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The Rt Hon Margaret Thatcher MP
House of Commons
LONDON
SW1A 0AA

BF | *B/F with pu* *comment* *a no*
AT 26/9 *4*
Prime Minister:
Policy Unit have no
comments. As you will
recall, this strategy has
been attached by labour
but it's quite defensible
21 September 1984

DM
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mt
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Dear Margaret,

THE FUTURE DEVELOPMENT OF THE JOBCENTRE NETWORK

As you will probably know, in April the Manpower Services Commission unanimously approved a broad strategy for the future development of the Jobcentre network which had been drawn up by senior management in the employment service. The Government subsequently endorsed this strategy. During the summer, interested parties have been consulted about detailed draft proposals for each area of the country, as a basis for final decisions in the autumn. I thought it might be helpful if I summarised briefly the main elements of the strategy and why the Government is backing it.

The strategy involves an increase in the number of jobcentre outlets (from about 1,000 at present to perhaps 1,100 or more) thus improving access to the service for many people.

It brings in an enhanced use of new technology to provide a quicker and more effective service to employers and people looking for jobs, which requires fewer staff.

It leads to the further rationalisation of some services (such as training applications, specialist advice etc) by concentrating these in main Jobcentres in each area.

Finally, it makes a commitment to maintain services for the disabled and the long-term unemployed at least at their present levels.



I hope you will agree that this strategy accords well with the Government's overall aims for the public sector. It offers the prospect of significant staff savings which will contribute to the continuing reduction in the number of civil servants, and corresponding financial savings for the taxpayer. (The initial proposals envisaged overall savings of about 1,400 staff and £12m per annum by 1988). These savings will be achieved largely by improvements in efficiency and cost effectiveness. There will, of course, be changes in the way in which services are organised and delivered, but the overall level of service is expected to remain much as at present, with about the same number of people found jobs each year. And there are important commitments to those who most need assistance. Streamlining of the service will mean that our aim of getting better value for taxpayers' money can be achieved without the need for understandably unpopular closures of Jobcentres, particularly smaller offices in rural areas. The central activity of the Employment Service, a vacancy display and filling service staffed by Employment Service staff will be maintained in existing locations as well as being introduced in a number of areas not at present served.

Of course there has been some predictable opposition to the proposals, particularly from trade unions representing staff working in Jobcentres. Some of the initial media reports presented a highly misleading picture of widespread closures and cuts in services, with Jobcentres being replaced by displays in supermarkets. You may have received representations against proposals to reduce staffing levels and withdraw certain specialised services from Jobcentres in your constituency. The truth is that staff savings will be achieved predominately by the elimination of routine clerical work through the introduction of modern technology and by centralising specialised services which will enable these to be provided more effectively to the minority of Jobcentre users who need them.

To put the changes into perspective, the reduction in staff amounts to about 4% a year over the period of implementation. This is no greater than that which has been achieved in recent years through other measures to improve efficiency such as the introduction of voluntary registration at Jobcentres for benefit claimants. It is also well below recent rates of natural wastage which average 7%. On the basis of these plans, by 1988 Jobcentres will employ about 7,000 staff compared with about 11,500 in 1980 - a reduction of some 40% in 8 years with no marked effect on the number of vacancies filled. But these changes have not adversely affected Jobcentres' performance in helping employers fill their vacancies and people find jobs. Some 1.65 million vacancies



were filled in 1983/84 compared with 1.53 million in 1980/81 and the total has increased by over 5% in each of the last two years. There are already substantial differences in the range and level of services available between individual jobcentres. The new plans are intended to reflect the differing requirements of different areas whilst maintaining an accessible network which is efficient and gives full value for money.

I hope that this letter sets out our strategy and the reasons behind it.

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[Signature]