CABINET

PROPOSED CHANGES IN NATIONAL ASSISTANCE

MEMORANDUM BY THE MINISTER OF PENSIONS AND NATIONAL INSURANCE

As requested by the Ministerial Committee on Pensions I am submitting herewith, for the approval of the Cabinet, drafts of a short oral statement proposed to be made in Parliament and of a White Paper. I am indebted to the Chancellor of the Duchy of Lancaster for help and advice on the draft of the former, and to my colleagues on the Ministerial Committee for suggestions for the latter.

2. The draft statement refers briefly to, and the White Paper sets out at length, a set of proposals which have been considered by the Ministerial Committee. The implementation of these proposals requires a Bill, Orders made under the Bill, and regulations requiring an affirmative resolution made on the initiative of the National Assistance Board under existing powers. The main purpose of the White Paper is to bring together into one document a comprehensive summary of what is proposed.

3. It may be helpful if I summarise the proposals—

(a) It is proposed, subject to a formal proposal being made by the National Assistance Board at its meeting on 10th June, to increase the scale rates of national assistance from 45s. 0d. to 50s. 0d. a week for single householders and from 76s. 0d. to 85s. 0d. for married couples, with appropriate increases in the other rates.

(b) The amounts of both capital and income which the National Assistance Board have to disregard in assessing means have remained unchanged since 1948. It is proposed to take power to alter these disregards and to make increases in them of the order of 50 per cent.

(c) It is proposed to deal with the problem which now arises where a recipient of national assistance has in his household an earning member of his family. At present the Board normally limit the amount allowed for rent in such cases by reference to the level of rent which, in 1950, their local advisory committee advised as being normal in the locality. In addition, they take into account an assumed contribution of 7s. 0d. a week towards the general expenses of the household in respect of each earning member. It is proposed that the Board should now normally take account of the full rent—as they do in other cases—and should substitute for the present flat 7s. 0d. assumed contribution the earner's proportionate share of the full rent. This would be presented as the final abolition of the old assumed contribution to general household expenses and the introduction of the principle that recipients of national assistance who share a household with earning members of their families should receive their share of the actual rent.

4. Subject to approval by the Cabinet of the draft statement and White Paper, it is proposed to make the one and publish the other on 15th June.

J. A. B.-C.

1st June, 1959.

TOP SECRET
In the view of Her Majesty’s Government and of the National Assistance Board the time has come to improve the standard of provision for the poorest members of the community so as to give them a share in the country’s increasing prosperity.

Since 1952 the Board, with whom, as the House knows, the initiative in proposing increases in the scale rates of national assistance has been placed by statute, has succeeded in co-operation with the Government of the day in maintaining the scales of assistance at levels somewhat better than those originally fixed in 1948. That is the position today.

On the other hand, the various amounts of income and capital which the Board are entitled to disregard in the assessment of need—the so-called “disregards”—are still at the level in cash terms at which they were fixed in 1948.

The National Assistance Board have recommended and the Government have accepted a proposal to increase the scale of assistance for a single householder from the present level of 45s. 0d. a week to 50s. 0d. and for a married couple from 76s. 0d. to 85s. 0d. a week, with appropriate increases in other rates.

It is also proposed to make a substantial change in the arrangements where a recipient of national assistance has in his household an earning member of his family. At present the rent taken into account by the Board in these cases is normally that fixed some years ago on the advice of local advisory committees, in many cases less than the actual rent. There is also a contribution of 7s. 0d. a week towards the general expenses of the household assumed to be made by the earning member. It is proposed in future normally to take account of the full rent, to abandon the concept of an assumed contribution to general household expenses and instead to assess national assistance on the basis that the earning member of the household and the recipient of assistance each contribute their own share of the total rent.

It is proposed to make increases in the disregards of capital, other than war savings, and of income of the order of 50 per cent.

The increases in national assistance will apply generally to recipients of assistance, including those who draw it as a supplement to retirement pension or to unemployment or other national insurance benefits as well as to those who rely solely on assistance, either for long or short periods.

It is sometimes suggested that an application for national assistance can involve some loss of self respect. This is quite wrong. Those who are in need are entitled as of right to assistance, just as they and other citizens are entitled to other State benefits. I think that hon. Members on both sides of the House, and people outside, will join me in expressing the hope that all those who are in need will make use of the State provision to which they are entitled. As has often been emphasised in this House, there can be complete confidence that the National Assistance Board and its officers administer this form of social service humanely and sympathetically.

