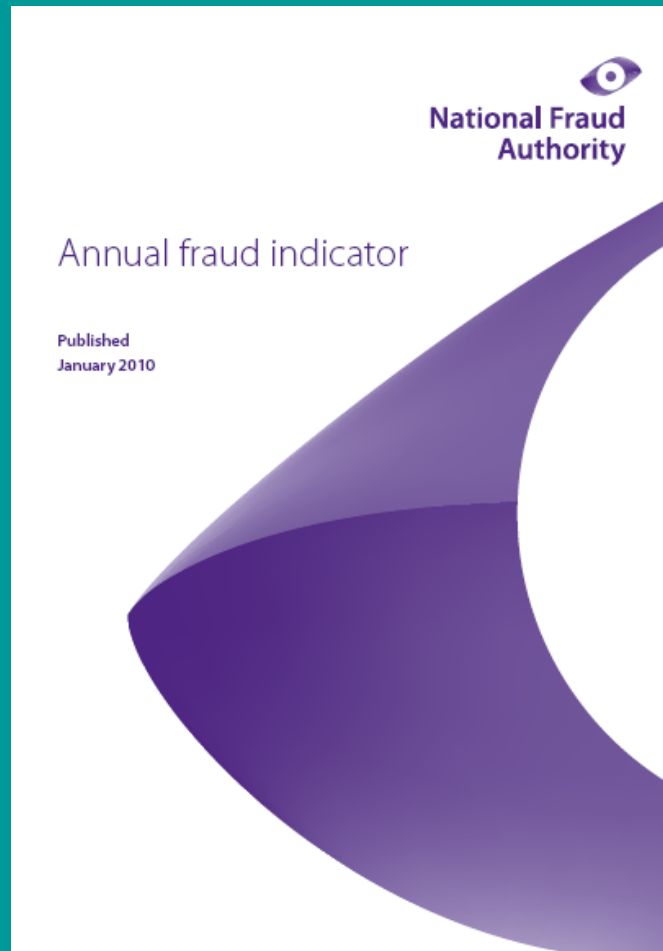
- True accountability at a local level
- What is the true payback on shared services?
- Is there a payback on outsourcing?
- What is the optimum model for local government?
- Perhaps localisation is the answer?
- Is it easy to eliminate waste and become more efficient?

