

PRIME MINISTER

DE/DHSS LOCAL OFFICE NETWORK

20 June 1986

Norman Fowler's latest note is helpful. The logjam between the Department of Employment and the DHSS appears to be breaking up. I recommend that you accept both of his short-term proposals to improve the implementation of Restart.

It is right that the work of Unemployment Review Officers should go to the Department of Employment. You should note that the careful drafting doesn't refer to "posts" or "staff", but just the work. But the DHSS and DEm should be able to sort out exactly what the proposal means.

It is even more important that failure to attend cases should be handled by Department of Employment. I visited a Restart pilot scheme yesterday, and the biggest source of frustration was that if an individual failed to reply to letters calling him for interview, they could do nothing apart from pass the papers on to the DHSS. If the DHSS does nothing, then the compulsory Restart interview becomes a mere bluff.

Norman Fowler's letter doesn't refer to another problem which I encountered yesterday. Some of the people who come in for Restart interviews are discovered to be on the wrong benefit. Although claiming benefits as unemployed, they may actually be long-term sick, or a one-parent family. These cases are rightly referred to the DHSS to put them onto the correct

~~Bonnie Minister~~

~~Progress! DHSS and Employment have
now agreed some immediate changes to
improve Restart follow up.
Agree to write as proposed?~~

~~24/6.~~

~~CC BLP~~

benefit. From the point of view of an overworked, understaffed DHSS office, it is a pretty low priority operation because actual benefit payments may be virtually unchanged. But for the purpose of Restart, the work is very important - the claimants cease to be classified as unemployed, and come off the register. DHSS need to give these cases higher priority.

I recommend that David Norgrove write to DHSS welcoming their very helpful proposals for improving the operation of Restart. He could go on to add that it is important that when Restart uncovers people wrongly receiving Unemployment Benefit when they are entitled to other benefits, the DHSS should transfer them speedily.

David Willetts

DAVID WILLETTS

Agreed *me*



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

1 July 1986

Dear Tony,

DE/DHSS LOCAL OFFICE NETWORKS

The Prime Minister was grateful for your Secretary of State's minute (undated) about proposals for ensuring effective working arrangements on the Restart programme. She has also seen Lord Young's minute (also undated), on this and his minute of 30 June.

The Prime Minister is glad that proposals for the shorter term have now been agreed between Department of Employment and Department of Health and Social Security. There is one further point which has been brought to her attention, namely that some of the people who attend for Restart interviews are discovered to be on the wrong benefit, for example that although claiming benefit as unemployed they may in fact be in receipt of sickness benefit or be single parents. The Prime Minister understands that these cases are referred to the DHSS to receive the correct benefit. While the actual benefits may be little changed, this work is important for the purposes of Restart. The Prime Minister recognises the pressures on DHSS local offices, but hopes the task of assigning the correct benefit will be given a suitably high priority.

I am copying this letter to Rachel Lomax (H M Treasury), Andrew Lansley (Chancellor of the Duchy of Lancaster's Office), Jill Rutter (Chief Secretary's Office), Rob Smith (Department of Education and Science) and Malcolm McHardy (Minister of State's Office, Department of Trade and Industry).

Yours,

David

David Norgrove

Tony Laurance Esq
Department of Health and Social Security.



PRIME MINISTER

DE/DHSS LOCAL OFFICE NETWORKS

I have seen a copy of your Private Secretary's letter of 13 June on Workfare. In it he records your concern that there should be the best practical cooperation between my Department and the Department of Employment. I fully share this view. There are two issues before us which it would be to everyone's advantage to disentangle. First, there is the question of immediate action aimed at reducing unemployment, in particular by ensuring effective working arrangements for the Restart programme. Second, there is the longer-term structural change on payment of benefits for the unemployed. Changes here could not be introduced before the next election. But there is no need to wait for the longer term structural changes before taking more immediate action.