We are considering with the Board whether the terminology used in Order Books and other documents can be improved so as to obviate any possibility of misunderstanding.

Legislation will be needed to enable changes to be made in those disregards which are fixed by statute, and I am to-day giving notice of presentation of the necessary Bill. I have also to-day laid the necessary regulations to give effect to the improvements in scale rates and other changes. A White Paper setting out the proposals in full will be available at the Vote Office at 4 o’clock this afternoon.

These proposals will cost about £32 millions in a full year and, subject to the approval of Parliament, it is proposed to bring them all into operation early in September.

June 1959.
MINISTRY OF
PENSIONS AND NATIONAL INSURANCE

Draft White Paper
on Proposed Changes in
National Assistance

Presented to Parliament by the Minister of Pensions and National Insurance
by Command of Her Majesty
June 1959

LONDON
HER MAJESTY'S STATIONERY OFFICE

Cmnd.
INTRODUCTORY

1. Her Majesty's Government and the National Assistance Board have been considering the position of those on National Assistance and have reached the conclusion that the time has come when it is right to move to a higher standard, so giving them a share in increasing national prosperity.

2. Draft regulations have therefore been laid before Parliament which provide for increasing the scale rates of National Assistance and for certain other changes relating to the computation of requirements and resources for National Assistance purposes. A memorandum by the National Assistance Board explaining these Regulations is annexed. A Bill is also being presented forthwith to empower the Minister of Pensions and National Insurance to increase by Order the amounts of capital and certain forms of income which the Board are required by Statute to disregard in computing resources.

THE MAIN CHANGES

National Assistance Scale Rates

3. Her Majesty's Government have accepted proposals made by the National Assistance Board, and draft Regulations (The Draft National Assistance (Determination of Need) Regulations) have in accordance with Section 6 of the National Assistance Act, 1948, been made in the form of the draft submitted by the Board and laid for the approval of Parliament. These Regulations propose to increase the scale rates of assistance for a single householder from the present 45s. to 50s. a week, and for a married couple from 76s. to 85s. a week, plus in each case an allowance for rent (including rates), and with appropriate increases in other rates of assistance. The proposals are explained in detail in the annexed Memorandum by the National Assistance Board.

Rent and Assumed Contributions

4. At present where the recipient of assistance is a householder whose household includes an earning member the Board ordinarily make an allowance for rent limited by reference to what was advised in 1950 to be the general level of rents in the locality. They also take into account an assumed contribution to general household expenses of 7s. a week in respect of an earning member. It is proposed under the new Regulations to abolish the present flat-rate 7s. contribution to general household expenses, and normally to allow for the full rent; in future recipients of National Assistance sharing their household with earning members will normally receive their proportionate share of the actual rent, while earning members of the household will be assumed to contribute their proportionate share of the rent and nothing else.
Capital and Income Disregards

The proposed Bill will give the Minister of Pensions and National Insurance power, by Order, to increase the amounts of capital (other than war savings) and income at present specified in the Second Schedule to the National Assistance Act, 1948. Any Order so made will be subject to the approval by affirmative resolution of each House of Parliament, except in the case of an Order made within a month of the passing of the Bill, which will be subject to negative resolution only. This exception is to enable the changes which the Government propose in the capital and income disregards to become effective at the same time as the changes in the scale rates of Assistance.

6. If Parliament approves these proposals, the Government intend to increase the amount of capital assets (other than war savings) which the National Assistance Board are required completely to disregard from £50 to £100, and to raise the limit above which assistance may not be paid from £400 to £600. The Government also intend to increase amounts which the Schedule requires the Board to disregard out of certain specified forms of income to 15s. a week where 10s. 6d. a week is at present prescribed (for example, for occupational pension, or Friendly Society or Trades Union sick pay), and to 30s. a week where 20s. is now prescribed (for example, for a war disability or industrial injuries disablement pension).

7. Any Order made under the power which is being sought to increase the amounts of resources disregarded under the National Assistance Act will also make corresponding increases for the purpose of the disregards to be applied in deciding applications for legal aid, in so far as these are governed by the National Assistance Act.

