



Prime Minister 4  
A thoughtful,  
hard hitting essay  
by Ken Stowe,

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From the Permanent Secretary

Sir Kenneth Stowe KCB CVO

well worth  
a skim.

N.L.W.

9.5

Nigel Wicks, Esq.,  
No. 10 Downing Street,  
London SW1

30 April 1986

Dear Nigel,

I enclose a copy of the letter I recently sent to Robert Armstrong covering the final version of my lecture to the RSA on the Management of a large Department of State. It was crudely misreported in The Times (what else would one expect) but otherwise has not caused a ripple as yet. It says some fairly important things and I am comforted by the fact that Robin Ibbs, who was in the audience, said he agreed with every word of it.

Yours sincerely,

Ken





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Alexander Fleming House, Elephant & Castle, London SE1 6BY  
Telephone 01-407 5522 ext 6981  
*From the Permanent Secretary*  
Sir Kenneth Stowe GCB CVO

Sir Robert Armstrong GCB CVO  
Cabinet Office  
London SW1

28 April 1986

*My dear Robert.*

MANAGING A GOVERNMENT DEPARTMENT

You know that I was invited, with Marcus Sieff and Alex Jarratt, to give one of the three RSA lectures on management for Industry Year. Perhaps unwisely, I agreed and it was duly delivered last Monday with, fortunately, minimal turbulence and only one press report that I noticed.

I sang a representative selection from my repertoire of old songs, so there is nothing in it you will not have heard before but you might like to glance at it. I shall use it as a vehicle to press some home truths among my staff here; and the College might like to use it as background reading material along with the other two lectures.

Copies to Peter Middleton, Robin Butler, Anne Mueller, Nigel Wicks and Robin Ibbs (who heard it anyway).

*Yours ever,*  
*Ken.*



## LECTURE BY SIR KENNETH STOWE TO ROYAL SOCIETY OF ARTS

21 APRIL 1986:

## MANAGING A GREAT DEPARTMENT OF STATE

1. In the first of the Industry Year lectures last week, Lord Sieff focussed on four key attributes of good management:
  - good human relations
  - support for the community as a whole
  - source your supplies from home
  - change attitudes.

But he made it plain that "progress can only be achieved if there are profits" - profit and profit-sharing was his starting point.

2. I endorse his key attributes. But I cannot, in the nature of the case, start from his premise of no "progress without profit". Government is not in the business of making profit. But it certainly is in the business of making progress.

3. All too easy to give up at this point and simply say that government is different and we have to follow different rules. I heard a recently-appointed junior Minister complain that the trouble with government was that, unlike private sector business management, you could never find the bottom line. So my alternative title could be "Looking for the bottom line" - while walking carefully over thin ice.

4. The Minister was right, of course, to this extent:

- We are not in a position to make a profit; but we must not allow others to make excessive or unreasonable profits from us.
- We do not have to watch a share price as an indicator of market opinion on our performance; but a steady flow of opinion polls seems to make our Ministerial masters equally sensitive.
- We do not have to achieve a financial return on capital invested; but we do have a massive capital stock of land, buildings and equipment and have a duty to put it to good use or dispose of it advantageously if unwanted.
- We cannot go into liquidation; but neither can we dispose of unattractive subsidiaries or get out of the often unrewarding markets we are operating in.



- We do not have a balance sheet that balances: it is either nearly all red (like DHSS) or nearly all black (like the Inland Revenue); but the public sector sums do eventually have to balance in the Treasury's equation.
- We do share one problem. Like Distillers, Imperial, Woolworths, Standard Bank, we are always under threat of a takeover - in our case from a permanent and paid opposition in Westminster.
- Finally, we have no annual shareholders' meeting; but we do have over 600 representative owners in nearly continuous session in Westminster!

5. But all that means is that, in a different context, we have to concern ourselves just as industry and commerce do with the three critical attributes of effectiveness, efficiency and accountability: to deliver the services required of a Government Department and to justify the actions which are taken, or not taken. So, even without the profit motive, I find myself on largely common ground with Lord Sieff and propose to explore it this evening from these angles

- making government work
- working with industry and commerce
- managing people.

I do not want to spend my time reciting facts and figures, so I have produced some charts which may help. I shall be referring to some of them.

