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CC DW
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CC SOCIAL SERVICES Review PT4

PRIME MINISTER

As you know, I was very concerned about the timing of the DHSS announcement last Thursday about the change in the treatment of mortgage interest in the payment of supplementary benefit to unemployed people. We suspect that we have a difficult period ahead on unemployment figures for the next few months and we have been doing our best to ensure that unemployment is not the main item on the agenda. We have been doing reasonably well, and although the April figures were the worst since 1981 they were not perceived in that way. The May figures were in fact neutral but because of the coincidence of the British Shipbuilders and British Caledonian redundancies they were perceived as bad. Unfortunately, because the DHSS announcement was made on the same day, we gave the impression that we were uncaring about unemployment and unemployed people and we are now suffering from that.

I do not want to dwell on past events but had I been consulted in advance about the DHSS announcement I would have argued strenuously for postponement even if we had to make sacrifices on other programmes. For the future, we must have a system which will ensure that the Lord President and I are consulted in advance on all Government announcements which could have a bearing on employment, unemployment, or on unemployed people whether the news is good or bad. That would give us the opportunity to co-ordinate and ensure that we get the right message across.

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A second issue which last week's announcement raises again is the relationship between DHSS and my Department which, as you know, causes me concern. Our new Restart programme which will be operating nationally by July, and under which with the present pilots some 15% of those approached are leaving the count, will make it all the more important that we co-ordinate effectively our arrangements for helping unemployed people who need help and at the same time driving off people from the unemployment count who should not be there. I believe strongly that we need to bring together all responsibility for payments, help, and fraud work for unemployed people into my Department and I will be minuting you separately later about this. In the meantime I hope we can institute immediately the new arrangements for clearing announcements with the Lord President and me which I have proposed.

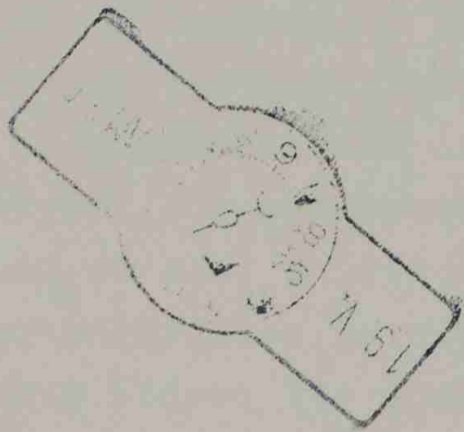
I am sending a copy of this minute to the Lord President.

A handwritten signature in black ink, appearing to be "D Y".

D Y

19 May 1986

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SPW ADZ
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10 DOWNING STREET

From the Principal Private Secretary

23 May 1986

The Prime Minister has considered your Secretary of State's minute of 19 May about interdepartmental consultation on Government announcements with a bearing on employment matters.

As your Secretary of State will by now have seen, the Prime Minister has written to the Lord President, with copies to all members of the Cabinet reminding them of the great importance of consulting interested departments about the timing of public announcements. She considered including in her minute a specific reference to consultation with your Secretary of State on all Government announcements bearing on employment, on which she fully agrees he needs to be kept most closely informed. But she concluded that specific reference to your Secretary of State's interest (without references to the need to consult, e.g., Foreign and Commonwealth Secretary on announcements affecting foreign relations and the Chancellor of the Exchequer on those affecting public expenditure) would somewhat unbalance the minute. She therefore agrees that your Secretary of State might write to Cabinet colleagues, a little after her minute, to underline the point about the need for consulting his department on all announcements bearing on employment whether the news is good or bad.

The Prime Minister has noted that your Secretary of State will be minuting her about bringing together all responsibility for payments, help, and fraud work for unemployed people into his department.

I am sending a copy of this letter to Joan MacNaughton (Lord President's Office).

(N. L. WICKS)

John Turner, Esq.,
Department of Employment.

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