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10 DOWNING STREET

From the Private Secretary

4 November 1980

BF 10.12.80

As you know, the Prime Minister last night met the team who are scrutinizing the system of payment of unemployment benefit. Your Secretary of State and Mrs. Chalker, the Secretary of State for Employment, and Sir Derek Rayner were also present.

The Prime Minister was much impressed by the provisional conclusions presented by the scrutiny team, and she was also impressed by the quality of their presentation of their exercise.

After the presentation, there was a brief discussion about the next steps. The Prime Minister was informed that the scrutiny team's report should reach the two Secretaries of State at the end of this month. Your Secretary of State and Mr. Prior agreed that they should have the final report examined quickly at senior level jointly between the two departments, and that they should then submit to the Prime Minister a general report on how they would take forward work to implement the recommendations as far as is practicable. They emphasised the sensitivity of some of the recommendations, and the need to handle presentation with great care.

I am sending copies of this letter to Richard Dykes (Department of Employment), Clive Priestley (Sir Derek Rayner's Office) and David Wright (Cabinet Office).

M. A. PATTISON

Don Brereton, Esq.,
Department of Health and Social Security.

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