#### Making Government Work

6. What a Government Department has to do can be boiled down to these two tasks:
1. To inform and advise; ie to inform and advise the Secretary of State or Minister across the whole field of his responsibilities; similarly to provide other Government Departments and Parliament with the information and advice they need.
  2. To implement; ie to deliver the services prescribed by the legislation and policies for which the Secretary of State is responsible.

Each entails a heavy load, and one which in our case (and I believe generally) seems always to be expanding.



7. As to Ministers and Parliament, much or most of what any Department does is in the public eye and attracts a formidable burden of enquiry and investigation. Look, for example, at Chart 1 which lists some of the work Ministers and officials in DHSS dealt with last year. I will pick out three in particular:

- 6,400 Parliamentary Questions. Every fourth Tuesday, my Department is first for oral PQs. We may only get through 40 at the very most, but the briefing for these is about 1" thick. And that still leaves another 6,360!
- Over 100 Parliamentary debates.
- 35,000 letters from MPs requiring a Ministerial answer.

8. But "informing and advising" is only the tip of the iceberg. Below that is the vast bulk of the operational task of implementation which the Department has to undertake or account for. As to that, the volumes speak for themselves; you will find some of them set out in Chart 2. This is only a snapshot of figures at a particular time and gives no idea of the massive and managed change which goes on continually in all Government Departments. And it is worth remembering that these are human transactions involving in many cases the most intimate aspects of human life - not just high volumes but also high sensitivity.

9. All those multitudes derive from our basic responsibility for applying a legal framework of welfare: 100 statutes currently in force and 1,500 (approximately!) live Statutory Instruments. And every penny spent on them is subject to audit by the National Audit Office and appraisal by the Public Accounts Committee of the House of Commons. What all these large volumes have in common, and what gets us nearer to that bottom line is that the Secretary of State has some degree of responsibility for all of them and he and his officials are, therefore, accountable for the whole in Parliament.

10. That accountability is, however, quite complicated. The services for which the Secretary of State for Social Services is responsible are delivered through several distinct and separate channels of authority (Chart 3) - Health Authorities; Local Authorities; Family Practitioner Committees; within the Department, Social Security Offices, Special Hospitals and Artificial Limb and Appliance Centres; and some non-Departmental public bodies like the National Radiological Protection Board and the Central Blood Laboratory Authority.



11. The management relationship between each of these and the Secretary of State is quite different: in social security, in Special Hospitals, and in Artificial Limb and Appliance Centres (ALACs), the staff are civil servants employed within the Department itself; in Health Authorities the staff are Crown servants employed by Health Authorities; in family practitioner services, the GP or dentist is in effect a small businessman running his own business with a contract negotiated centrally between the Department and the General Medical Services Committee of the British Medical Association; the pharmacist likewise with a contract negotiated via the Pharmaceutical Services Negotiating Committee; in Personal Social Services the staff are employees of local authorities. Thus the lines of command from the Secretary of State, and the kind of powers available, differ considerably; and so does the degree of involvement by Ministers and the Department in detail of management. Total involvement in, and total accountability for, the management of a social security local office or ALAC; zero in Boots the Chemist.

12. But that is the straightforward part! The difficult part is to try to make it all fit together. There is a thread of policy objectives linking most of these disparate tasks and agencies to each other, and to several other parts of government. Consider, for example, the care (in cash and services) of the very elderly, by which I mean those over 85. In the decade 1981 to 1991 the number of over 85s will rise by 43 per cent. 1 in 5 are suffering from senility, yet most live alone and one quarter have no living relatives. I believe this is the biggest single challenge facing our society at present. And it is just one area where a vast array of agencies and authorities, including the voluntary and private sector, has something to contribute in terms of resources, provision of services and the development of policies. Home helps and meals on wheels matter as much as hospital care and benefits; and each service has an implication for decisions to be taken on the others. So coherence and integration of policy is essential. This is where life gets complicated.

13. Even confining ourselves to the DHSS field of responsibility, the scene is complex. A bird's eye view of the Secretary of State's parish is set out in Chart 4 - and you will see why I have not attempted a pen-picture!

