



Prime Minister

(2)

J.V.

MUS 2/7

Caxton House Tothill Street London SW1H 9NAF

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Rt Hon. Norman Fowler MP
 Secretary of State for Social Services
 Alexander Fleming House
 Elephant and Castle
 LONDON SE1 6BY

30 June 1982

D. Norman,

SOCIAL SECURITY OPERATIONAL STRATEGY

will request if required

In your letter of 15 June to Willie Whitelaw you sought the agreement of colleagues to publication of the document setting out your operational strategy proposals. You are now considering the views I put to you on these proposals in my letter of 26 May but I thought that, since many of the points I made are of general rather than strictly Departmental concern, colleagues may be interested in the following brief summary of my reservations. In putting them forward I should emphasise again that I appreciate the need for long term planning in this complex field, and endorse the aims of improving operational efficiency, enhancing services to the public, and modernising the work of the many staff involved.

First, I believe the proposals seem to run the risk of being seriously over-ambitious. They envisage an enormous and complex computer operation bigger than any system now in existence anywhere in the world. The risks inherent in developing such a programme are formidable both in terms of investment and lost opportunities for steady development which a more modest and securely based strategy might provide. There are, in addition, the technical risks to which Kenneth Baker has already drawn attention and which I agree need the most careful consideration.

The management of such a programme is another cause for concern. We have successfully introduced a computerised system for the relatively straightforward task of paying unemployment benefit, but our overall record of introducing and developing computer systems for the payment of benefit is not such as to give confidence. We do not have the experience or expertise needed for the massive operation envisaged by the strategy. And we would need to be sure of a high level of commitment by management and staff, especially given the long period before positive results were in evidence.



There are two other broad issues to consider. A common system of benefit payment relies on a good deal of centralised information gathering and storage. This raises questions about data protection and confidentiality and we shall need to be sure that our aims in developing this strategy do not conflict with the policy of data protection as set out in the recent White Paper or in any future legislation. I am concerned too about the industrial relations implications. We cannot afford to construct an operation in the sensitive area of benefit payment which is too susceptible to industrial action by increasingly militant civil service trade unions. The more centralised the system the greater the risks will be and we shall need to take this fully into account.

For all these reasons I believe we should pause before publishing proposals, even for consultation, which carry with them the kind of risks I have outlined. There is a strong case for embarking on a more modest strategy path as suggested in Section V of the document and I think colleagues should have the opportunity to discuss this collectively before arrangements for publication are made.

Finally, there is the related issue of control of the NUBS computers about which I wrote to Willie Whitelaw on 2 April in the context of the H Committee discussion of issues outstanding from the Rayner Scrutiny on Payment of Benefits to Unemployed People. You have still not come to a view on this subject and if, as I hope, a meeting is arranged to discuss the Operational Strategy I suggest we take that opportunity to resolve this also.

I am sending copies of this letter to the Prime Minister, members of H Committee, Patrick Jenkin, Lord Cockfield, Sir Derek Rayner and Sir Robert Armstrong.

J. Norman



NBPW
JH 29/6

✓ JV
Social Services
Management and Personnel Office
Whitehall London SW1A 2AZ
Telephone 01-273 4400
GTN 273 4400

The Rt Hon William Whitelaw CH MC MP
Secretary of State for the Home Department
50 Queen Anne's Gate
London SW1H 9AT

28 June 1982

Dear Secretary of State

SOCIAL SECURITY OPERATIONAL STRATEGY

Norman Fowler wrote to you on 15 June seeking H Committee's approval for the publication, on a consultative basis, of the follow-up document to the 1980 Working Party "A Strategy for Social Security Operations".

I am sure that he is right to want to consult as widely as possible on a matter of such basic importance as the framework for social security operations up to the end of this century. I therefore favour publication and I look forward to the review of responses to which he referred in his penultimate paragraph.

Norman Fowler and his department have produced an impressive piece of forward thinking. I am sure it is right to plan systematically and coherently for the future, at the same time as pressing on with more immediate improvements to streamline and simplify benefit administration: that will help realise the financial benefits of new technology fully.

I would suppose that change on the scale envisaged would have radical implications for the staff of the department - a major upheaval for people, working procedures, job content and organisation right across the whole social security field.

In these areas my office would be more than ready to help, and to learn, and I should be grateful if Mr B R Morris in the MPO could be kept closely in touch with developments.

Copies go to the Prime Minister, members of H Committee, Patrick Jenkin, Arthur Cockfield, Derek Rayner and Robert Armstrong.

Yours sincerely

Douglas Board

(Assistant Private Secretary)

BARONESS YOUNG

*(approved by the Lord Privy Seal and
signed on her behalf)*



29 JUN 72



SECRETARY OF STATE
FOR
NORTHERN IRELAND

Rt Hon Norman Fowler MP
Secretary of State for Social Services
Alexander Fleming House
Elephant and Castle
LONDON SE1 6BY

2 M's
d TV
Squid
Squid
NORTHERN IRELAND OFFICE
GREAT GEORGE STREET,
LONDON SW1P 3AJ

2 JULY
June 1982

Norman Fowler

SOCIAL SECURITY OPERATIONAL STRATEGY

*will govern
of reg'd*
Thank you for sending me a copy of your letter of 15 June to
Willie Whitelaw.

My officials in the Northern Ireland Department of Health and
Social Services have been in close touch with your officials
during the preparation of Working Paper II, and an Inter-
Departmental Steering Group has been set up to advise on the
development of a complementary strategy in Northern Ireland.
The Group has already endorsed the main design features
outlined in the Working Paper as being equally applicable in
Northern Ireland and we hope to produce draft strategy
proposals tailored to our particular needs by about the end
of the year.

I am therefore content with your suggested time-table for
publication of the latest proposals and subsequent consultation.

I am copying this letter to the recipients of yours.

Norman Fowler



H M Treasury, Old Admiralty Building, Whitehall, London SW1A 2AZ

Telephone 01-273 } 5563
GTN 273 }

✓
MBP

✓
Mus. 28/7

The Rt Hon Norman Tebbit MP
Secretary of State
Department of Employment
Caxton House
Tothill Street
LONDON SW1H 9NF

27 July 1982

Dear Norman,

SOCIAL SECURITY OPERATIONAL STRATEGY

Many thanks to you and Norman Fowler for sending me copies of your letters about this.

As I have said in earlier correspondence, which some but not all the recipients of the latest letters have seen, I think that it would now be right to publish a consultative paper. As you have pointed out, there are plenty of problems ahead, but I agree with Norman Fowler that it is sensible to expose this important initiative to early comment before commitments are entered into.

I believe these questions should be separated from the future of the NUBS computers. I see force in Norman Fowler's contention that it would be wise to see where we are going on the strategy as a whole before considering whether there is a case for change there. I hope that you and Norman would then be able to reach agreement about it. If not, however, the issue would seem to become one of the 'machinery of government' in which Janet Young and the MPO would have a particular interest.

Copies of this letter go to the recipients of yours.

Barney Hayhoe

BARNEY HAYHOE