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cc DW Phillips

Prime Minister ②  
To note terms of reference  
and scope of reviews

DEPARTMENT OF HEALTH & SOCIAL SECURITY

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Telephone 01-407 5522

From the Secretary of State for Social Services

AT  
15/5

Andrew Turnbull Esq  
Private Secretary  
10 Downing Street

15 May 1984

Dear Andrew,

AT

SOCIAL SECURITY REVIEWS: MEMBERSHIP

Steve Godber wrote to you on Thursday 10 May to tell you that Secretary of State was ready to announce further details on the Reviews. A written question has been put down by James Couchman, which will be answered tomorrow. I attach copies of the three consultative documents which will be issued. There will also be a press briefing tomorrow afternoon.

I am copying this letter to David Peretz (Chancellor's Office), John Gieve (Chief Secretary's Office), John Ballard (Department of Environment), David Normington (Department of Employment), Elizabeth Hodgkinson (Department of Education and Science), Derek Hill (Northern Ireland Office), John Graham (Scottish Office), Colin Jones (Welsh Office), David Morris (Lord Privy Seal's Office), Janet Lewis-Jones (Lord President's Office), Murdo MacLean (Chief Whip's Office) and Richard Hatfield (Sir Robert Armstrong's Office).

Yours es,

Colin

C A H Phillips  
Private Secretary

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## HOUSING BENEFIT REVIEW

### REQUEST FOR EVIDENCE

#### ~~CONSULTATION DOCUMENT~~

#### Introduction

1. This note sets out the background to the review of housing benefit and the arrangements for submitting evidence.
2. The Secretary of State for Social Services has established a review of the housing benefit scheme under the independent chairmanship of Mr Jeremy Rowe CBE. Details of the review team are annexed. The terms of reference are:

"To examine the structure and scope of the scheme to ensure that it is as simple as possible, and that help is concentrated on those most in need; and to improve its administration by local authorities."

3. The review is one of four reviews which together constitute a substantial reexamination of the social security system to see if better use can be made of resources and staff within the present overall level of social security expenditure.

#### Background to the review

4. The present housing benefit scheme, which brought together the assistance with rent and rates previously provided through supplementary benefit and through rebates and allowances made by local authorities was fully introduced in 1983. Announcing the setting up of the review on 6 February, the Secretary of State said:

".... the enormous growth of housing benefit expenditure and the income levels at which it is paid require further consideration. Equally the continuing difficulties which some local authorities are still experiencing in handling claims and payments is causing anxiety for individual families.

"The Government feels, therefore, a review of the scheme and its operation is required."

#### The issues under review

5. The review team would welcome evidence on all aspects of housing benefit and in particular the three broad areas set out in the terms of reference:

\* The scope of housing benefit

This raises questions of why separate assistance with rent and rates is required, who should be eligible for



assistance given the objective of concentrating help on those most in need and which components of these costs should be covered.

\* The structure of housing benefit

An important objective is to simplify the scheme. This raises questions of how the level of benefit is determined in individual cases. For example, there are the current differences in treatment between people on supplementary benefit and others; and the additional provision of housing benefit supplement. A further question is how sensitive should benefits be to individual circumstances, for example, through the operation of means tests and benefit tapers.

\* The administration of housing benefit

A prime concern here is whether the system for assessing, paying and reviewing housing benefit can be improved. Other issues include the extent of central regulation and local discretion, financial control and whether arrangements for accountability and monitoring are adequate.

6. The review is confined to housing benefit and is not concerned therefore with general housing policy issues such as supply of and demand for different patterns of housing or with income tax relief on mortgage interest.

Submission of evidence

7. The review team would welcome written evidence in response to this paper by 31 July 1984. In the light of the evidence received, it will decide how best to follow this up with requests for further written evidence or oral evidence. Where comments can be submitted earlier than 31 July this will provide greater scope for more detailed consultation through further written evidence or through taking oral evidence.

8. The review will not be able to deal with the position of individual claimants.

9. Evidence should be sent to:

The Secretary  
Housing Benefit Review  
Room 440  
New Court  
Carey Street  
LONDON WC2A 2LS

Tel: 01-831 6111 Ext 2618

HOUSING BENEFIT REVIEW TEAM

Chairman

Mr Jeremy Rowe CBE, Chairman of the Peterborough Development Corporation and Deputy Chairman of Abbey National Building Society.

Members

Mr Alan Blakemore CBE, formerly Chief Executive of London Borough of Croydon.

Mrs Rhea Martin, Lecturer in Law at the Hatfield Polytechnic and a Vice Chairman of the National Association of Citizens Advice Bureaux.



## SUPPLEMENTARY BENEFIT REVIEW

### CONSULTATION DOCUMENT

#### **Introduction**

1. The review of the supplementary benefit scheme was announced by the Secretary of State for Social Services on 2nd April 1984. It is one of four major reviews\* which together constitute a substantial re-examination of the social security system to see if better use can be made of resources and staff within the present overall level of social security expenditure.

2. Mr Tony Newton MP, Joint Parliamentary Under Secretary of State and Minister for the Disabled, is leading the review. He is being assisted by Mr Robin Wendt, Chief Executive of Cheshire County Council and member of the Social Security Advisory Committee, and Mr Basil Collins, Chairman of Nabisco Brands Ltd, from outside Government, and a small team of officials. The terms of reference are:

"To review the structure of the supplementary benefit scheme and consider the scope for easing its administration."

This document sets out issues on which the review is seeking public evidence.

#### **Background to the Review**

3. The expectation of the Beveridge report was that the role of supplementary benefit would be as a residual scheme for a small minority. This aim has never been realised. While the proportion of pensioners on supplementary benefit has fallen, there has been a continuing rise in the total number dependent on social assistance because of the increases in the real value of the benefit, numbers of one parent families and long-term unemployment. The scheme now provides help for 1 in 8 of the population. Expenditure is expected to reach over £6 billion this year, with a further £2.5 billion paid through the housing benefit scheme for claimants' housing costs.