Other Matters

8. The draft Regulations submitted by the National Assistance Board also provide for increases in the amount to be disregarded out of earnings.

COST

9. It is estimated that the cost in a full year of the proposed increases in the scale rates of National Assistance will be about £27 million; that the changes which the Government propose to make in the amounts of disregarded resources, under the powers which would be given by the Bill, will cost about £2 million in a full year; and that the other changes proposed in the draft Regulations in relation to earnings and rent will cost about £3 million in a full year. The total cost, in a full year, will, therefore, be of the order of £32 million.

DATE OF OPERATION

10. It is intended that all the new provisions should, subject to the approval of Parliament, come into operation on September 7, 1959.
EXPLANATORY MEMORANDUM

BY THE NATIONAL ASSISTANCE BOARD ON THE DRAFT NATIONAL ASSISTANCE (DETERMINATION OF NEED) REGULATIONS, 1959

1. These Regulations replace with amendments the Regulations under which the officers of the National Assistance Board determine whether a person is in need of an allowance under Part II of the National Assistance Act, 1948, and, if so, how much should be granted. They have been made by the Minister of Pensions and National Insurance in the terms of a draft submitted by the Board and require the approval of each House of Parliament before they can become operative. Subject to such approval, Regulations will be made in the terms of the draft to come into operation on 7th September, 1959.

2. The regulations will replace the regulations of 1957(1) which, by amendment of the regulations of 1948,(2) prescribe the current scale rates which came into force on 27th January, 1958. They will also replace the other provisions of the 1948 regulations, including the amendment made by the regulations of 1952(3) regarding assistance to persons maintained in accommodation provided under Part III of the National Assistance Act, 1948. The new regulations will thus deal with all the matters which require to be dealt with in regulations made under Section 6 of the Act.

3. The major changes proposed are those in the scales, that is, in the sums prescribed by the Regulations for requirements other than rent and rates, which are allowed for separately. The scales, which came into operation in 1948, have since then been increased six times and more than fully maintain the value of the original scales of 1948. The Board have now, however, thought it right to propose some raising of standards. The scales at present in force and those now proposed are as follows:

<table>
<thead>
<tr>
<th>Present rates</th>
<th>New rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>s.</td>
<td>d.</td>
</tr>
<tr>
<td>Ordinary Scale:—</td>
<td></td>
</tr>
<tr>
<td>(a) For a husband and wife</td>
<td>76</td>
</tr>
<tr>
<td>(b) For a person who is living alone, or is a householder and, as such, is directly responsible for rent and household necessaries</td>
<td>45</td>
</tr>
<tr>
<td>(c) For any other person, being—</td>
<td></td>
</tr>
<tr>
<td>(i) aged 21 years or over</td>
<td>41</td>
</tr>
<tr>
<td>(ii) aged 18 years or over but less than 21 years</td>
<td>31</td>
</tr>
<tr>
<td>(iii) aged 16 years or over but less than 18 years</td>
<td>26</td>
</tr>
<tr>
<td>(iv) aged 11 years or over but less than 16 years</td>
<td>20</td>
</tr>
<tr>
<td>(v) aged 5 years or over but less than 11 years</td>
<td>17</td>
</tr>
<tr>
<td>(vi) aged under 5 years</td>
<td>14</td>
</tr>
</tbody>
</table>

The rates in a special scale applicable to blind persons and persons who have suffered a loss of income in order to undergo treatment for tuberculosis of the respiratory system, will also be increased as follows:

<table>
<thead>
<tr>
<th>Special Scale:—</th>
<th>Present rates</th>
<th>New rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>s. d.</td>
<td>s. d.</td>
</tr>
<tr>
<td>(a) For a husband and wife—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) of whom one is such a person</td>
<td>96 0</td>
<td>107 6</td>
</tr>
<tr>
<td>(ii) of whom both are such persons</td>
<td>110 0</td>
<td>122 6</td>
</tr>
<tr>
<td>(b) For any other such person, being—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) aged 21 years or over</td>
<td>65 0</td>
<td>72 6</td>
</tr>
<tr>
<td>(ii) aged 18 years or over but less than 21 years</td>
<td>48 6</td>
<td>55 0</td>
</tr>
<tr>
<td>(iii) aged 16 years or over but less than 18 years</td>
<td>40 0</td>
<td>45 0</td>
</tr>
</tbody>
</table>

