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C(66) 44

COPY NO. 66

25th February, 1966

CABINET

MINISTRY OF SOCIAL SECURITY: DRAFT WHITE PAPER

Note by the Minister of Pensions and National Insurance

I attach for the Cabinet's consideration a draft White Paper on the Ministry of Social Security. The text incorporates amendments made in the light of discussion at the Ministerial Committee on Social Services.

M. H.

Ministry of Pensions and National Insurance, W.C.2.

25th February, 1966

PLAN FOR THE MINISTRY OF SOCIAL SECURITYDRAFT WHITE PAPERIntroduction

1. In recent years social workers and social science research workers have maintained that a large number of old people who could have national assistance do not apply for it. Last year the Government carried out its own survey of the circumstances of retirement pensioners. About 9,000 people were interviewed. There is still some work to be done on the detailed analysis of the results; but the broad picture is now clear. One of the main objects of the enquiry was to find out the numbers of pensioners who could receive national assistance, if they wished, but were not doing so. As regards the total number of such people, the findings are broadly consistent with those of earlier studies in this field. The survey showed that there may be about 700,000 retirement pensioners who might receive some national assistance if they asked for it. However, it seemed that for more than half of them the gap between their resources and their needs, measured by the national assistance standards is being met either by income which the Board would disregard, or by help from relatives or friends, particularly those living in the same household. For many of the others the gap appeared to be partly, but not wholly, met in this way. Nevertheless, there may be approaching 250,000 who really need help but have not asked for it.

2. The survey also tried to find out why people did not apply when they could do so. Of those in the sample about a third said they were managing all right. About one in five said that their pride would not let them apply, or that they disliked charity, or were unwilling to lose their independence, or gave similar reasons. Three out of ten gave answers showing that lack of knowledge or misconceptions had kept them from applying; the proportion of these was higher among the younger pensioners than among the older.

3. It seems clear therefore that something more than increased publicity and improved information services are needed to solve the problem of getting help to all the elderly people who need it. The problem is an urgent one and the Government believes that it should have the next priority in the development of social security. The changes which the Government has accordingly decided to make, subject where necessary to the approval of Parliament, are described in the succeeding paragraphs.

The Ministry of Social Security

4. A Ministry of Social Security will be established this year, bringing together the existing Departments of the Ministry of Pensions and National Insurance and the National Assistance Board. This reorganisation will have three main aims in view. Firstly, the creation of the new Ministry will put an end to the distinction between separate offices for the administration of insurance benefits on the one hand and means-tested benefit on the other. Secondly, the local administration of the two present Departments, with their skilled and experienced staff, will be developed to provide a more comprehensive and convenient service for the public, and a more effective instrument to ensure that people who have not so far claimed the help to which they are entitled are encouraged to do so. Thirdly, the co-ordination of policy for all social security benefits will be made easier by the substitution of one Ministry for two Departments.

New non-contributory benefits

5. With the establishment of the new Ministry will go a new structure of non-contributory benefits which will replace national assistance. This will include a form of guaranteed income to be known as a "pension" for the old. The benefit for the others will be known as an "allowance". Assessment of the pension or allowance will be based on different levels of income, for householders and non-householders and for single people, married couples and families. Rent will be allowed for in addition. Provision will be made for additional payments to meet special individual needs; but the aim will be to make this part of the scheme more readily understandable than the discretionary additions now made, mainly for the elderly, under present arrangements.

6. "Disregards" will be completely revised. National insurance pensions and benefits, family allowances and maintenance payments will be taken fully into account; but there will be a small "disregard" of other forms of income. The amount of savings of any kind to be totally ignored will be substantially increased and modest savings will all be ignored, no matter how they are invested. Further, the fixed upper limit, at present £600, on the amount of savings above which no benefit is payable will be abolished. Instead, capital which exceeds the amount which can be totally ignored will be taken into account as income under a graduated tariff and this "tariff" income will be aggregated with any other income in applying the income disregard. The special treatment at present accorded to "war savings" will no longer be justified. Accordingly, the amount of capital, above the amount to be ignored, which will make a person ineligible for an award will vary with the extent of his other resources, as well, of course, as his needs.

Procedure for claiming and review of awards

7. It will still be necessary for claimants to make a statement of circumstances so that benefit can be assessed. But the procedure will become much more flexible for people over retirement age. They will have a choice of sending to the Ministry's local office a written declaration of their circumstances or of being visited at home. If they choose the first, the assessment based on the written declaration will need to be confirmed by an interview, but if desired this could take place at the local office.

8. The pension for the old will normally be reviewed and renewed only once a year.

9. The combined effect of these changes will be to reduce the frequency of home visiting of the long-term cases. There will be fewer visits; but visiting officers will have more time, when they do make a visit, to ensure that any welfare needs are identified and brought to the notice of the appropriate service.

Combined Order Books

10. The Government intends that when an elderly person receiving the new pension also has a national insurance pension the two shall be paid together on a single order book. Those who are not receiving retirement pension will receive payment on an order book of similar appearance to the retirement pension order book. The process of replacing the separate books by the combined book must necessarily take some time but the Government hopes to start a pilot programme in a selected Region soon after the new scheme begins.

Making sure that pensioners' needs are met

11. To overcome lack of knowledge or diffidence the new Ministry will send to everyone claiming a national insurance retirement pension details of the new pension with a claim form. Arrangements will be introduced as soon as possible to make personal contact with every national insurance pensioner who, on retirement, does not claim the new pension unless he indicates that he does not want one. Similar arrangements will be made to get in touch with married women not already receiving a non-contributory benefit if they are widowed. As this scheme for personal contact develops further checks will be introduced by arranging to contact pensioners after they have been retired for some years if they have not already claimed the new pension.

12. Cash grants are not the only kind of help that old people fail to seek. A wide range of services to meet health and welfare needs is provided by local authorities but recent investigations by social scientists and the experience of both local officers of the Board and of local authorities have shown that these are too often not known by old people or the effort to make the necessary contact is beyond them. The Government intend to ensure that all such people are made fully aware both of the cash grants and of the other services available. The contacts made under the arrangements described in this paper will make a valuable contribution to this object.

Administration of non-contributory benefits

13. The Government believes that in order to preserve flexibility and responsiveness to human needs the new non-contributory benefits should, like national assistance today, be administered by an independent corporate body. Within the Ministry of Social Security therefore there will be a Commission of persons chosen for their interest in, and knowledge of, social problems, in whom will be vested the responsibility for running the new scheme, including decisions on individual awards, under broad regulations made by the Minister: arrangements for appeals to local Tribunals will be retained. Other responsibilities at present laid upon the National Assistance Board, for example assessments for legal aid, will be transferred to the new body.

Time-table

14. The Government hopes to introduce early legislation on these proposals.

Conclusion

15. When the changes are complete the Government believes that they will be seen to preserve what is good in the present scheme of national assistance while getting rid of those features which at present create dislike or misconception. These features are in no way the fault of the National Assistance Board or its officers. Everybody recognises the humanity, efficiency and devotion with which the present scheme is administered and the Government is confident that these qualities will be carried over into the new organisation. But the new Commission and the staff doing its work will be enabled to do an even better job for those of our people in need. There will no longer be the present sharp distinction between national insurance benefits related to contributions and help which our people as a whole wishes its less fortunate members to have. The elderly in need will be supported by a system of payments which gives dignity because it will incorporate more stability and involve less frequent enquiries.

