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PRIME MINISTER

The Financial Treatment of Strikers and their Families -
Meeting at 6.00 pm on 10th March

→ SUPPLEMENTARY BRIEF

You will recall that the package of measures provisionally agreed at your last meeting included the proposition that union members involved in a trade dispute should be debarred from receiving urgent needs payments for hardship except for causes, such as fire and flood, unrelated to the strike. The argument was that without such a provision unionist strikers not in receipt of strike pay would claim hardship payments and nullify the purpose of the 'deeming' provision.

2. Late on Friday night we were approached by Parliamentary Counsel who is drafting the Social Security (No.2) Bill on the basis of instructions from DHSS based on that remit. Counsel pointed out that, although the Social Security (No.1) Bill codified and simplified the rules for Supplementary Benefit payments and greatly reduced the degree of discretion built into the present arrangements, it nevertheless provided an ultimate discretion to cope with really deserving cases (operated by the Chief Supplementary Benefits Office). He sought confirmation that his instructions to withdraw any discretion for the Government to act to help the families of striking unionists accurately reflected the Government's wishes. We naturally referred him to DHSS (and warned them of the query we had received) and Mr Jenkin will come to your meeting this evening briefed to deal with the point.

3. The essential issues are these:-

- (a) If the Government has no residual power, will the other available safety nets suffice to avoid well-publicised family disasters for which the Government might be blamed? There will be two such "official" safety nets: the residual duty on the Local Authorities to take children into care, or provide money for their support, in the absence of other sources of assistance;

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and the provision in the Supplementary Benefit system as revised, for providing additional help for the seriously ill - whether the illness affects the striker or a member of his family - by providing money to finance special diets or extra heating (though even with this help the total family income could still be well below the usual 'requirements level').

- (b) If Mr Jenkin were given an ultimate discretionary power - on the lines of that envisaged in the Social Security (No. 1) Bill - could he operate it in such a way as to avoid nullifying the purpose of "deeming strike pay"?

CONCLUSIONS

4. There are two possible outcomes on this point:-

Either

- (i) the Group can stand by its present recommendation;

Or

- (ii) the Group can authorise Mr Jenkin to introduce a measure of residual discretion to cope with extreme hardship provided he can do so in a way which does not nullify the main purpose of the "deeming" provision.



(Robert Armstrong)

10th March 1980