1. At their Meeting on the 15th February last (Cabinet 9 (35) Conclusion 6) the Cabinet had before them our Second Report (Paper C.F. 22(33)) containing our agreed proposals on the subject of Ministerial responsibility, together with information on five points which had been specifically referred to us by the Cabinet at their Meeting on the 25th January last.

2. At the Meeting on February 15th, the Cabinet approved our proposals on the subject of Ministerial responsibility, and invited us to work out in detail the Chancellor of the Exchequer's original scheme as modified in our Second Report on the understanding that the Cabinet was sympathetic to the general idea of the scheme, and hoped to put it into operation after examination of the advice of the Cabinet Committee.

3. We decided that the next step should be the preparation of the Heads of a draft Bill, and the Minister of Health submitted to us a draft in the form of a statement of contents. We have carefully examined this draft, and have had before us the comments in writing of the Minister of Labour upon it. In the result, the original draft has been modified and amended in various important respects, and we now submit (Appendix) the Heads of a draft Bill for the approval of the Cabinet.
4. The Minister of Labour is submitting his views on the present proposals in a separate Memorandum (Paper C.P. 90(33)).

5. If the Cabinet approve the attached Heads of the proposed Bill, it is proposed to instruct Parliamentary Counsel to begin to draft the Bill forthwith. If, as we hope, arrangements can be made to insure that the Bill will pass into law before Summer Recess, the Minister of Health is of opinion that some nine months would be required before it would be possible to bring the Bill into operation.

We submit the following recommendations to the Cabinet:

(1) That general approval should be given to the statement of contents of the proposed Bill as set out in the draft appended to this Report.

(2) That the Minister of Health should be authorised to instruct Parliamentary Counsel (a) to proceed with the drafting of the proposed Bill; and (b) to circulate the draft Bill to the Committee when ready, for consideration.

(3) That an announcement of the general lines of the Government's policy should be made forthwith in the House of Commons and that an undertaking should be given to introduce the draft Bill after Easter with a view, if possible, to its passage into law before the Summer Recess.

(4) That, as soon as possible after the announcement of policy has been made, negotiations should be opened with the local authorities in regard to the financial aspects of the proposals.

Signed on behalf of the Committee
(Signed) NEVILLE CHAMBERLAIN,
CHAIRMAN.

P, Whitehall Gardens, S.W.1.,
3rd April, 1933.
APPENDIX.

HEADS OF PROPOSED BILL

(Throughout this paper the term "Minister" is used as meaning the appropriate Minister).

1. Poor Law Act, 1930, to cease on the appointed day.

Extension of Public Health and Education Services.

2. (1) Every county and county borough council to have the duty of making adequate arrangements:

(a) for the maintenance and treatment in hospitals, clinics and other places of the sick and of pregnant women;

(b) for attending to the health of expectant and nursing mothers and of young children (as defined in Maternity and Child Welfare Act, 1938);

(c) for maintaining in hospitals or other institutions persons who by reason of physical or mental infirmity are unable to maintain themselves and for whom maintenance in an institution is in their own interests desirable;

(d) for maintaining in institutions persons over the age of 65 for whom maintenance in an institution is in their own interests desirable;

(e) for providing medical and surgical assistance including drugs, medical and surgical appliances and foods and comforts recommended by a medical officer; ("medical officer" to be defined as including practitioner under contract with council);

(f) for providing nursing services;

(g) for promoting the welfare of blind persons by the provision and maintenance of workshops, hospitals, homes or otherwise, including, if the council think fit, the grant of assistance in money to such persons;
(h) for maintaining in schools or other institutions, or by way of boarding out, children up to the age of 16 who are orphans or deserted by their parents or in respect of whom the council have resolved under the powers conferred by Clause 6 (Adoption) to transfer to themselves the rights of the parents;

(i) for assisting children who are maintained by them to obtain employment, whether under apprenticeship or otherwise;

(j) for the burial of persons who die in the area.

(2) Every county and county borough council to have the duty of giving assistance of the kind that can be given under the preceding subsection to any person in the county or county borough who needs, but has no means of obtaining, it.

3. (1) Every county and county borough council to have the duty of providing and maintaining such hospitals, schools, clinics and other institutions as are necessary for the discharge of their functions under the foregoing Clause, and to secure that accommodation shall be available in such of their institutions as may be appropriate for the purpose—

(a) for any person whom the Commission request them to admit to an institution; and

(b) for any person in urgent need who applies for admission.

(2) Power for county and county borough councils to contract for the provision of accommodation and services with any local or public authority or with the managers of any hospital, school or other institution, or with any other body or person;
and in the case of county councils, power to make arrangements with the council of any county district in the county for the provision of any assistance which the county council is under obligation to provide.

