

CIRCULATION: NATIONAL EXECUTIVE COUNCIL

A/3 PC NW 06 01

Your Ref:

Our Ref:

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2nd October 1998

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Alistair Darling

Thank you for your letter of 8th September. I, too, look forward to a meeting between us in the very near future when we can discuss the important questions of the Post Office's role in the delivery of Government services and tackling financial exclusion. On that point I was delighted to receive the news contained in the Prime Minister's speech at the recent Labour Party Conference, supported by a written statement that there is to be a single account with Government for all and these are to be developed with The Post Office.

Members of the Federation have warmly received this news as I have circulated the details of the announcement to our Branch Secretaries. They see this as good news for the 28 million customers who use their post offices each week and they hope that this will put to rest any doubts about the future of the Post Office's automation project and, indeed, the Government's commitment to the future of The Post Office network. I share those views and am pleased that this positive announcement could be made.

I would, of course, like to understand a little more about the detail of the pilots that you are planning with The Post Office. I would very much appreciate confirmation that the Federation will be fully involved in these pilots which, we trust, will lead to a single account which has the real potential to simplify dealings with the Government and help to maintain the nation's network of Post Offices.

I look forward to meeting you soon.

GRO

COLIN BAKER
General Secretary

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Lone parents 'must work'

BY JILL SHERMAN, CHIEF POLITICAL CORRESPONDENT

MINISTERS are planning to withhold benefits from disabled people and lone parents who are fit for work unless they are actively seeking jobs.

Until now the Government has balked from introducing compulsory job-seeking for the disabled or single parents. But yesterday officials hinted that new legislation was being drawn up to ensure that rights to benefit are balanced with responsibilities to find work.

"Anyone seeking support from the State will be required to come in for an interview to talk about how to become more independent," said officials.

Initially only new claimants would be affected by the proposals, and it would not

apply to those "for whom work is not a serious option".

The changes coincide with moves to streamline the benefits system by introducing one-stop shops for the jobless, disabled and lone parents.

Each claimant will also get a personal adviser to help them find jobs and get the benefits they are entitled to. The aim is to shift the culture from "what money can we pay you?" to "how can we help you become more independent?", said a party source. Some of the job centres will be run privately or by the voluntary sector.

There will be four new pilots in June 1999 and a further eight next autumn.

The Government also an-

nounced long-term plans for a "single account" for all benefits at Post Offices to streamline administration and help prevent benefit fraud. Anyone receiving benefits would be offered an account which would help them manage bills and savings. The account would be used for a number of state benefits and grants for which there is often low take-up.

It was also confirmed yesterday that the Queen's Speech would include a Bill on welfare reform, which would comprise a shake-up of disability benefits and some initial pension reforms. Moves towards a second compulsory pension are likely to be delayed a further year.

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SINGLE ACCOUNT WITH GOVERNMENT

Everyone to have option of a single account to manage their transactions with government, offering convenience, transparency, and tackling some of the problems of financial exclusion and welfare to work.

The account is designed to tackle three problems:

- financial exclusion: there are over 2m people in Britain without a bank account. This financial exclusion leads to dependence on loan sharks and difficulties managing finances.
- welfare to work: many people fear that if they take up a job they will lose money in the short run, while they wait for their first pay cheque.
- duplication and form filling: everyone suffers from having to deal with many different arms of government, different agencies delivering benefits, raising taxes, using personal information etc

Our long-term vision is to offer everyone a single account through which to organise many of their transactions with government, from benefits to driving licence applications.

As a first step we will develop pilots with the Post Office to offer an account to anyone receiving benefits. This account will help them manage bills, and savings. It will greatly help the transitions in and out of work. The account would bring together existing policies a range of benefits and grants, many of which have very low awareness and takeup. The new arrangements will improve access and guarantee that anyone going from welfare to work can be confident that they won't lose out.

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