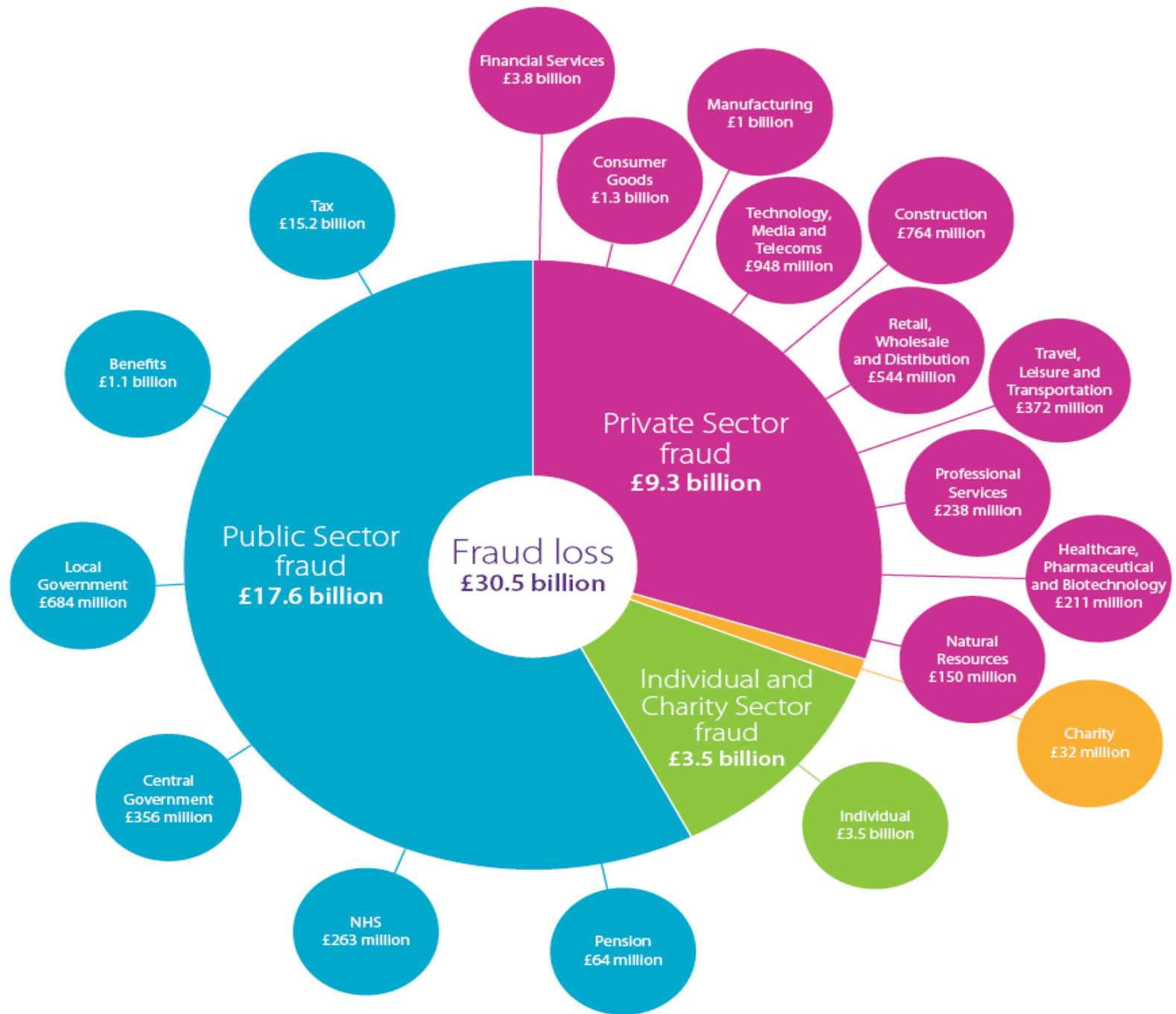
# It's the Economy, Stupid

- Reducing the deficit whilst encouraging growth
- The role of local government
- How to reduce the deficit
  - Savings or Cuts
  - Increase taxation
  - Improving efficiency and reducing waste
  - Central action then local decisions

**What are the opportunities ?**

# An Opportunity?





# Fraud Losses - The Benefit Challenge



# The Duty of Government in Relation to Counter Fraud

- What is the agenda, hidden or otherwise?
- A simple route to savings?
- A duty to provide a secure and meaningful data environment
- A duty to co-operate at all levels
- A duty to optimise service delivery and to maximise the return on investment

# An Opportunity?

## The Real Cost of JC+

### Jobcentre Plus Operating Cost Statement

For the year ended 31 March 2009

	Note	2008-09		2007-08	
		£'000s	£'000s	£'000s	£'000s
<b>ADMINISTRATION COSTS</b>					
Staff Costs	2	1,784,605		1,793,695	
Other Administration Costs	3	1,548,494		1,584,745	
<b>Gross Administration Costs</b>		<b>3,333,099</b>		<b>3,378,440</b>	
Administration Income	5	<u>(18,757)</u>		<u>(18,012)</u>	
<b>NET ADMINISTRATION COSTS</b>			<b>3,314,342</b>		<b>3,360,428</b>
<b>NET PROGRAMME COSTS</b>	6		<b>549</b>		<b>2,617</b>
<b>NET OPERATING COST</b>			<b><u>3,314,891</u></b>		<b><u>3,363,045</u></b>

# The Facts of Benefit Administration

- According to DWP figures published in August 2009,
- Off the 4.4 million recipients of Housing Benefit, over 3m (69%) also claimed one of the following DWP benefits, which are administered by Jobcentre Plus or the Pensions Agency; Job Seekers Allowance (Income-based), Income Support, Employment Support Allowance (Income-based) or Pensions Credit (Guarantee Credit).
- As far as Property Tax Benefit goes, of the 5.4 million recipients, 3.7 million (also 69%) were in receipt of these benefits.
- Leeds City Council report higher figures. Of housing benefit recipients, 76% are also getting one of the DWP benefits (84% of those of pensionable age) and of council tax benefits, 77% are also getting a DWP benefit (88% for those of pensionable age)

# An Opportunity? If not Essential Bedtime Reading



House of Commons  
Committee of Public Accounts

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**Department for Work  
and Pensions:  
Management of  
Benefit Overpayment  
Debt**

