DEPARTMENT OF HEALTH & SOCIAL SECURITY

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From the Secretary of State for Social Services

Andrew Turnbull Esq
Private Secretary
10 Downing Street

Dear Andrew

Dear Andrew

POVERTY AND UNEMPLOYMENT TRAPS

Thank you for your letter of 18 June.

The problem of the unemployment and poverty traps will indeed arise at a number of points on the social security reviews. It was partly because there are wider issues which cross the boundaries of the reviews that my Secretary of State established a central review unit to coordinate the work on the different reviews. This particular issue will be among the first that they will be considering. Considerable work has already been done on it of course, and the central unit will be drawing on this in considering what options are available for tackling the problem. We shall gladly put this together in a comprehensive paper by early September for discussion, as you suggest.

We will, of course, be consulting with colleagues in the Treasury, Inland Revenue and Department of Employment in preparing the paper. Copies of this letter go to David Peretz (HM Treasury) and David Normington (Department of Employment).

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bc. Mr. Redwood

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## 10 DOWNING STREET

From the Private Secretary

18 June, 1984.

## Poverty and Unemployment Traps

The Prime Minister has noted that the problem of the Poverty and Unemployment Traps will arise at a number of points during the course of the social security reviews. She thinks it would be helpful to have these issues brought together in one paper to provide a comprehensive analysis of the problem. She would be grateful if work could be set in hand to have a paper ready for discussion in early September.

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I am sending

I am sending copies of this letter to David Peretz (HM Treasury) and David Normington (Department of Employment).

Andrew Turnbull

S.A. Godber, Esq., Department of Health and Social Security. SECRET

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