14. We come now to the meat of the sandwich: how can government be made to work? Isn't it all too big, too complicated, too unwieldy? Would it not be better to split it all up, to reverse the reforms of the 1960s and move back from the jumbo Departments to double the number of much smaller and more homogeneous Departments.



15. But it would not reduce the total volume of government to double the number of Departments. We shall never make government work well if we go on asking it to do too much. The volume of government remains much too big. I hope that we can still progress to new reductions in government activity and involvement because I believe we have barely started. Not because government is of itself bad or wrong, and certainly not because government is to be anathematised as a burden upon the taxpayer. But because, first, government itself is complicated and more difficult to do well the larger it gets; and secondly, because there will always be not only essential tasks which government alone can do but new tasks which demand to be done; and headroom needs continually to be created.

16. I see no way of avoiding more involvement of central government in education, in crime prevention, in environmental issues. In DHSS, for example, we did not contemplate 18 months ago having to set up an AIDS Unit in the Department and mount a major and permanent campaign of public education. More, not less investment of time and energy will be needed to respond to the needs of the very elderly and the care of all the handicapped and infirm in the community at large. But the last thing I want, as manager of DHSS, is to return to an ever expanding Department, in however many compartments.

17. I value the loyalties and commitment which management can more easily nourish in a small unit. Performance and achievement seem so much more attainable where the focus is sharp and the common aim is clear.

18. But there are even more important considerations. Government is, ultimately, indivisible; and the policies of government must be coherent.

19. If there is any art at all in managing a great - or small - Department of State, it lies in the capacity to see the connections of problems and policies and to make government itself as near a unity as possible. This is the hardest part of the job and the Permanent Secretary carries a particular responsibility to the Secretary of State to make it all fit together.

20. I illustrate the point by reference to inflation. If government policy is to give priority to defeating inflation, this must permeate the whole; and if constraint of public expenditure is a necessary route to that end, no Department can escape the implications, least of all mine. So, expenditure on caring services and on benefits must be constrained and priorities determined across a very wide



field. None of that is made easier if the field is divided up into seemingly separate allotments. I could as easily have illustrated the point, as a former Permanent Secretary in the Northern Ireland Office, by reference to crime and terrorism.

21. My first criterion for a well-managed Department of State, and for a well-managed government, has, therefore, to be its effectiveness in securing coherence and consistency of policy across government as a whole. It is a seamless robe; and that criterion is made harder to achieve if government degenerates into patchwork.

22. But my second criterion has to be that the customer is entitled to expect well-managed operations - effective and economical.

23. So, we have to square the circle; how do we get well-conceived and directed policy (which demands breadth of knowledge and breadth of vision) with well-managed delivery of services (which demands depth of knowledge of, and concentration on, the task in hand)? And how do we ensure that each takes account of the other?

24. Our approach in my Department, mirrored elsewhere in Whitehall, is to make separate provision for them inside the Department in identifiable bodies dedicated to the management of each service. And then to bind the whole together by across-the-board management of the central function of the Department, which is to service Ministers and Parliament in respect of the whole field of social services policy. If we go back to the birds-eye view of the Department (Chart 4), the requirement is obvious. We have responded to it by setting up, inside the Department, an NHS Management Board; a Social Security Management Board; a Social Services Inspectorate; Local Management Boards for the Special Hospitals; and we are currently reviewing in the light of the McColl Committee Report the management requirements of the 27 Artificial Limb and Appliance Centres. The whole is bound together by a Department Management Board (DMB), and the activities of the 51 operating Divisions within the Department are run under a "management accounting system supervised by the DMB. Looked at from alongside, rather than bird's eye, the structure is set out for you in Chart 5.

25. I said that my alternative title might be "looking for the bottom line". Perhaps there is no real bottom line in government, or at least no single one - particularly in my Department! - but we might get somewhere if we slice through the tangle with three separate, though ultimately linked, concepts.