Filed on MANPOWER
SEM:
PT14

Shorter-term proposals

There are two issues on which I believe we could take action immediately: these concern the location of the Unemployment Review function and the handling of 'failure to attend' cases.

So far as the Unemployment Review function is concerned, it is almost an historical accident that the work has fallen to my Department at all. There was a gap to be filled when, in earlier years, the Department of Employment took, frankly, little interest in people who chose to 'rest' on benefit. It was originally the Supplementary Benefits Commission who thought it right to develop a group whose function it would be to assist unemployed people search for work and so get them off the books. My Department inherited that function. But I see a strong case for transferring the work of my Unemployment Review Officers and I do not see any major practical difficulties in the way. The timing will need some working out between the two Departments, but we should be able

to make changes very quickly in some cases and have the work completed by the Spring of next year.

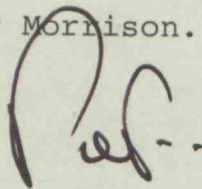
As for the location of decisions about 'failure to attend' cases, that too is something which could be concentrated in the Department of Employment. I do not think such a change would end all untidiness; the linkage with Local Authorities on housing benefit may prove to be a particular complication. But there is nothing here which good will and a little administrative ingenuity will not be able to overcome. So I would propose that we take immediate steps to get both these functions transferred to the Department of Employment as soon as possible. I can see no sense in delaying decisions. I hope that Ken Clarke and David Young will agree.

Structural proposals

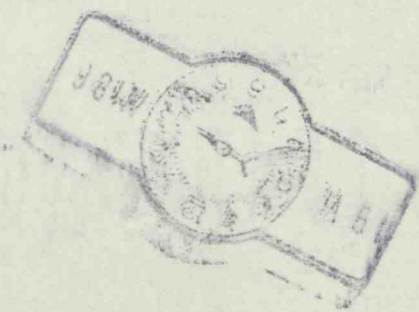
The longer-term question of where responsibility for managing the whole range of benefits to the unemployed should be located is a larger issue. This raises difficulties for the Government as a whole, not least because it cuts across some of the major planks of the Reform of Social Security on which we are embarked. Work has already been set in hand to examine in detail the costs and practicalities of the two main options proposed in the Network study. I believe that we should carry this work forward as rapidly as possible, separately from our consideration of the more immediate issues. I am as anxious as anyone to reach early decisions on this but we should bear in mind that implementation is not likely to be possible before April 1989 because of the timetable for implementation of the Social Security reforms.

I very much hope, therefore, that we can disentangle these two separate issues to enable us to make progress on both fronts.

I am copying this to Nigel Lawson, David Young, Norman Tebbit, John MacGregor, Kenneth Clarke and Peter Morrison.



N F



CONFIDENTIAL



FROM: CHIEF SECRETARY

DATE: 24 June 1986

PRIME MINISTER

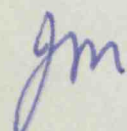
DE/DHSS LOCAL OFFICE NETWORKS

Norman Fowler copied to me his minute of 19 June. I welcome the proposal to transfer responsibility for unemployment review work and the handling of "failure to attend cases" to DE. These changes should help to ensure that the restart programme is as cost-effective as possible.

2 The changes in responsibility will need to be achieved within existing overall resources. David Young accepted in his letter of 16 June to Norman Fowler that he would not need extra resources for handling "failure to attend" cases. The transferred responsibility for unemployment review work will mean a transfer of resources between DHSS and DE running costs but must involve no addition to the combined running cost provision for the two Department's overall.

3 As regards the longer term structural proposals, I welcome the work which is in progress to examine in detail the costs and practicalities of the options. It is important that this examination should include the costs on a year by year basis. When these details are available I suggest that they become the basis of a discussion between Treasury, DHSS and DE officials. We need to be as clear as possible about the costs and benefits of any of the options before we take a decision.

