



OPERATIONAL SELECTION POLICY OSP5

THE ADMINISTRATION OF SOCIAL SECURITY  
1979-1991

Revised October 2009

## **1 Authority**

- 1.1 The National Archives' Acquisition Policy announced the Archive's intention of developing Operational Selection Policies across government. These would apply the collection themes described in the overall policy to the records of individual departments and agencies.
- 1.2 Operational Selection Policies are intended to be working tools for those involved in the selection of public records. This policy may therefore be reviewed and revised in the light of comments from users of the records or from archive professionals, the department's experience of using the policy, or as a result of newly discovered information. There is no formal cycle of review, but comments would be welcomed at any time. The extent of any review or revision exercise will be determined according to the nature of the comments received.
- 1.3 If you have any comments upon this policy, please e-mail

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## **2 Scope**

- 2.1 This policy relates to records of the social security divisions of the Department of Health and Social Security (DHSS) from 1979 until 1988, and thereafter for the records of the Department of Social Security (DSS) to 1991.
- 2.2 This policy is not an exhaustive statement of all the records that will be selected for permanent preservation, but is intended to provide a clear direction to acquisition work and to those who are making review decisions.
- 2.3 The National Archives is planning an Operational Selection Policy on records relating to the interaction between the individual citizen and the state in paper records, to complement OSP30 *The State and the Citizen*, dealing with electronic records. Recommendations in this Operational Selection Policy which relate to case files may be modified in the light of the two "citizen's" Operational Selection Policies. The selection of case files for reasons other than documenting the administration of social security will be dealt with under the "citizen's" Operational Selection Policies.

- 2.4 This Operational Selection Policy will focus on the period from 1979 (the beginning of the first Thatcher administration) to 1991, when two major portions of the DSS were given agency status, and became respectively the Benefits Agency and the Contributions Agency.
- 2.5 Records created by the Supplementary Benefits Commission (which was abolished when its functions were subsumed by DHSS in 1980) have already been reviewed and are not within the scope of this Operational Selection Policy. Review work done on those records has informed the development of some of the themes below.
- 2.6 The Department of Work and Pensions is currently reviewing files opened in the mid to late 1970s. Allowing for the cycle of review of material when it becomes twenty-five years old, this Operational Selection Policy became fully operational in 2004. Much of the review work is done in five-year tranches.

### **3 Departmental Responsibilities**

- 3.1 The DHSS was created in 1968 by the amalgamation of the Ministry of Health and the Ministry of Social Security - which had itself been created from the Ministry of Pensions and National Insurance and some of the functions of the National Assistance Board in 1966. Other functions of the National Assistance Board passed to the Supplementary Benefits Commission.
- 3.2 The social security divisions of DHSS and the Department of Social Security were responsible for the National Insurance scheme (including the collection of National Insurance) and the provision of pensions for the elderly, the widowed and the disabled, as well as the series of non-contributory benefits which replaced national assistance.

### **4 Relevant Collection Themes in The National Archives' Acquisition Policy**

- 4.1 The Acquisition Policy Statement outlines certain themes which form the basis of The National Archives' appraisal and selection decisions. Of these themes, the following are of potential relevance to the area of the formulation of social security policy and social security services:

#### **2.2.1 Policy and Administrative Processes of the State:**

2.2.1.5 Formulation and delivery of social policies

#### **2.2.2 Interaction of the State with its Citizens and its Impact on the Physical Environment:**

2.2.2.1 The economic, social and demographic condition of the UK, as documented by the state's dealings with individuals, communities and organisations outside its own formal boundaries