4. The effect of the proposals regarding scale rates is to increase the ordinary scale rate for a married couple by 9s. and for a single adult by 5s. The increases for other persons including dependent children vary according to age. For example, under the ordinary scale a married couple with three children aged 12, 8 and 3 years paying a rent of 15s. a week could at present expect to have their income, including family allowances, made up to at least £7 2s. 6d. a week. Under the Regulations now put forward they could expect to have their income made up to at least £7 18s. 0d., an increase of 15s. 6d. The corresponding figure under the Regulations of 1948 would have been £4 2s. a week.

5. The special scale for blind and for certain tuberculous persons is being increased by rather more than the ordinary scale: in the special scale rates which apply most often the excess over the corresponding rates in the ordinary scale, now 20s., will become 22s. 6d. For example, the requirements of a blind man with a sighted wife paying a rent of 15s. a week will be assessed at £6 2s. 6d. a week, compared with £5 if both partners were sighted.

6. Assistance has sometimes to be fixed by reference to considerations which make the scale rates inapplicable or inappropriate and when this is so the applicant’s income may be increased by less than the normal amount; thus in the case of persons paying an inclusive charge for boarding and lodging discretion has to be exercised to grant assistance at a rate which leaves a reasonable amount for other expenses after meeting the inclusive charge.

7. Apart from the changes in the scales and with two other exceptions mentioned below, the draft Regulations reproduce in substance the provisions of the 1948 Regulations (including the amendment referred to in paragraph 2) and of Part 1 of the Schedule to those Regulations which prescribes rules for the computation of requirements, including the allowances to be made for rent. The exceptions are as follows:

(1) in connection with the change referred to in paragraph 8 (2), the reference to “the general level of rents in the locality” in the paragraph about rent allowances in Part 1 of the Schedule is omitted, and

(2) the maximum amount which may be paid under that paragraph by way of rent allowance to a person living as a member of someone else’s household is raised from 10s. to 15s.
As a matter of form, the effect of Section 5 (4) of the National Assistance Act, which requires the Regulations to provide for the rules as to disregard laid down in the second Schedule to the Act to be followed in computing the resources of an applicant, is now achieved by a provision (Regulation 2) in the body of the Regulations.

8. As a result of the change in Regulation 2 mentioned above, the statutory disregards are not repeated in Part II of the Schedule to the Regulations, which contains rules for computing resources not laid down in detail in the Act. The remaining provisions of Part II differ from the corresponding provisions of the 1948 Regulations in the following respects:

(1) Changes are made in the provisions relating to the treatment of earnings by a person receiving assistance, or by a dependant of such a person. A minimum of 30s. a week together with half of the next 20s. of any earnings above that amount is substituted for the sum of 20s. which may at present be disregarded out of the earnings of old people and others not required to register for employment; the sum of 15s. a week is substituted for the 10s. which may at present be disregarded in the case of a person required to register for employment; and the sum of 15s. is substituted for the proportion of one-third of the earnings of a dependant aged under 16, which will have the effect of increasing the amount to be disregarded out of any earnings by a dependent child before they are taken into account against the allowance made for him.

(2) Contributions to household expenses are assumed to be made by non-dependent members of the household of a person (other than a blind person or the husband or wife of a blind person) receiving assistance. At present a sum of 7s. (with abatements for members earning small amounts) is taken into account whatever the rent paid by the householder. This provision is replaced by a provision for an assumed contribution not exceeding a proportionate share of the rent.

The allowance made for rent in such cases will then ordinarily be the full amount of the net rent paid by the householder and the fixing of a "reasonable rent" by reference to the general level of rents in the locality will no longer be necessary.

9. The discretionary powers which form an important part of the Regulations will continue to be exercised in any case where special circumstances so require. In the exercise of their general discretionary powers the Board propose, having regard to the increases proposed by the Government in the amounts which the Second Schedule to the National Assistance Act requires to be disregarded from certain forms of income, to increase correspondingly from 10s. 6d. a week to 15s. the amount ordinarily disregarded from certain other forms of income including voluntary allowances from friends or relatives and payments from charities or benevolent associations.

National Assistance Board,
June, 1959.