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\*The other reviews cover: provision for retirement, housing benefit, and benefits for children and young people.



4. The 1980 reform which put the rules of the scheme into publicly available regulations was in principle an important advance. But there remain problems with the scheme, many longstanding. They arise from the complexity of the rules which relate support closely to individual circumstances, combined with the mass role the scheme continues to play. The scheme is difficult for claimants to understand in order to get their rights and for staff to administer. Computers will ease but not solve the problem of complexity. No other country operates such a centralised and detailed system to supplement basic income support.

#### Key issues for consultation

5. The review's terms of reference are wide. Those giving evidence may find it helpful to relate their comments to the following particular concerns of the review:

- \* The future role of the supplementary benefit scheme in the pattern of state financial provision and what its purpose should be, having regard to the main categories of claimants within its remit.
- \* The extent to which major reductions in complexity can be achieved within a scheme continuing to relate support to detailed individual circumstances.
- \* Whether there are alternative ways of providing means-tested help for several million people. Alternatives include schemes providing benefits for broad groups of claimants with less emphasis on individual circumstances, or options to provide simplified support for an initial period after which claimants are eligible for the full, detailed scheme.
- \* The basis on which support for the main groups covered by the scheme should be structured, and the extent to which the existing scale rate structure remains appropriate.
- \* How the scheme should deal with claimants' special expenses and difficulties, at present covered through a range of provisions for extra weekly needs, single payments and urgent need. What is the right balance between general income support and special need? When should special help be given and how should it be given?
- \* How should the scheme deal with incentives to claimants for self-help? Can there be better incentives for claimants to take part-time work, while retaining incentives for full-time work? How should claimants' capital and resources be treated to retain the incentive to save?
- \* The extent to which there is scope for improving alignment with other means-tested benefits, in particular housing benefit?
- \* The implications of proposals for administration of benefit, taking account of the need to reduce the burden on staff and provide a better service.



**Guidance on the submission of evidence**

6. The review is seeking written evidence by 31 July 1984. It will also be taking oral evidence. The review will not be able to deal with the position of individual claimants.

7. Evidence should be sent to:

The Secretary  
Supplementary Benefit Review  
Room 440  
New Court  
Carey Street  
LONDON WC2A 2LS

Tel: 01-831 6111 ext 2618

DHSS

May 1984

# REVIEW OF BENEFITS FOR CHILDREN AND YOUNG PEOPLE

## CONSULTATION DOCUMENT

### Introduction

1. The review of benefits for children and young people was announced by the Secretary of State for Social Services on 2 April 1984. It is one of four major reviews\* which together constitute a substantial re-examination of the social security system to see if better use can be made of resources and staff within the present overall level of social security expenditure.

2. Dr Rhodes Boyson MP, Minister for Social Security, is leading the review. He is being assisted by Mrs Barbara Shenfield, Chairman of the WRVS, and Mr T G Parry Rogers, Director Personnel and Europe of the Plessey Company, from outside Government, and a small team of officials. The terms of reference are:

"To review the present social security arrangements for giving financial help to families with children and to young people above school leaving age."

This document sets out issues on which the review is seeking public evidence.

3. The benefits entirely within the scope of the review will be those listed below. But the review will not be confined to these particular benefits. It will also consider the coherence of provision across the entire range of income-related and other benefits taking account of the concurrent reviews of supplementary benefit and housing benefit.

- (a) Child Benefit
- (b) One Parent Benefit
- (c) Family Income Supplement
- (d) Long-term National Insurance Child Dependency Additions
- (e) Guardian's Allowance
- (f) Child's Special Allowance.

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\* The other reviews cover: provision for retirement, housing benefit, and supplementary benefit.



### Key issues for consultation

4. The review terms of reference are wide. Those giving evidence may find it helpful to relate their comments to the following particular concerns of the review.

- \* Whether any change should be made in the present range and structure of benefits for children and young people. In particular, is the amount of re-distribution to families with children and the balance between one and two-parent families right?
- \* Whether entitlement to benefit should be conferred through contribution conditions, or on the basis of parents' income, or whether benefit should be financed directly from taxation and based on some other condition such as residence or some other criterion.
- \* What the general relationship should be between benefits provided when parents are out of work and when parents are employed. Whether benefits can be structured so as to reduce the effects of the poverty and unemployment traps.
- \* The age limit to which any special social security provision for children and young persons should apply, including the modification of any general limit because of special circumstances, for example, continuation of full-time education (at present covered up to age 19).
- \* The minimum age at which young people should be able to qualify for social security benefits in their own right, including the entitlement of 16-year-olds to supplementary benefit, which the Government has previously announced would be reviewed this year.
- \* The regard to be had to the programmes of other Government departments and of local authorities in establishing any revised social security provision for children and young people. Whether present relationships between the level of benefits provided for young people and provision for those undergoing full-time education or training should be modified.
- \* Arrangements for the administration of benefits including methods of payment.

5. Those commenting are asked to bear particularly in mind the contribution towards the stability of families which may be made by social security arrangements and also to consider opportunities for simplification both in the range of benefits and in the administration of individual benefits.



Guidance on the submission of evidence

6. The review is seeking written evidence by 31 July 1984. It will also be taking oral evidence. The review will not be able to deal with the position of individual claimants.

7. Evidence should be sent to:

The Secretary  
Review of Benefits for Children and Young People  
Room 440  
Department of Health and Social Security  
New Court  
Carey Street  
LONDON WC2A 2LS  
Tel: 01-831 6111 ext 2617



15 MAY 1984