### **5 The Administration and Provision of Social Security 1979-1991**

- 5.1 The Conservative government, which assumed office in 1979, was committed to reduce both public spending and the role of the State. It expressed concern about the complexity of the social security system, and introduced measures to limit abuse and fraud. Increases in National Insurance contributions were introduced in the early 1980s to fund increases in pensions and to support increased funding for the National Health Service. Expenditure on social security benefits during the early and mid 1980s amounted to about one quarter of public spending, and about half of that was dedicated to pensioners. Changes in benefit provision in the late 1980s resulted in considerable political debate, especially regarding the question of selective provision of community charge relief for income support claimants.
- 5.2 Themes for the selection of records will focus on the major reviews under Norman Fowler (secretary of state for social services 1981-1987) of the provision of pensions and of benefits, in 1983 and 1984; and the public consultation and enacted legislation of the period, especially the Green and White Papers on "Reform of Social Security" in 1985. The key selection themes below capture the relevant areas of activity during this period, and significant events and developments are noted under each heading. The order of themes is not significant. Notable events and developments have been listed in broad chronological order in the Annex, which contains a more detailed approach to the themes below in tabulated format.
- 5.2.1 **Up-rating of benefits and contributions:** This theme covers the general up-rating of benefits, and the policies connected with its implementation. Individual benefits are described in the themes below. This theme also concerns policy material about the periodic increases in contributions rates, and the variations in rates for different categories of contributions. A major element of this theme centres on changes in the connective balance between National Insurance contributions and pensions. Another important element is the gradual reduction and reformation of contributions by employers, partly to encourage the employment of lower paid workers in the face of high unemployment.
- 5.2.2 **Agencies:** This theme concerns the creation of the Benefits Agency and the Contributions Agency in 1991, as part of the government's programme of diversifying the delivery of services.
- 5.2.3 **Pensions:** This theme deals mainly with pensions and related benefits paid to the elderly, but also covers occupational pensions. It comprises policies which adjusted pensioners' earnings limits, introduced cold weather payments, and established a system of grants for improvement of energy efficiency in homes. The major administration events of the period in this theme are the inquiry into index-linked pensions of 1980-1981, and the ministerial inquiry into state, occupational and private pensions of 1983. This theme also covers the modifications to the State Earnings-Related Pension Scheme (SERPS) proposed in the Green and White Papers of 1985 and enacted in the Social Security Act 1986, and the introduction of the right to individual responsibility for pension arrangements. The adoption of privately-funded pension schemes

was promoted and, in the Social Security Act 1990, the Pensions Ombudsman and a Registrar of Occupational and Personal Pension Schemes were proposed to oversee the work of occupational pension schemes.

- 5.2.4 **Supplementary benefits (income support):** This theme deals with a range of supplementary benefits, but excludes those mentioned under other headings. It comprises policies on payment limits for care provision and board and lodging cases, and the exclusion of students from benefits during short vacations. The theme also covers the Green and White Papers of 1985 on "Reform of Social Security" (see above) which led to the establishment of the Social Fund, the reduction in value of special payments, and limitations on the part-payment of mortgage interest. Further reforms, under the Social Security Act 1988, introduced restrictions on benefits, including the removal of entitlement to income support for most people under 18, and a requirement for the entitlement to benefit to be determined by whether or not sufficient contributions had been paid over the preceding two years (previously only one year). In this theme the major administration events of this period are the creation of the Social Security Advisory Council on the abolition of the Supplementary Benefits Commission in 1980, and the creation of the Resettlement Agency in 1989. The theme also covers the proposal in the Budget of 1990 that benefits for those with capital should be commensurately reduced.
- 5.2.5 **Benefits for disabled people:** This theme covers all benefits for disabled people, including attendance allowance and industrial disablement benefits. It includes the abolition of the disabled person's vehicle scheme and its replacement with a war pensions mobility supplement, the rationalisation of the various benefits for severely disabled people into a single severe disablement allowance in 1984, and the eventual replacement of attendance allowance and mobility allowance with disability living allowance. The widening of age qualifications for attendance allowance and mobility allowance, and the extension of mobility allowance to include deaf-blind people also come under this theme.
- 5.2.6 **Unemployment and other benefits:** This theme covers all unemployment benefits, including earnings-related supplements, as well as benefits for strikers and their families, sick pay and maternity pay. An especially significant event is the introduction of statutory sick pay and the abolition of injury benefit under the Social Security and Housing Benefit Act 1982. The theme also covers the development of policies regarding the abolition of earnings-related supplements for the unemployed, the taxation of unemployment benefits, and variations in the government's reimbursement of statutory sick pay to employers and the periods for which this benefit can be paid. The theme includes the development of regulations (announced in 1981) to allow benefit claimants to do voluntary work without loss of benefits, and the introduction of the job-sharing scheme. One particularly significant event is the 1984 policy decision that families of strikers would receive less in benefits than others, when benefits were increased (introduced in response to the disruption in industry, especially the coal industry, during that period). The proposed abolition of SERPS is covered under Pensions above.

