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Prime Minister (2)

To note the likelihood of industrial disruption of the payment of pensions and child benefit from next week.

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INDUSTRIAL ACTION: DHSS COMPUTER STAFF

You and colleagues should be aware that strike action is likely to take place from the beginning of next week at my Department's Central Offices in Newcastle. The strike action will affect the computer operations at Newcastle and Washington which deal with the payment of pensions and child benefit respectively.

The background to the dispute is that we are seeking to change shift-working patterns and times for computer staff in order to avoid unnecessary use of manpower and to improve the efficiency of the operation. Negotiations have been under way for some months accompanied by some limited disruption. These negotiations have now broken down and the call for industrial action has been confirmed at national level by the unions concerned.

I intend to stand firm on this issue although the strike action will rapidly begin to have an impact on the normal arrangements under which recipients of national insurance pensions and child benefit are issued with order books for encashment at Post Offices. We have made contingency arrangements to ensure that there is a minimum of disruption to the payment of benefits. Post Offices have already been advised that payments can be made to pensioners on production of their old books once they run out, if no new book is issued. The banks will continue to credit the accounts of those who have arranged to have their pensions or child benefit paid direct into their account. Local Offices of my Department will also be able to make payments not covered by these arrangements and to deal with other problems which may arise.

It is clearly important that we should let those who might be affected know what is happening, that they will still receive their payments,

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and what they should do. We will therefore be placing advertisements in all national newspapers to appear early next week. I attach a copy of the advertisement which explains the procedure.

When asked about this dispute, I propose to take the line that the changes we are seeking to make are aimed at reducing the wasteful use of manpower and improving the efficiency of the service which is provided from Newcastle; that we have offered staff affected by the changes generous transitional arrangements on the introduction of the new shift-working scheme; that we are willing to continue negotiations although we remain determined to achieve our objectives; and that we have taken all necessary steps to ensure that beneficiaries continue to receive the payments to which they are entitled.

I will, of course, keep you advised of developments.

Copies of this minute go to Cabinet colleagues, Lord Gowrie, and Sir Robert Armstrong.

10 May 1984


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IMPORTANT INFORMATION ABOUT RETIREMENT PENSION AND WIDOW'S BENEFIT

Because of industrial action at DHSS computer centres, there will be changes in the way these benefits are paid.

But if you get retirement pension combined with supplementary pension, payment arrangements will not be affected and you can ignore this information.

- **If you have a current order book** continue to cash it at the post office in the usual way.
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- **If your order book runs out** you can still be paid on it at the post office. Go there at your usual payment time every week. Take your old order book with you — and your second book if you have one.

But you can no longer be paid in this way if:

either your book was for Widow's Allowance (contact your local social security office);

or you have applied to change to payment by credit transfer (see below).

- **If you are already paid by credit transfer** payments will normally continue to be made to your account at the rate payable when the last payment was made. If no payment is made, contact your local social security office.

- **If you have applied for payment by credit transfer but no payment has yet been made into your account**, contact your local social security office — take your old order book with you if you have one.
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- **If you are normally paid 4-weekly or quarterly by payable order** and you wish to obtain payment, contact your local social security office — take the tear-off portion of the last payable order received, if you have it.
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Remember, if your circumstances change you must still tell your local social security office. Do **not** write, or send your order book, to the issuing authority shown in the book.

Issued by the Department of Health and Social Security