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AT 2345

SECRETARY OF STATE FOR ENERGY  
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The Rt Hon Norman Fowler MP  
Secretary of State for Social Services  
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22 May 1985

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**UNEMPLOYMENT BENEFIT FOR REDUNDANTS**

I wrote to you on 10 January about the need to review some aspects of the operation of the Social Security Act 1975, in the light of experience during the miners' strike.

Another aspect of that Act, with potentially widespread implications for all industries seeking voluntary redundancies to facilitate restructuring has now been brought forcibly to my attention. I am advised that the Chief Adjudication Officer has recently taken the view that men who take voluntary redundancy are not entitled to unemployment benefit for six weeks, by virtue of Section 20(i)(a) of the Social Security Act 1975. I understand that this decision has come as a surprise to the Departments centrally concerned, but that revised guidance, reflecting this view, is to be circulated by the Department of Employment to all unemployment benefit offices within the next few days.

Widespread disqualification from unemployment benefit on these grounds will have the consequence also of depriving redundant mineworkers of additional weekly benefits available under the Redundant Mineworkers' Payments Scheme. It will come as a complete surprise to the National Coal Board and will be regarded by redundant mineworkers as evidence of bad faith. Over 7,000 mineworkers now on notice of redundancy volunteered only after being counselled on the benefits they might expect. The large numbers involved reflect the effort now being made to resolve peaceably the restructuring problems of the industry.

This ruling may threaten other restructuring problems of concern to colleagues, whether in public sector or private sector industry. Where jobs must go, achieving the rundown by consent, through volunteers, must be a prime objective. It cannot be right that so basic a re-interpretation of the rights of such volunteers should be promulgated without Government control or response. Rather than wait for the storm to break and be forced onto the defensive, I suggest we should announce

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at the earliest possible opportunity that if it should be finally held that, under present legislation, men who take voluntary redundancy are disqualified from receiving unemployment benefit for the first six weeks, then amending legislation with retrospective effect to the date of announcement will be introduced.

Copies of this letter go to the Prime Minister, the Chancellor of the Exchequer, and the Secretaries of State for Employment, Trade and Industry, Transport, Environment, Education and Science, Scotland and Wales.

A handwritten signature in dark ink, appearing to read 'Peter Walker', written in a cursive style.

PETER WALKER

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