- 5.2.7 **Housing benefit:** This theme will cover the Department of Health and Social Security's involvement in the reviews and reform of housing benefit throughout the period, but especially in 1981-1982 and 1988.
- 5.2.8 **Family and child benefits:** This theme covers all family and child benefits including the replacement of child tax allowances by child benefit, and the introduction of family credit. It also covers the policy development of principles for financial support of children by absent parents, the White Paper *Children Come First* of 1990, the preparation of the Child Support Act 1991 and the inception of the Child Support Agency.
- 5.2.9 **Computerisation:** This theme will focus on the delivery and administration of benefits to claimants, concentrating on the effect on the individual's experience of the changing system consequent upon the introduction and development of computerisation; and the relationship between DHSS/DSS and the Department of Employment. However, only a limited amount of material concerning policy development in this area is likely to be selected.
- 5.3 Records of evident historical worth, which accurately record the development and delivery of government policy, will be selected for permanent preservation. Material, which relates solely to internal departmental administration (including records of personnel, estates and accommodation, and departmental finances), will not be selected. Similarly, duplicate material will not be selected.
- 5.4 Aggregated statistics (many of which are published) provide evidence of the impact of social security provision on the individual. Therefore, within the scope of this policy, case files would not be selected for permanent preservation, due to the limited amount of information which they would add. Social security case files may be selected for permanent preservation under the proposed Operational Selection Policy covering the individual citizen's recorded interaction with the state (see section 2 above).

## 6 Structure of Filing Systems

- 6.1 The centrally-administered filing system, employed in over two hundred registries within the social security divisions of DHSS and the DSS, is based on an alphabetic prefix which will generally identify the broad subject area to which the file is related. The alphabetic prefix is followed by a further alphabetic or numeric identifier, which narrows the topic of the file. A simple consecutive number completes the file identifier, occasionally with sub-numbers for sequential volumes or parts of the file. In many cases, the files registries did not employ the prefixes and identifiers in a consistent way across the departments.
- 6.2 A potential error in reviewing or accessing files is to assume that the consecutive file identifier identifies the subject of the file. This number was allocated by a file registry in consecutive running order; meaning that if a new part was requested then the file registry would create a new file, with the next

available number. With over two hundred registries, this meant that many files would be raised with the same number, but with totally different subjects.

Many of the file series continued from their creation under predecessor bodies (Ministry of Pensions, Ministry of Pensions and National Insurance, and Ministry of Social Security).

## **7 Implementation**

7.1 An implementation strategy has been agreed with the Department of Work and Pensions (DWP), and takes the form of the two-stage review plan below.

It is proposed that the selection of records for permanent preservation will be done by a two-stage assessment of the records:

1. An assessment will be made at file series level, regarding the likelihood of the series containing material of historical interest. This will include an examination by DWP departmental records staff and The National Archives' Information Management Consultant of the listed titles of all the files, as well as a check on the contents of some of the files to confirm the decision
2. File series, which survive this preliminary selection, will then undergo file-by-file review

Files, which do not fall within the selection themes and the related conditions above, will normally be destroyed, though not without prior consultation between the DWP and The National Archives.