26. Firstly, accountability under the law. You will recall that one of the two main functions of my Department - and all others - is to deliver the services prescribed by the legislation and policies for which the Secretary of State is responsible. All of our business revolves around the law in one form or another - there are 100 statutes in force and the 1500 sets of Regulations. The numbers are large because the legislation reflects both the complexity and range of our businesses and the concern of Parliament and the public to establish a secure basis of entitlement to services. And the law we administer provides for independent adjudication and appeal to Tribunals and the Courts. There is a clear bottom line here currently manifesting itself in the verdicts handed down by the Tribunals and the Courts. We see it also in the increasing use of the judicial review. The actions of Ministers and civil servants are being, and will continue to be closely scrutinised under the law. This is good, indeed essential. And if we lose too often, that is telling us something!

27. Secondly, the punctual delivery of services and benefits within the Department's budget, to the right people at the right time. Around two thirds of all families in Great Britain receive at least one benefit as part of their weekly income. There are over 30 different benefits; 16m new claims for benefit are made each year while 20m existing awards are reviewed. Many factors work to determine demand but provision has to be forecast and made so far as possible within planned public expenditure. And the public will be properly vociferous if the benefits and services are not there. At the same time, Parliament requires close control of administrative costs. The budgets of these services and the agencies involved in delivering them have to be accounted for, to Parliament and to the general public. This is, in a way, the easiest because everything is measurable.

28. Thirdly, the development of services to match current and prospective requirements and to achieve high - and better - quality services - whether in hospitals, public health, social security or social policies like caring for the elderly. If we don't come up with a response to AIDS or drug addiction, we have failed.

29. There is an enormous amount of continuing management effort directed to these three ends. I am not going to tempt fate by recounting the Department's achievements. We have plenty of good stories to tell, of unit costs reduced, overheads cut, services improved. We also have our failures. And we have our albatross - the requirement to account for every penny to a degree which makes Marks and Spencer's abolition of forms, which Lord Sieff mentioned last week, a pious dream.



## Working with Industry and Commerce

30. I turn now to our relations with industry. How is all this relevant to Industry Year 1986? One can take two views. First, government is an excessive burden, generated by a parasitic bureaucracy not yet imposing upon itself the drive for efficiency which world recession has imposed upon the private sector; not committed to necessary change; and if only public expenditure were substantially reduced all would be well. You will recognise the song, and could probably identify the several singers.

31. There is another view. Defence of the realm; maintenance of law and order; and of the value of currency; necessary provision of goods and services for those not yet in the labour market, excluded from it, or now beyond working age; protection of the environment - these are indispensable to the private sector too. They could not survive without them.

32. My view is simple and straightforward. We should be pursuing even more vigorously the identity of interest between, on the one hand, the necessary tasks of government and on the other, the proper ambitions of a profit-motivated private sector, to their mutual advantage. Lord Sieff referred to it as "sourcing from home". I offer an example:

33. First, suppose 30 years ago a visionary had foreseen that we could by such an approach use the purchasing power of the NHS to help create in the UK a pharmaceutical industry which:

- with only 4 per cent of the world market as its home base would rank sixth in the world league;
- would develop a substantial UK base of R and D so that 10 of the top 20 drugs by volume prescribed in the NHS would be developed in the UK and the industry would count Nobel prize-winners among its researchers;
- would employ 80,000 people in over 70 private sector highly profitable companies;
- would contribute a net £850 million a year to our balance of trade.

Suppose he had said this could be done by a voluntary agreement between the Health Departments and the industry. He would have been right. The facts today are as I gave them. And if he had been Japanese or French, the world would know about it.



34. Of course, there was a price. The NHS drug bill is high, over £1.5 billion a year and has grown steadily - but though we still consume too many drugs our NHS prescribing rate and our drug bill are lower than most Western countries. We shall go on bargaining hard with the industry, and they will shout at us for our intransigence - but the lesson is there. We could have gone for a cheap drug policy. Australia did. It lost its pharmaceutical industry.

35. We can also get it wrong: the McColl Committee brought out into the open for us what we had long suspected, that the small cartel of British firms who monopolised the supply and fitting of artificial limbs to the disabled have been giving a poor service at excessive cost - primarily because they have not been exposed to competition.

36. The moral is obvious:

Government purchasing can be no more than a soft option for inadequate industries providing inferior services to an undemanding customer. Equally it can be a spur to creativity. For example, in one year the DHSS spends approximately £3.01bn on goods; £1.3bn of this goes on drugs. And we are using advisers on procurement from the private sector to help us get this right.

