

*A. J. ...  
A. ...  
A. ...*

*Ann ...*

Prime Minister

*Tim Prior is*

*in ...*

*Agreed - very  
good work!  
Excellent  
not.*

*contact - with ...*

*Contact ?*

EXTENDING THE LONG-TERM RATE OF SUPPLEMENTARY BENEFIT TO UNEMPLOYED PEOPLE AGED 60 AND OVER

*12*

We decided at E Committee on Wednesday as part of the package of measures to help the unemployed, to enable unemployed people who reach their 60th birthday and who have been receiving supplementary benefit at the ordinary rate for 12 months or more, to receive the long-term rate of supplementary benefit in return for ceasing to register as unemployed. Those who wanted to continue to register would be free to do so, but they would stay on the short-term rate. The Committee decided that effect should be given to this decision from the date of the next up-rating of supplementary benefit on 23 November 1981.

*17/7*

I think that most of those eligible for the long-term rate will take it, and I estimate the net cost to the Government of the change at about £6 million in the part-year 1981/82; in the full-year 1982/83 the estimated cost will be £21 million, rising in the two following years respectively to £23 million and £24 million. It has been agreed that the additional expenditure this year will come from the contingency reserve. Officials are discussing the way in which the increases should be reflected in my public expenditure programme in subsequent years.

The change will also carry with it a manpower cost but preliminary estimates suggest that it will be outweighed by DE staff savings resulting from the reduction in work at unemployment benefit offices. I shall get my officials to raise the question of an adjustment between the manpower budgets of the two Departments.

I would like to get the necessary regulations debated at the same time as this year's up-rating regulations, which are to be debated in the Commons on 28 July; I therefore need to announce and publish a draft order before 1 pm





on Monday 20 July so that it can be taken by the JCSI on Tuesday.  
May I have your approval to proceed accordingly?

I am sending copies of this minute to members of E Committee, to the Lord President, the Chancellor of the Duchy of Lancaster, and the Chief Whips of both Houses.

PJ

17.7.1981

P J

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