



Prime Minister

This is encouraging.

DEPARTMENT OF HEALTH & SOCIAL SECURITY

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Telephone 01-407 5522

From the Joint Parliamentary Under Secretary of State

The Rt Hon Mrs Margaret Thatcher MP
The Prime Minister
No 10 Downing Street
London
SW1

MP
4 March 1981
Letter corrected
to be made - please. not

Dear Prime Minister

SUCCESSFUL INTRODUCTION OF DATALINK IN DHSS OFFICES

I sent you a copy of my letter of 3 September 1980 to the Minister of State at the CSD. In this I indicated our decision to proceed forthwith with the introduction by administrative action of Datalink, (our new computerised communications system between our Social Security local offices and our Central Office at Newcastle), despite the opposition of our Trade Unions under their ban on new technology.

I am glad to be able to tell you that implementation has proceeded swiftly. We have succeeded in overcoming the equipment and programme failures that were bound to occur in this large and novel project. I am sure you will be glad to know that implementation has been completed in 21 weeks, instead of the 38 weeks first advised as necessary. I can fairly give credit because everyone concerned has risen to the challenge of overcoming the difficulties inherent in the quicker programme of implementation. We were determined to obtain the benefits of full implementation quickly and to complete the programme before it could become entangled in possible industrial action over pay in March.

The new system is improving the service to the public. It is cheaper to administer and makes the job of local office staff easier. We are marking these points by the issue of a Press Notice, a copy of which I attach and also by an announcement in reply to a Parliamentary Question. We are also sending a message of thanks to those responsible for this advance.

You will also wish to know that the new system has been introduced without disruption of other work, and without any adverse effects on the negotiations for a national agreement on new technology.

I am sending a copy of this letter to Jim Prior and to Barney Hayhoe.

Yours ever
Lynda

MRS LYNDA CHALKER

PRESS RELEASE

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81/55

5 March 1981

SUCCESSFUL INTRODUCTION OF DATALINK AHEAD OF SCHEDULE

"A better and quicker service to the public" was announced today by Mrs Lynda Chalker, the Parliamentary Secretary (Social Security) at the Department of Health and Social Security.

She announced - in reply to a written Parliamentary Question from Mr William Waldegrave (Bristol West) - that new Datalink computer equipment now in operation in 470 DHSS local offices throughout the country was enabling them to obtain details of a claimant's contribution record from the Department's Central Office at Newcastle more quickly than before, and hence to pay short-term benefits more quickly. The new system is cheaper and more efficient than the postal communications it has replaced.

Datalink uses British Olivetti terminals. It is by far the largest system to make use of night-time transmission links and is the first to transmit data in both directions. Further particulars are in the attached note.

Mrs Chalker commented upon the successful introduction of the new system in only five months, four months in advance of the original schedule. She said: "Our local staff have responded positively to a simple but most effective means of simplifying and speeding up the decisions on short term claims for benefit. Improvements in our services to the public have been secured by the efforts of our local office staff and I am grateful to them."

Background Note

1. The Datalink system provides a communication link between the DHSS Records Division at the Newcastle Central Office and DHSS local offices, through

British Olivetti TC485 terminals in the local offices connected by modems and telephone lines to two Olivetti SP600 computer controllers at the Newcastle Central Office.

2. During each day the local office type into their Datalink terminal that day's short-term contributory benefit enquiries, which are then recorded in the terminal on cassette tape. During the night, Newcastle Central Office contacts the local office automatically through a night telephone line and reads off the enquiries from the cassette tape. During that same transmission Newcastle's replies to the previous night's enquiries are sent back to the local office and are written on to a second cassette tape in the local office terminal. Should the night-time transmission fail for any reason, the local office can contact Newcastle the following morning and transmit their enquiries again.

3. By using the Datalink system local offices can now obtain information about a claimant's contribution record in 48 hours instead of the minimum of five days taken by the postal system used up to now for that purpose. The new system not only speeds up the service to the public by enabling initial payments of benefit to be made earlier, but it is also cheaper to administer. The job of local office staff also is made easier; the flow of work is more even; and we can give a speedier service to the public.

4. Introduction of the Datalink system began on 6 October 1980 in 14 pilot offices in 5 Regions. It was originally planned to introduce the whole network in 38 weeks, so that all offices would be operating it by the end of June 1981. There were some computer software problems to overcome in November 1980 and in January 1981, but it was decided to press ahead with implementation as quickly as possible and in the event the process was completed in only 21 weeks, by the end of February 1981.

5. Although by modern standards Datalink is a simple computer system and other commercial systems have used the night-time facility, Datalink is by far the largest system to make use of it and the first to transmit data in both directions. Furthermore, the requirement for 470 distant remote terminals in the local offices made its implementation a major logistical exercise to complete in such a short period. It was necessary to devise and co-ordinate not only the delivery and installation of equipment from different suppliers and the connection of appropriate telephone lines and switchboard alterations, but also a large testing, training and support programme. The necessary liaison arrange-

ments with the Newcastle Central Office had to ensure that offices being brought on to the new system were contacted and tested from the correct date, and they had to be sufficiently responsive to allow last-minute changes so that Regions could adopt the flexible approach that was necessary to cater for initial failures of the equipment while still maintaining a high rate of connection and testing for local offices if the accelerated programme was to be successful.