4 I am copying this minute to Norman Fowler, David Young, Norman Tebbit, Kenneth Clarke and Peter Morrison.


JOHN MacGREGOR

CONFIDENTIAL

cc B/UP cc64

CONFIDENTIAL

SECRETARY OF STATE FOR SOCIAL SERVICES

DE/DHSS LOCAL OFFICE NETWORKS

att
I readily agree the immediate steps you propose in your minute of 19 June to the Prime Minister to transfer the work of your Unemployment Review Officers and responsibility for decisions on 'failure to attend' cases to my Department. I am most grateful. These steps will help to ensure that the Restart programme is fully effective. Our officials can now urgently work up the details and secure implementation on the timetable you suggest.

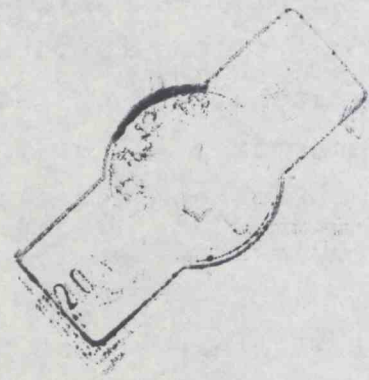
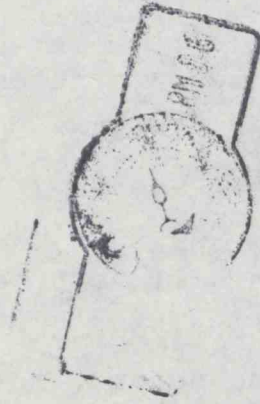
I also agree that the major question of where responsibility for the management of benefits to the unemployed should rest is a separate issue. I understand that the work in hand will be available to us very shortly and provide a basis for us both to invite colleagues to take an early decision in the next few weeks on the option to be adopted. I agree that implementation of an agreed option lies in the future, but it is very desirable to establish the strategic objective just as soon as possible to provide a firm framework for the many operational and other decisions we will both need to take in the interim.

I am copying this minute to the Prime Minister, Nigel Lawson, Norman Tebbit, John MacGregor, Kenneth Clarke and Peter Morrison.

J. T. W. W. W.

(APPROVED BY SECRETARY OF STATE
AND SIGNED IN HIS ABSENCE)

CONFIDENTIAL



CONFIDENTIAL FILE



DA
(14)
c BG

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

25 June 1986

DE/DHSS LOCAL OFFICE NETWORKS

I attach copies of minutes about proposed changes of responsibility for handling follow-up of people who fail to attend for Restart interviews. I expect that the Prime Minister will be content to agree these immediate proposals but Mr. Luce and the MPO may wish to be aware of them.

You will also see the references to discussions about where responsibility for managing the whole range of benefits to the unemployed should be located. The Efficiency Unit have I believe been in touch with the people carrying out this work.

I am copying this letter to Michael Stark (Cabinet Office).

(DAVID NORRGROVE)

Paul Thomas, Esq.,
Management and Personnel Office.

ECU



Cabinet Office

MANAGEMENT AND PERSONNEL OFFICE

The Minister of State
Privy Council Office
The Rt. Hon. Richard Luce MP

Great George Street
London SW1P 3AL
Telephone 01-233 8610

David Norgrove Esq
Private Secretary
10 Downing Street

2 July 1986

NBPN.

Dear David

DE/DHSS LOCAL OFFICE NETWORKS

Thank you for your letter of 25 June copying to me recent Ministerial correspondence on this subject. We do not have any comments on the correspondence to date but the longer term structural proposals could well raise issues of personnel management and location policy on which my Minister might wish to intervene and I should therefore be grateful if we could be kept in touch with developments.

I am copying this letter to Michael Stark (Cabinet Office).

Yours
Paul Thomas

PAUL THOMAS
Private Secretary

Social Services; Review Pt 4



United Kingdom

MANAGEMENT AND FINANCE

The Secretary of State
The Secretary of State
The Secretary of State

1996