

Press release

# **Kendall launches blueprint for fundamental reform to change the DWP from a ‘Department of Welfare to a Department for Work’**

Liz Kendall will today set out how Britain’s system of employment support must be fundamentally reformed to tackle the “most urgent challenge” of spiralling economic inactivity.

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A blueprint for  
**fundamental reform**

- Work and Pensions Secretary Liz Kendall will use landmark first speech to set out the Government’s plans to reverse dire labour market inheritance and drive up Britain’s employment
- Major new reforms will be at heart of Government’s ambition to reach an 80%

employment rate, with a white paper on getting Britain working again

- Kendall set to empower local leaders to tackle economic inactivity, alongside a new Labour Market Advisory Board to help drive change and get Britain working again.

At the launch of the “Pathways to Work” report in Barnsley Ms Kendall will lay the path for a new Government white paper to get Britain working. This is central to delivering the Government’s first mission – to kickstart economic growth; making everyone, not just a few, better off.

She will set out the dire inheritance from the last 14 years including:

- Britain remaining the only country in the G7 whose employment rate has still not returned to pre-pandemic levels.
- 2.8 million people out of work due to ill health or disability
- 1 in 8 young people not in education, employment or work
- Spending on sickness and disability benefits is set to increase by £30bn over the next five years according to the OBR
- Too many people trapped in low paid, poor quality work, with little prospect of improving their lot in life. Of those in low in pay in 2006, only one-in-six escaped it a decade later.

Ms Kendall will argue:

“ The fundamental problem we face is that the current system of employment support is designed to address the problems of yesterday – not today, tomorrow and beyond.”

“ She will say over the last 14 years the DWP has focused almost entirely on the benefits system, and specifically on implementing Universal Credit, and that “nowhere near enough attention has been paid to the wider issues – like health, skills, childcare and transport – that determine whether people get work, stay in work and get on in work.”

She will call time on the approach of the previous government and instead seek “employment opportunity unleashed for all” as part of the government’s long-term ambition to reach 80 per cent employment, with better quality of work, and higher earnings.

The Secretary of State will set out bold plans to tackle economic activity by enabling local leaders to tailor schemes to get people back into work – and to prioritise good, rewarding, well paid work. She will say:

“ I can confirm today that we will empower local leaders and local areas to tackle economic inactivity and open up economic opportunity.”

“ We will give local places the responsibility and resources to design a joined-up work, health and skills offer that’s right for local people.”

“ DWP will support local areas to make a success of this new approach.”

“ And we will devolve new powers over employment support to catalyse action and change.”

Setting out her vision for reform, the Work and Pensions Secretary is also expected to say:

“ Over the last 14 years millions of people have been denied their rightful chance of participating in the labour market, and the hope of a brighter future. They’ve been excluded, left out, categorised and labelled. Britain isn’t working.”

“ We need fundamental reform so the department for welfare becomes a genuine department for work.”

“ We’ll pursue an ambitious plan alongside the government’s goals to raise productivity and living standards and to improve the quality of work. To get Britain growing again, get Britain building again and get Britain working again.”

As part of her drive to tackle economic inactivity, the Secretary of State will also announce a new group of external experts who will provide labour market insight and advice to drive change throughout the system.

The Labour Market Advisory Board, which will be chaired by Paul Gregg - Former Director of the Centre for Analysis of Social Policy at the University of Bath - is expected to meet quarterly and will provide advice to the Work and Pensions Secretary and offer insight, expertise, and challenge to the department's plans.

The speech follows the announcement by the Work and Pensions Secretary, that the Government will, as part of the Growth Mission, publish a White Paper which will build on manifesto commitments of a three-pillared approach to support people into work:

- A new national jobs and career service to help get more people into work, and on in their work.
- New work, health and skills plans for the economically inactive, led by Mayors and local areas.
- A youth guarantee for all young people aged 18 to 21.

It forms part of a cross-government approach to help people into work, including the launch of Skills England, and cutting NHS waiting lists to build the healthy society needed for a healthy economy.

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