4. (1) The foregoing powers and duties, so far as they relate to children of school age, to be discharged as powers and duties under the Education Act, 1921, but not to attract Exchequer grant. The county and county borough councils to have the duty of recovering the expenses incurred in same manner as under S.65 Education Act, 1921.

(2) The remainder of the powers and duties to be exercised, in case of county councils as under Local Government Act, 1888, and in case of county borough councils as under Public Health Acts, but -

(i) in the case of a county council, if any county district council provides a similar maternity and child welfare service, power for the county council to charge its maternity and child welfare expenses as special expenses on remainder of county;

(ii) powers and duties relating to care of mothers and young children to be exercised through the maternity and child welfare committee;

(iii) powers and duties relating to the blind may be exercised through any committee appointed under Blind Persons Act, 1920.

(3) S.16 Local Government Act, 1929 (Duty to recover expenses) to be extended to all expenses (other than expense of maintaining a person who has become an inmate of an institution for the purpose of receiving treatment for infectious disease)
incurred by the council in discharge of their above-mentioned
duties under the Local Government Act or the Public Health Acts,
as the case may be, but under the qualification that in having
regard to the ability of the person or his relatives to pay, the
council may observe the Rules laid down in the Determination of
Needs Act.

5. Power to subscribe to hospitals, etc. (as in S.67
Poor Law Act, 1930, but omitting consent of Minister of Health).
Expense to be treated as expense under Local Government Act, or
Public Health Acts.

Adoption.

6. Where a child is wholly or partly maintained by a
county or county borough council or by the Commission and has
been deserted by its parents, or the parent is in prison or unfit
to have control of the child, power for the council to "adopt"
the child.

(This will correspond to "adoption" under the Poor Law
Act, 1930, and the circumstances in which it may take place will
be reproduced from S.52 of that Act).

Chargeability as between different areas.

7. Where a person is maintained by a county or county
borough council in an institution provided under the Bill and
was immediately before his admission ordinarily resident in the
area of some other council, the council which provides the
accommodation is to be empowered to recover the cost of
maintenance from the other council and the latter will have the
right and duty (except in the case of infectious disease) to
recover from the person or the relatives liable to maintain him.

4.
In the case of a transfer from one institution to another, the test will be the place of residence immediately before admission to the first institution.

Establishment of Commission.

8. (1) Power for H.M. by warrant under the sign manual to appoint not more than 5 or less than 3 commissioners, to be styled the National Assistance Commissioners.

(2) Commissioners to be paid out of moneys to be provided by Parliament such salaries as the Treasury may direct.

(3) Tenure of office of a commissioner to be 5 years.

(4) On casual vacancy owing to death, resignation or incapacity the person appointed by H.M. to fill vacancy to hold office for remainder of the original term.

(5) An ex-commissioner to be eligible for re-appointment.

(6) A member of either House of Parliament to be ineligible to become or to be a commissioner.

Powers and Duties of Commission.

9. (1) Subject to provisions of the Bill and of Regulations made under it, the Commission to have the duty of granting assistance, other than assistance which under the Bill county councils and county borough councils have a duty to grant, to persons who have no means to maintain themselves.

(2) In granting assistance the Commission to take measures, as regards the persons to whom assistance is granted -

(a) to maintain and improve their physical and mental condition with a view to fitting them for entry into or return
to employment and for that purpose to provide opportunities for occupation and recreation, and
(b) to co-operate with Ministry of Labour in facilitating entry into or return to employment, including apprenticeship.

Regulations.

10. (1) Duty of the Commission not less than 3 months before the appointed day to make and submit to the Minister for his approval regulations dealing with the following matters:-

(a) conditions, including conditions as to performing work or undergoing training, which may be attached to the grant of home assistance;

(b) cases in which owing to the special circumstances of the physical or mental condition of the applicant or the conditions or circumstances of his home, assistance is to be granted in an institution;

(c) subject to the provisions of the act, the method of assessing the need of the applicant and the resources available to him;

(d) management of institutions and preservation of order therein.

(e) right of appeal on the part of an applicant for assistance against the decision of an officer of the commission to a superior officer.

(2) Duty of the Minister, as he thinks fit, either to approve any regulations submitted to him (with power to vary or supplement) or to disapprove them.

(3) If any regulation is approved without variation or addition, it is to be laid before Parliament for the usual period and to be liable to be annulled on a resolution of either House.
(4) If any regulation is approved with variation or addition, the regulation as varied or supplemented is to be laid before Parliament and is not to take effect unless and until approved by resolution of each House. The regulation as originally made by the Commission is also to be laid, together with a statement of the Commission's reasons.

