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DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
Alexander Fleming House, Elephant & Castle, London SE1 6BY  
Telephone 01-407 5522

*From the Secretary of State for Social Services*

David Norgrove Esq  
Private Secretary  
10 Downing Street

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*See David*

JOINT DE/DHSS STUDY OF LOCAL OFFICE NETWORKS: PREVIOUS STUDIES INTO A "ONE-OFFICE" NETWORK FOR UNEMPLOYMENT AND OTHER SOCIAL SECURITY BENEFITS

As the Prime Minister rightly remembered, the 1980 Rayner report ("The Payment of Benefits to Unemployed People") included consideration of a single network of local offices for unemployed people.

The Rayner report looked at some proposals for integration, but in the time available to scrutineers were unable to look at all the options in detail. A follow-up report (the One-Office Concept) examined only the Rayner recommendation for work to be transferred from DHSS to DE local offices. This concluded that integration in Unemployment Benefit Offices should not proceed at the time because of the rapidly rising claims to Unemployment Benefit and of high transitional costs (mainly over accommodation).

Progress in some areas means that it is now worth looking again at the relationships between the two networks; to identify ways of providing a better quality and more efficient service - whether by integration or by other changes:

3.1 Computerisation of benefits. With the move towards further computerisation of work in both Departments, there is now a better prospect of creating improved arrangements for dealing with all benefit enquiries.

3.2 Staffing and accommodation. DHSS Local Office premises have been improved to combat overcrowding over the past few years and as DHSS staffing levels have reduced because of efficiencies in administration (such as postal claiming, Statutory Sick Pay, Housing Benefit etc), it could be easier to run an integrated network of offices without incurring large transitional costs and

inconvenience. Further reductions in staffing levels when full computerisation is introduced to both sets of local offices offer an opportunity to increase value for money from the service while, at the same time, improving service to the public.

3.3 The Social Security Review. Replacing supplementary benefit with a simple Income Support scheme may make it feasible to improve efficiency, possibly by running this and unemployment benefit from the same office.

The Government's Green Paper (para 6.43 of Vol 2) has also announced the intention to launch a study into the two networks. The Public Accounts Committee meeting on 12 June 1985 discussed the Unemployment Benefit Service and criticised the failure to examine all the options for reshaping the administration of DE and DHSS and urged that further study "should be undertaken quickly and a decision reached without delay". The two Secretaries of State have agreed that the time is now right to re-examine all the existing options and future plans and that these would be addressed by the study team.

I am copying this letter to Chris Snell in Lord Young's office.

*Yours*

*Giles Denham*

Giles Denham  
Private Secretary