13 November 2000, Revised November 2005, Minor Revision October 2009.

## Annex

Year	Subject
1979	<p>Child Benefit now fully replaces child tax allowances</p> <p>Arrival of Vietnamese refugees ("boat people") in UK</p> <p>June: government proposes largest ever increases in SS benefits (including 19% rise in retirement pensions)</p> <p>June: first proposal for introduction of private health insurance</p> <p>October: promise of assistance for payment of fuel bills for the elderly and families on supplementary benefit and family income support</p> <p>November: proposal for pensions for "pre-1950" widows of servicemen</p> <p>November: proposal for increases in NI contributions</p>
1980	<p>Raising of maximum age for awarding (65) and paying (75) mobility allowance</p> <p>Fortnightly signing and payment to unemployed persons</p> <p>Social Security (No. 2) Act 1980 –</p> <ul style="list-style-type: none"> <li>• Retirement pensioners earnings limit frozen at £52 per week</li> <li>• Earnings Related Supplement abolished from January 1982</li> <li>• Uprating of some short term benefits abated by 5%</li> </ul> <p>Industrial Disablement Benefit to include occupational deafness in certain occupations</p> <p>February: proposed "up to 1000" extra officials to concentrate on social security fraud</p> <p>May: announcement of inquiry into index-linked pensions (basically Civil Service pensions) to be chaired by Sir Bernard Scott</p> <p>November: announcement of increases in NI contributions</p>
1981	<p>Uprating restored 5% abatement of invalidity allowance introduced in Social Security (No. 2) Act 1980</p> <p>February: publication of Scott report on index-linked pensions</p> <p>March: Jenkin announces increases in benefits</p> <p>October: Fowler promises that (from April 1983) government will reimburse employers for the first 8 weeks of sick pay given to employees</p> <p>October: Fowler announces taxation of unemployment benefits (from 5 July 1982)</p> <p>December: announcement of higher NI contributions</p>

1982	<p>Social Security and Housing Benefits Act 1982 –</p> <ul style="list-style-type: none"> <li>• Employers responsible for paying minimum level of statutory sick pay (SSP) for first 8 weeks of absence from April 1983</li> <li>• Abolition of Injury Benefit from April 1983</li> <li>• Administration of rents and rates assistance moves to local authorities from April 1983</li> </ul> <p>February: new regulations proposed to allow unemployed people to do voluntary work without loss of benefits</p> <p>July: introduction of job-share scheme</p>
1983	<p>Equal treatment for men and women in regard to supplementary benefit and family income support – November</p> <p>War Pensions Mobility Supplement (WPMS) replaces existing vehicle scheme</p> <p>June: increase in state pension</p> <p>November: Fowler sets up ministerial inquiry into state, occupational and private pensions schemes</p>
1984	<p>February: government reduces proposed cuts in housing benefits, but funds this from a £33 million cut in other Social Security funding</p> <p>Health and Social Security Act 1984 - Introduction of Severe Disablement Allowance (SDA) replaces NCIP and HNCIP</p> <p>Introduction of Freefone information and advice service</p> <p>April: Fowler announces a review of Social Security benefits</p> <p>May: Fowler announces legislation for employees to transfer pension entitlements when changing jobs</p> <p>June: increases in pensions, child benefit, unemployment and other benefits</p> <p>July: Fowler announces legislation for people to have right to be responsible for their own pension arrangements</p> <p>November: government announces that families of striking miners and other strikers will receive less than other people when benefits are increased</p> <p>November: on 26 November increases to pensions and all other Social Security benefits are announced (overall annual cost of social security now nearly £40 billion) and there is an emergency debate on changes in rates of benefits to strikers</p>

1985	<p>Local Office Project (LOP) – plans announced for phasing in of a mainframe-based DHSS local office network for benefit processing</p> <p>National Insurance contributions computer system – detailed study of replacement begins</p> <p>Introduction of Local Office Microcomputer Project (LOMP) to aid with supplementary benefit claims processing</p> <p>Green Paper Reform of Social Security published in June, includes proposal to phase out state earnings-related pension scheme (SERPS)</p> <p>Social Security Act 1985 –</p> <ul style="list-style-type: none"> <li>• SSP extended to 28 weeks from 8 weeks from April 1986</li> <li>• Residential care and nursing homes: new scales of limits payable for differing types of care provision</li> <li>• Curbs on the level of benefit payable in board and lodging cases</li> </ul> <p>June: increases in pensions and unemployment benefits are announced, as well as smaller increases to child benefit and alterations to housing benefit rates</p> <p>White Paper Reform of Social Security published in December</p>
1986	<p>Students excluded from claiming benefit during short vacations</p> <p>Social Security Act 1986 –</p> <ul style="list-style-type: none"> <li>• Family Credit replaces family income support from 1988</li> <li>• Restructuring of widows benefit: £1000 lump sum in place of widows allowance from 1988</li> <li>• Occupational pensions schemes will be able to contract out of SERPS</li> <li>• SERPS modified, based on lifetimes earnings not best 20 years</li> <li>• Reduction in value of special payments in supplementary benefit cases</li> <li>• Invalid care allowance extended to married women</li> </ul> <p>February: increase of 1.1% in pensions, unemployment benefit and most social security benefits announced for July, accompanied by a cut in value of special payments to those in receipt of supplementary benefit</p> <p>November: elderly people claiming supplementary benefit are allowed to claim an extra £5 per week for heating needs during periods of exceptionally cold weather in the winter</p>