This brings me to managing people.

#### Managing People

37. Here the contrast with Lord Sieff's picture is stark and disturbing.

38. Let us first be clear what we are talking about. The non-political Civil Service is still a necessary component in the machinery of government. But it is far from being the homogeneous body of popular journalism. The reality is easily summarised:

- most Civil Servants are under 30; with no more than a few O levels each; in junior grades earning at or below average male industrial earnings; work outside London; nearly half are women;
- few will spend most, or even much, of their working lives in the Civil Service;



- we are in competition, in this market, with building societies, banks, insurance companies and if we fail to pay the market-rate, we have only ourselves to blame if we waste our in-house training on high turnover rates;
- the higher ranks are not homogeneous either; they include two distinguishable, but overlapping groups:

First, those whose skills are acquired outside government but needed in it, like pharmacists, engineers, architects, doctors, nurses, computer scientists; these may join government service in mid-career and remain in it but increasingly we are buying in their expertise for short service and they return whence they came, commonly to the private sector. And again, we pay the market price or we don't get the skill.

Secondly, the group whose skills can only be acquired in government - subjects like social security; immigration and nationality; the judicial administrative system; defence administration; public health; international trade negotiations, to name but a few. And expertise in the craft of government itself, whether it be advising Ministers or Select Committees, drafting answers to Parliamentary Questions and replies to debates; preparing legislation.

39. To generalise about this varied collection is hazardous. But my balance sheet looks like this. First, the strengths of the material that any Permanent Secretary has to work with:

- a. Integrity and the absence of self-interest - which cannot always be assumed in the private sector but ought to be able to be taken for granted in the Civil Service; and is.
- b. Impartiality - as objective apolitical managers of public services.
- c. A commitment and conscientiousness to the public service which will not require personal gain or personal advantage to generate high motivation and sustained performance.
- d. Skill already referred to in the craft of government - which cannot be found in the private sector, which is essential for good government.



- e. Knowledge and experience of the subject matter of government.
- f. A willingness to consider and work for necessary changes; for the effective and efficient management of services; and to manage the change which is always taking place.
- g. A large reservoir of talent, including talent in the lower grades and in the large decentralised regional organisations, although it must be more effectively tapped.

40. Not a bad start. But there are weaknesses; and we are a long way indeed from having Lord Sieff's "stable and committed" workforce. These are the matters I worry about:

- a. Lack of relevant skills and a lack of wide experience: I have in mind personnel, procurement and other management skills, such as information technology; and specialised technical knowledge, for example - in the DHSS field - pharmaceutical science and epidemiology. Where these do not exist in the Civil Service they have to be bought in and, understandably, at market prices.
- b. A "closed" mentality: combining defensiveness and an unawareness of the extent of change that has occurred/is occurring in the rest of society. It just will not do these days for Civil Servants to maintain a sense of detachment from - still less what I fear sometimes in the past has verged on distaste for - industry and commerce.
- c. Performance not properly rewarded: poor/moderate performers have excessive security and management too few remedies to apply to them; pay for competent and outstanding performers is too closely related to seniority and not to performance.
- d. Morale: What is reported to me is that morale is low - a combination of denigration (public and private); defects in management; pay which particularly for the talented is increasingly out of line with the market; stressful and longer working hours especially at senior levels; poor working conditions; a lack of clear goals - and, perhaps most important of all, a sense of not being professionally defended in a climate of hostility. We come back to the point I made earlier about the permanent predator criticising everything.



41. It is not easy for a Permanent Secretary to assess this. But:

1. if we make government too complicated it won't be done properly;
2. if we want the same skills as banks and building societies, we won't get them at a lower price;
3. if we leave communications to the Trade Unions then it is hardly surprising if management (a) doesn't know and (b) cannot persuade;
4. slum accommodation in government offices will breed what slums always breed - slovenliness and irresponsibility;
5. if the market values our best people more than we do, why should they stay?
6. if Civil Servants believe (as many sincerely do) that Her Majesty's Ministers despise them, they will repay in kind. Ditto on politicisation.

