

Now fixed for Nov 3.

1.

PRIME MINISTER

MA

I had a further word with Derek Rayner about the study of the unemployment benefits system now in hand in the DHSS and the Department of Employment.

He believes that the team engaged on it are doing first class work. As you know, he is most concerned that they may not get sufficient political backing to push through recommendations which could offer substantive savings and improvements. Many of the recommendations may well serve to confirm the public's view of the problems of the system, and this is naturally very sensitive in the DHSS. Sir Derek has commented that Mr. Prior and Sir Kenneth Barnes have been particularly helpful, and he does not expect any lack of support in that quarter.

Sir Derek would very much like you to see a presentation of the work in hand. This would need up to an hour, probably some time next month. I think it would be well worth doing this, and inviting Mr. Jenkin and Mr. Prior or a Ministerial representative to be present. Provided the team really are impressive, this would enable you to demonstrate your strong support for their work to the Ministers concerned and would also enable you to make it clear to Mr. Jenkin and Mr. Prior that you want the presentation handled more sensitively than with the social security study. You will remember that William Barlow was able to run a scurrilous campaign within the Post Office which undermined much of that study.

May we go ahead to set up a presentation?

Yes - soon

ms

MA

16 October 1980