(5) If any regulation is disapproved, the Minister to have duty to lay before Parliament any alternative regulation which he thinks ought to be made, such regulation not to have effect unless and until approved by resolution of each House. The regulation which has been disapproved by the Minister is also to be laid and any statement of the Commission's reasons for making it.

(6) The procedure for amending or revoking existing regulations to be the same.

Assessment of Need.

In deciding whether to grant assistance and the amount of such assistance, if granted, the Commission must comply with any regulations made under the Bill.

(a) they must disregard the first 5/- of the applicant's Friendly Society pay, and may disregard any further amount, (§ 48(1) Poor Law Act, 1930);

(b) they must disregard the first 7s/6d of the applicant's benefit under the National Health Insurance Acts, (§ 48(2) Poor Law Act, 1930);

(c) they must treat disability pensions and workmen's compensation as reduced by half, and deal with capital money and investments which are treated as capital assets and with dwellinghouses as under S.1, Transitional Payments (Determination of Need) Act, 1932.

In deciding whether money or investments ought to be treated as capital assets the commission are to have regard to their source and in particular to the question whether they represent savings on the part of the applicant or of any member of his family.
Definition of "persons liable to maintain".

12. Define for purposes of the Bill and of other acts (e.g., S.170(12) Education Act, 1931, and S.16 Local Government Act, 1929) the meaning of 'persons liable to maintain'.

The term will cover:

(a) father, grandfather, mother, grandmother, husband, wife and child;

(b) the stepfather or, in the case of an illegitimate child born before the marriage, the husband of the mother up to date when the child attains 16.

Recovery of Cost of Assistance.

13. (1) Where the Commission grant assistance to any person other than an able-bodied person or the dependents of an able-bodied person, duty for Commission to recover the whole of the expense from the person assisted or any person liable to maintain him or, if satisfied that the person cannot reasonably be required to pay the whole, such part as he is able to pay (as in S.16(1) Local Government Act, 1929).

(2) For this purpose power to apply for maintenance order against relative liable to maintain.

Finance.

National Assistance Fund.

14. The expenses of the Commission (including administration expenses) are to be paid out of a fund.
(to be called the National Assistance Fund) which will be made up of contributions from county and county borough councils and from the Exchequer.

Local Authorities' Contributions.

15. The amount to be paid to the Fund in respect of each year by a county or county borough council is to be calculated as follows:

(1) ascertained as regards the county or county borough for the year ended 31st March, 1933 —
   (a) the estimated population;
   (b) the expenditure on the services to be transferred from the council to the Commission;
   (c) the proportion (expressed as a percentage) which the average number of registered unemployed men (increased by one-half of the average number of registered unemployed women) bears to the estimated population.

(2) ascertained as regards the county or county borough for the year in question —
   (a) the estimated population;
   (b) the proportion which the average number of registered unemployed men (increased as above) bears to the estimated population.

(3) divide the expenditure for 1932/33 on transferred services by the estimated population.

The quotient (after some adjustment to give relief to the poorer areas) is to be the rate per head.
(4) calculate the contribution to be made by the council for the year in question as follows -

(a) multiply the estimated population for the year in question by the rate per head;
(b) multiply the number so ascertained by a number representing the unemployment percentage of the year increased by six, and divide the product by a number representing the unemployment percentage of 1932/33 also increased by six.

Exchequer Contribution.

16. The sum payable from the Exchequer to the Fund in respect of each year will be calculated as follows:

(1) ascertain for the year in question the average number of registered unemployed men (increased by one-half of the average number of registered unemployed women) not entitled to benefit from the Unemployment Insurance Fund (excluding those involved in trade disputes).

(2) calculate the Exchequer contribution for the year -

(a) as regards each of the first five years from the appointed day by multiplying the number arrived at under (1) by the sum of £7; and
(b) as regards each subsequent year, by multiplying that number by such sum as Parliament may determine.

(3) power for the Treasury to pay sums into the Fund, on account of Exchequer contributions, such amounts and at such intervals as they think fit. During the period up to the 31st March, 1938, the
amounts so paid in any year may be either more or less than the contribution for that year based on the rate per head, provided that the total sum paid in respect of the period up to that date does not exceed the amount due on the basis of the rate per head.

(4) duty of the Treasury at the end of the third year to make an investigation in order to determine whether the rate per head requires revision, and to make a report of the investigation and lay the report, together with any views expressed by the Commission before Parliament.

General provision relating to Commission.

17. Power for Commission to appoint Secretary, assistant commissioners and other officers and servants, to fix their remuneration and to assign their duties.

Power to acquire land.

18. (1) The Commission to have power to provide and maintain institutions, offices and other necessary buildings, and for that purpose to acquire land by purchase or lease and to contract with county and county borough councils for accommodation in buildings belonging to the latter.