42. We have been through a bad trough over the last decade under each of these heads. I believe we are coming out. But it requires a very positive lead by Permanent Secretaries, backed up by their Ministers, to get this right. I should make it clear that I have the total backing of my Secretary of State for the thesis that if public services are to be provided, then they ought to be good. That is why we have put so much effort into simplifying the schemes and improving the management. But we have a very long way to go.

43. What we see now is a thorough and determined drive, in all the major sectors of our national life, to give new responsibilities and incentives to individuals at all levels, so that they maximise their own output and quality of performance.

44. To sum up -

1. Management in a government department is no different in essence from what it is in the private sector - it's all about defining the objectives and delivering the results. The objectives and the results may be harder to define - but the process is much the same, and the prize is very great even if it isn't "profit".



2. Management in government, however, is in a continuing and permanent state of exposure to take-over predators; and political opportunism; and its work-force needs more defence and support than it has had hitherto against foolish criticism; as well as a greater readiness to change.

3. Size is a problem, but it is the size of government itself that is the essence of the problem. We should all be looking for ways of making government smaller.

4. The biggest - and most important - task is to make it all fit together with customer satisfaction, accountability under the law, and lastly services planned and delivered to time and to budget.

5. Finally the key to it all? People. And the most important task? Management development. Only managements, not workers, fail - and the good ones don't.

45. It is not easy to do all this within a very large public service. Inevitably we lack the flexibility in pay and other personnel practices that many industrialists take for granted. But we are making progress. The last few years have seen a greater management revolution inside the Civil Service than at any time since the war. It started a decade ago but has gained momentum in the last 4 years. I have been privileged to see this at the end of my career in government, to contribute to it and to spur it on. It is incomplete, but will be carried through; and, like comparable changes in industry, will bring large and durable benefits to our national life. It will harness to even better effect the enormous energy and competence at work in the figures before you. And it will I hope re-establish what has latterly perhaps been forgotten: to misquote slightly a famous phrase "the service of government is an honourable profession".



CHART 1

INFORMING AND ADVISING MINISTERS AND PARLIAMENT\*

- 6,400 Parliamentary Questions
- over 100 debates
- 35,000 letters from MPs requiring a Ministerial answer
- 63,000 letters in Headquarters from members of the public
- 50 deputations to Ministers led by an MP or Peer
- 100 cases investigated by the Ombudsman and requiring a response personally by a Permanent Secretary.

\* all figures for 1985



CHART 2

IMPLEMENTING PROGRAMMES AND POLICIES

- 800,000 new claims a year for retirement pension
- 900,000 new claims a year for other contributory National Insurance benefits
- 6 million new claims a year for supplementary benefit
- 20 million separate payments per week, mostly by order-book and giro at the Post Office.
- 1400 a year new drug product licences issued
- 12,500 a year adverse reaction reports on drugs
  
- nearly 5 million hospital in-patient cases in England
- 37 million hospital out-patient attendances in England
- over 5 million childhood immunisations in England
- 31 million courses of dental treatment in England
- 320 million prescriptions dispensed and paid for in England
- 10 million sight tests in England

In other words DHSS will, in any one month

- spend £4½ billion and raise £1861 million of public money
- make 80 million cash payments to individuals
- reimburse chemists for 27 million prescriptions
- enter 3 million records of NI contributions
- pay for 800,000 employees of Health Authorities in England
- pay 92,000 Departmental staff.



CHART 3

AGENCIES INVOLVED IN DELIVERING DHSS SERVICES

HOSPITAL AND COMMUNITY HEALTH SERVICES (ENGLAND)

- 14 Regional Health Authorities
- 191 District Health Authorities
- 8 Special Health Authorities governing London post-graduate teaching hospitals
- 1900 hospitals

FAMILY PRACTITIONER SERVICES (ENGLAND)

- 90 Family Practitioner Committees
- 54,000 independent contractors - GPs, opticians, dentists, pharmacists.