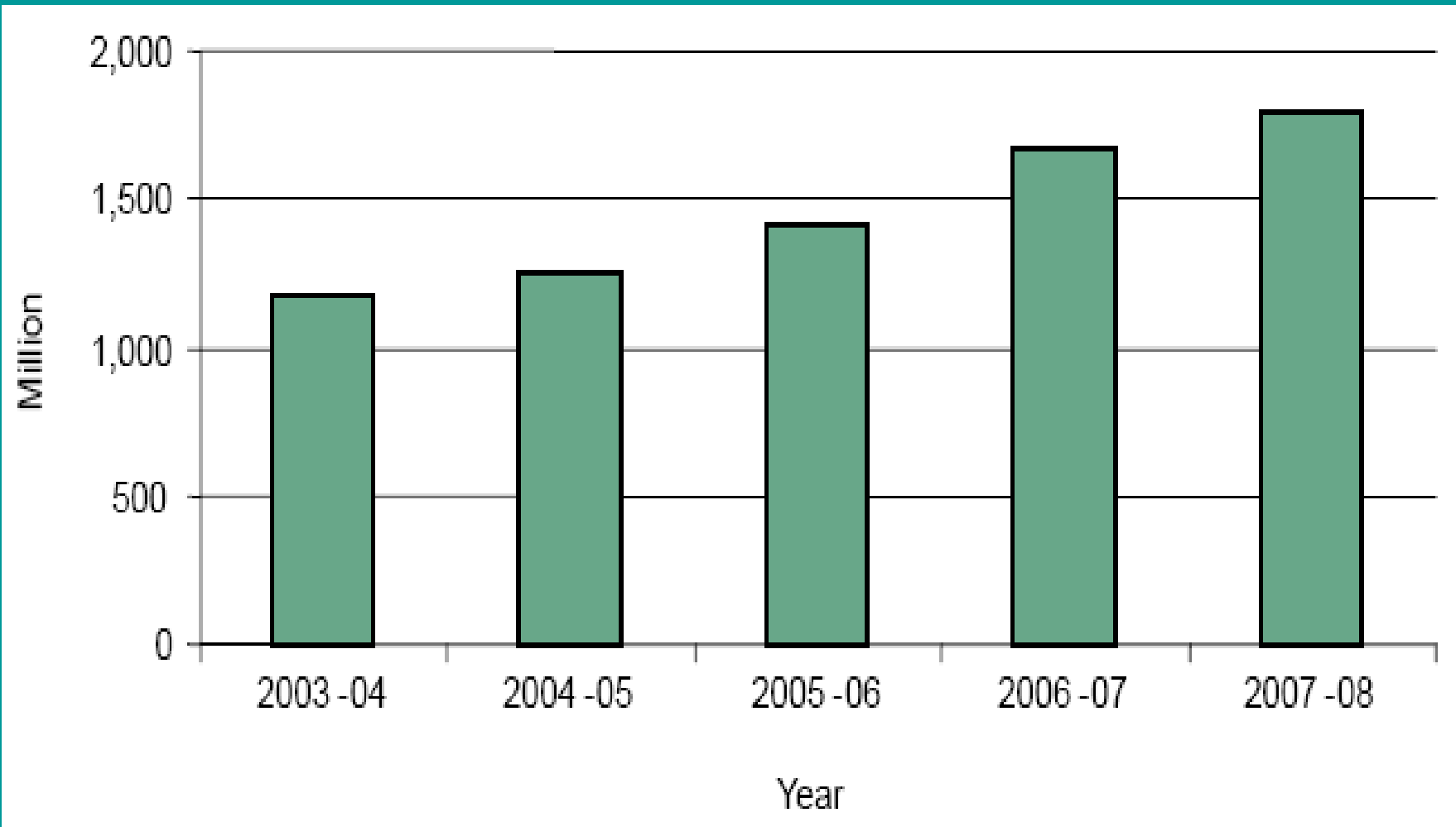
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Twentieth Report of Session  
2009–10

# DWP Benefit Debt

Debt Value £	Total Debt £ (millions)	Total Number of Debtors (thousands)	Average Balance £	Number of Weeks to recover at £9 per week
<65	8.0	229.9	35	4
65-100	11.1	134.6	82	9
101-250	52.8	314.5	168	19
251-500	110.1	305.0	361	40
501-1,000	180.6	255.1	708	79
1,001-5,000	611.8	286.2	2,138	238
5,001-10,000	340.6	49.1	6,937	771
10,001-20,000	309.2	22.6	13,681	1,520
Over 20,000	263.0	8.6	30,581	3,398

# Aged DWP Benefit Debt



# Looking Behind the Figures

- Debt increased from £1.67bn in 2007 to £1.85bn in 2009 an 11% increase
- Collected only £281m in 2008/9
- £9.2m written off for debts less than £65
- 1,900 staff directly employed on this work

## **Contrast with LA performance**

- On average 45% of housing benefit overpayments collected in year, every year

# A Key to Your Future?

 HM Government

**PUTTING THE  
FRONTLINE FIRST:**  
smarter government

# Your Checklist to Survive!

- **Get back to basics**, Prioritising between core and optional services and asking whether services and activities are needed to fulfil legal obligations, to meet local needs or simply because 'we've always done it this way'
- **Focus on retaining talent**, Identifying the critical functions for local government and protecting the talent critical to delivering these functions
- **Design and develop new service delivery models**, which build in best practice in commissioning and early intervention and prevention
- **Collaborate** across agencies and the private and third sectors