(2) The Commission to have power to purchase land compulsorily, where necessary, by means of a compulsory purchase order to be made by the Commission and confirmed by the Minister.

Power to borrow.

19. The Commission to have power to borrow on the security of the Public Assistance Fund and of any institutions, offices and other property belonging to them.

Audit.

20. The accounts of the Commission to be audited yearly by the Comptroller and Auditor General who will have the duty of presenting a report thereon to Parliament.
21. Duty of the Commission to make an annual report to the Minister which is to be laid before Parliament.

Local Advisory Committees.

22. (1) A committee to be established in each county and county borough, to be known as the committee, consisting of such number of members (not more than - or less than - ) as the Commission in consultation with the county or county borough council may determine.

(2) One half to be appointed by the council, one half by the Commission.

(3) In appointing the Commission to select persons in their opinion representative of employers and employed in the area.

(4) Appointment of outside chairman by the Minister.

(5) Power for committee to determine its procedure.

(6) Power to appoint sub-committees.

Duties of Local Advisory Committees.

23. (a) To advise assistant commissioners upon the course to be adopted in classes of cases of special difficulty referred to them.

(b) To make representations to the Commission through assistant commissioners in relation to any matters in which the special circumstances of their area make a departure from the general rules of the Commission desirable.

(c) To assist and advise assistant commissioners in the organisation of occupation for unemployed persons.

(d) To maintain contact with and promote co-operation with local charitable and other agencies for promoting the well being of the poor and of the unemployed.
(e) To visit such local institutions as may be administered by the Commission and advise on the efficiency of the steps taken to provide occupation and recreation and for the well being of the men.

**Arbitral Tribunal.**

24. (1) A tribunal to be appointed for each county and county borough consisting of a chairman (who must be a barrister or solicitor) appointed by the Minister and two members of the Local Advisory Committee to be nominated by that Committee, one being a member of the Committee appointed by the council, the other a member appointed by the Commission. The tribunal to be assisted by a medical assessor to be appointed by the Minister.

(2) The tribunal to have the duty of determining, on the application of the Commission or of the Council, whether assistance given in a particular case should be chargeable to the Commission or to the council.

(3) The tribunal to have the duty of determining on appeal any question of law (including the interpretation of the Act or Regulations) arising out of a grant of assistance or a refusal to grant assistance.

**Transitional Provisions.**

**Transfer of Officers.**

25. (1) The Commission to make arrangements with each council concerned with regard to the transfer to the Commission of officers engaged in the public assistance work which is to be transferred to the Commission. If the two parties cannot agree arrangements, the Minister to settle them.

(2) Transferred officers to hold office on the same tenure (including salary and superannuation rights) as before.
Compensation.

26. The usual provisions as to compensation of officers for loss of employment.

Transfer of Institutions.

27. (1) The following institutions and other premises to be transferred to and vest in the Commission on the appointed day —
(a) any institution specified in the Schedule to the Bill (Hollesley Bay, certain of the Ministry of Labour training centres, etc.);
(b) any building which was at the passing of the Bill used as a separate casual ward or a separate relief office and in respect of which the Commission give notice not later than one month before the appointed day to the Council to whom it belongs that they desire it to be transferred to them.

(2) Any institutions and premises transferred under (1) above to be transferred with plant, furniture, etc. belonging to them and with unexpended balances of loans and outstanding liabilities for loans.

Miscellaneous

Amendments of various Acts.

28. Amendments of the following Acts will be required:-

Lunacy Acts;
Children Acts;
Public Health (Prevention and Treatment of Disease) Act, 1913;

Institutions.

29. (1) Power for Commission and county or county borough council to make arrangements for the letting to or the use by
the Commission (including arrangements for the services of staff) of any of the council's institutions.

(2) Power for the Minister, in default of agreement, to determine the sum to be paid by the Commission to a council for the accommodation of a person chargeable to the Commission in an institution belonging to the council.

Provisions as to religious instruction and attendance at religious services.

30. Every person in an institution (whether council's or Commission's) to have facilities for attending services according to his persuasion. Children to have facilities for religious instruction according to parent's persuasion. Right of entry for this purpose for ministers of various denominations.

Management of council's hospitals and institutions.

31. Power for councils to make rules for conduct and management of institutions.

Offences and Penalties.

32. Power for court of summary jurisdiction to impose penalties for:

(a) refusing to perform work in an institution;
(b) drunkenness or other misbehaviour in an institution;
(c) obtaining relief by a false statement;
(d) assault on an officer of Commission or council;
(e) willful injury to clothes, tools, materials, etc., belonging to Commission or council.