1987	<p>Social Security Act 1986 –</p> <ul style="list-style-type: none"> <li>• Statutory Maternity Pay (SMP) – to be administered by employers</li> <li>• Social Fund payments for funeral and maternity expenses introduced. Maternity and death grants abolished.</li> <li>• ½ rate mortgage interest payable for first 16 weeks with supplementary benefit</li> </ul> <p>January: a second severe weather payment is made to elderly supplementary benefit claimants, and the scheme is amended to make future claims more straightforward</p> <p>May: Vietnamese “boat people” to be admitted to the UK over the next 2 years</p> <p>June: general election and subsequent cabinet re-shuffle</p>
1988	<p>Income Support replaces Supplementary Benefit.</p> <p>Amendments to the cold weather payment provisions from November – extended eligibility and simplification of the trigger period for payment</p> <p>Social Security Act 1986 - full implementation of the Social Fund (loans and grants)</p> <p>Social Security Act 1988 –</p> <ul style="list-style-type: none"> <li>• Period for determining if sufficient contributions paid for entitlement to unemployment and supplementary benefits changed from 1 to 2 preceding years</li> <li>• Removal of entitlement to income support for most people under 18 from September 1988</li> <li>• Age limit for receipt of mobility allowance raised to 80 from November 1989</li> </ul> <p>April: demonstrations by pensioners in Downing Street and DHSS staff in Whitehall in protest at changes in social security regulations; subsequently an emergency debate is allowed in Parliament, and Moore introduces a number of changes to the new regulations (partly because of a threatened Tory backbench rebellion)</p> <p>DHSS to be split into Department of Health and Department of Social Security, with full effect from April 1989</p> <p>October: DSS claims that 200,000 families are not claiming family credit</p> <p>October: announcement of changes to benefit payments</p>

1989	<p>Creation of Resettlement Agency</p> <p>Relocation of work from London offices to commence in 1990</p> <p>First stage of Local Office Project (LOP) implementation – computerisation of income support processing</p> <p>White Paper Caring for People published – proposed new structure of support for community care from April 1991. Local authorities to be responsible for determining care needs.</p> <p>Social Security Act 1989 –</p> <ul style="list-style-type: none"> <li>• Changes to attendance allowance (no qualifying period for terminally ill, lower age limit abolished)</li> <li>• Mobility allowance extended to include deaf-blind people</li> </ul> <p>Relocation of work from London to Leeds announced from 1992</p> <p>Announced intention to replace attendance allowance and mobility allowance with a new benefit (Disability Living Allowance)</p>
1990	<p>Creation of Information Technology Services Agency</p> <p>January: introduction of Disability Employment Credit (disability allowance for people of working age and below, and age-related addition to Severe Disablement Allowance)</p> <p>March: Budget introduces reduction of benefits for those with capital, on a means-tested basis</p> <p>Social Security Act 1990: creation of Pensions Ombudsman; register of occupational and personal pension schemes, grants for improvement of energy efficiency in certain dwellings</p> <p>October: White Paper Children Come First</p>
1991	<p>Creation of Benefits Agency and Contributions Agency</p> <p>Disability Living Allowance and Disability Working Allowance Act 1991; DLA is non-contributory, DWA is income related</p> <p>Statutory Sick Pay Act 1991: reduction in amount of sick pay which employers are entitled to cover</p> <p>Overseas Superannuation Act 1991</p> <p>Social Security (Contributions) Act 1991: introduces contributions under SS Act 1975 regarding cars made available for private use and car fuel</p> <p>Child Support Act 1991: assessment, collection and enforcement of child maintenance</p> <p>July: launch of Citizen's Charter</p> <p>December: Maxwell pensions fund scandal</p>