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CABINET

NUTRITIONAL SERVICES

MEMORANDUM BY THE CHIEF SECRETARY TO THE TREASURY AND PAYMASTER GENERAL

I was invited by the Cabinet (C.C. (61) 72nd Conclusions) to bring before them revised proposals in the light of their discussion of my paper C. (61) 209.

2. I proceed, as desired, on the basis of a 1s. 6d. school meal charge (saving of £17 millions), restriction of cheap welfare milk to the four-child family (saving of £19 millions), and the continuance of free milk in schools, subject to further consideration of the position of three-child families, especially those where all the children are under five. I attach at Annex A tables illustrating the effects of this programme on typical families.

3. The limitation of the increase in the school meals charge to 1s. 6d. (instead of 2s., as I had recommended) reduces by £10 millions the saving on nutritional services which is within reach. This paper examines possible ways of finding something towards this gap, but apart from their inadequacy in amount, they represent, as the 2s. school meal charge with safeguards does not, a measure of departure from the balanced plan originally put forward.

The Three-child Family

4. On the nutritional advice we have received, children in the average three-child family would, under these proposals, still be less vulnerable nutritionally than the four-child family is now. The extreme case is where all the three children are under five. Even for these, it is calculated that only those where the family income was under £12 a week might be at the point of watchful concern.

5. Altogether, at any one time, there are approximately 225,000 children in three-child families where all the children are under five. This is about five per cent. of all children under five, and 25 per cent. of all such children in three-child families. Only about a quarter of these children are in families with incomes of less than £12 a week. The cost of a concession for all the children concerned, the majority of whom are not in the vulnerable group, would be about £1½ millions a year. It would be a very difficult concession to administer, because the state of affairs in question is of short duration in a very large number of cases (it may only be a matter of weeks in many families). Such a concession would, however, be preferable to an extension of cheap milk to all three-child families, at a cost of four times as much (£6 millions); this would be doing just what we are endeavouring to avoid—spending large sums of public money on people who in fact do not require it.

Possible Adjustments in the Saving

6. I have examined various possibilities for making good the short-fall of £10 millions on the proposal I originally made. They are as follows:

Withdrawal of the Free Milk Facility from Independent Schools

- (i) This would save £870,000 in Great Britain as a whole. If this were done, the milk would probably still be served and would be charged for by the schools. The parents would be in a position to pay. I would be content that we should make this saving, if the Minister of Education recommends it.

Withdrawal of School Milk from Secondary Schools in General

- (ii) This would achieve a substantial saving, estimated at about £5 millions for Great Britain. The justification for it would be the comparatively low uptake of milk in secondary schools (69 per cent. in England and Wales, compared with 94 per cent. in the primary schools) and the decreasing importance of milk as an item in the diet of older children. On the other hand, since I would judge that this is mainly milk which would otherwise not be drunk, there might be a comparatively large loss to the Milk Marketing Board, and it would represent a further inroad on milk consumption at a time when the cheap milk concession is being withdrawn from a good many families. About 40 per cent. of the whole of school milk is involved.

6d. School Meal Charge for those at present receiving Free Meals, but not on National Assistance

- (iii) The total number of children receiving free school meals is about 350,000, and the number of school-children in respect of whom National Assistance is payable is over 300,000. The field for saving here is thus very small, perhaps £250,000. On the whole the local authority means tests, though flexible, are tight, and the saving would be achieved at the expense of the poorest parents. I do not think we could possibly contemplate this as an alternative to charging well-off three-child families the full price for welfare milk, or putting a 2s. school meals charge on parents who could afford it.

Conclusion

7. I conclude that the general framework indicated at the beginning of this paper is sound, but that there is little opportunity within it for making up more than £1 million of the shortfall of £10 millions on what I originally recommended—unless we are to make a serious change in the school milk scheme, which I would be reluctant to do. Withdrawal of that scheme from the independent schools would not be a serious change, and would effect a useful economy. We could do that. But it would not offset the cost of a further concession to the three-child family where all the children are under five (which, as I have pointed out, would be very difficult to administer), let alone the larger shortfall if the concession applied to all three-child families.

8. I set out at Annex B an alternative proposal in the field of Family Allowances which I have not discussed with the Minister of Pensions and National Insurance. In my view the proposals I have made regarding school meals and welfare milk are preferable to this, and I do not recommend it. It would require early legislation; the other proposals do not.

H. B.

*Treasury Chambers, S.W. 1,
20th December, 1961.*

ANNEX A

Table Showing Weekly Value of Benefits in Kind at Present and Under Proposals, With Effect on Various Typical Families

Gross weekly income	(1)	(2)	Additional expenditure falling on family (1-2)
	Present value of benefits	Value of proposed benefits	
	s. d.	s. d.	s. d.
Two children, both at school:			
£8 0s. 0d.	22 11	22 11	None
£10 0s. 0d.	12 11	7 11	5 0
£12 10s. 0d.	12 11	7 11	5 0
£15 0s. 0d. and over ...	12 11	7 11	5 0
Two children, one under five:			
£8 0s. 0d.	13 9½	11 5½	2 4
£10 0s. 0d.	8 9½	3 11½	4 10
£12 10s. 0d.	8 9½	3 11½	4 10
£15 0s. 0d. and over ...	8 9½	3 11½	4 10
Three children, all at school:			
£8 0s. 0d.	34 4½	34 4½	None
£10 0s. 0d.	19 4½	19 4½	None
£12 10s. 0d.	19 4½	11 10½	7 6
£15 0s. 0d. and over ...	19 4½	11 10½	7 6
Three children, two under five:			
£8 0s. 0d.	16 1½	11 5½*	4 8*
£10 0s. 0d.	11 1½	11 5½	None
£12 10s. 0d.	11 1½	3 11½†	7 2†
£15 0s. 0d. and over ...	11 1½	3 11½†	7 2†
Three children, all under five:			
£8 0s. 0d.	7 0	— —†	7 0†
£10 0s. 0d.	7 0	— —†	7 0†
£12 10s. 0d.	7 0	— —†	7 0†
£15 0s. 0d. and over ...	7 0	— —†	7 0†
Four children, two under five:			
£8 0s. 0d.	27 7	27 7	None
£10 0s. 0d.	27 7	27 7	None
£12 10s. 0d.	17 7	12 7	5 0
£15 0s. 0d. and over ...	17 7	12 7	5 0
Five children, all at school:			
£8 0s. 0d.	57 3½	57 3½	None
£10 0s. 0d.	57 3½	57 3½	None
£12 10s. 0d.	37 3½	34 9½	2 6
£15 0s. 0d. and over ...	32 3½	19 9½	12 6

Note.—If the welfare milk concession is given to three-child families the figures marked:

* become 16s. 1½d. and None

† become ~~6s. 5½d. and 4s. 8d.~~ 8s. 7½d. and 2s. 6d.

‡ become 7s. 0d. and None

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ANNEX B

FAMILY ALLOWANCES PROPOSAL

The proposal is that the present (8s.) rate of weekly allowance should be withdrawn from all 2-child families (numbering 2.2 millions), and the allowances increased for the larger families as follows:

3 children from 18s. to 20s.

4 children from 28s. to 30s.

5 children from 38s. to 45s.

and for each child thereafter a 15s. increase instead of 10s. increase as at present.

2. The estimated annual saving would be £34 millions. This allows for compensating payments under other social service schemes to dependent second children of the sick, unemployed, war pensioners, and the industrially injured. Since the family allowance is taxable there would be some loss of tax revenue, estimated at £6 millions a year. But the full £34 millions would count towards the fulfilment of the pledge given by the Chancellor of the Exchequer.

December 1961.

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