PERSONAL SOCIAL SERVICES (ENGLAND)

- 92 local authority social services departments; voluntary agencies

SOCIAL SECURITY (GT BRITAIN)

- 2 DHSS central offices:
  - Newcastle (retirement pension, child benefit)
  - Blackpool (attendance allowance, family income supplement)
- 509 local offices (supplementary benefit; maternity, sickness and invalidity benefits)
- Department of Employment Unemployment Benefit Offices (unemployment benefit)
- Local authorities (housing benefit)
- Employers (statutory sick pay, occupational pensions)



CHART 4

FUNCTIONS AND MANAGEMENT OF DHSS

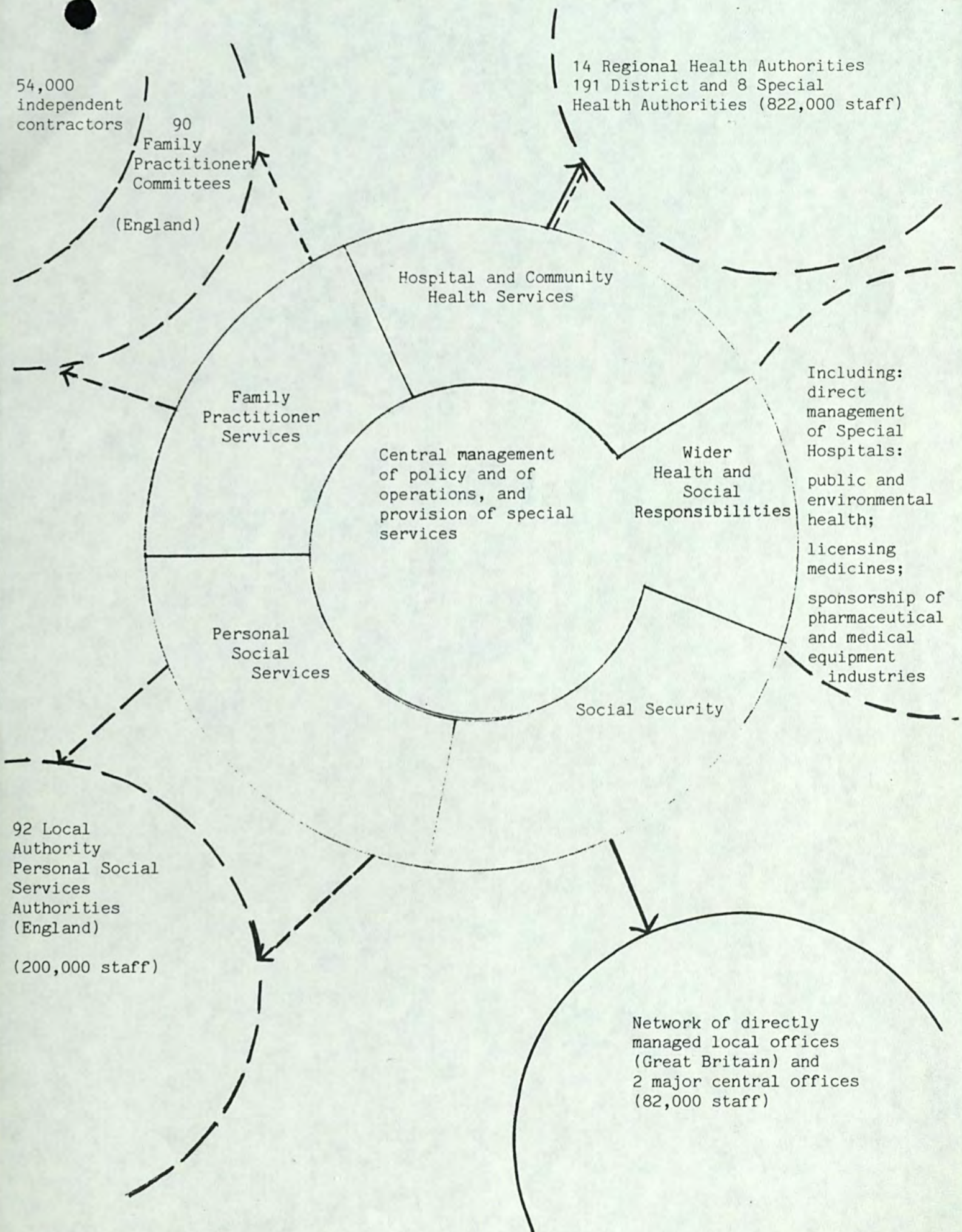




CHART 5

THE DEPARTMENTAL MANAGEMENT

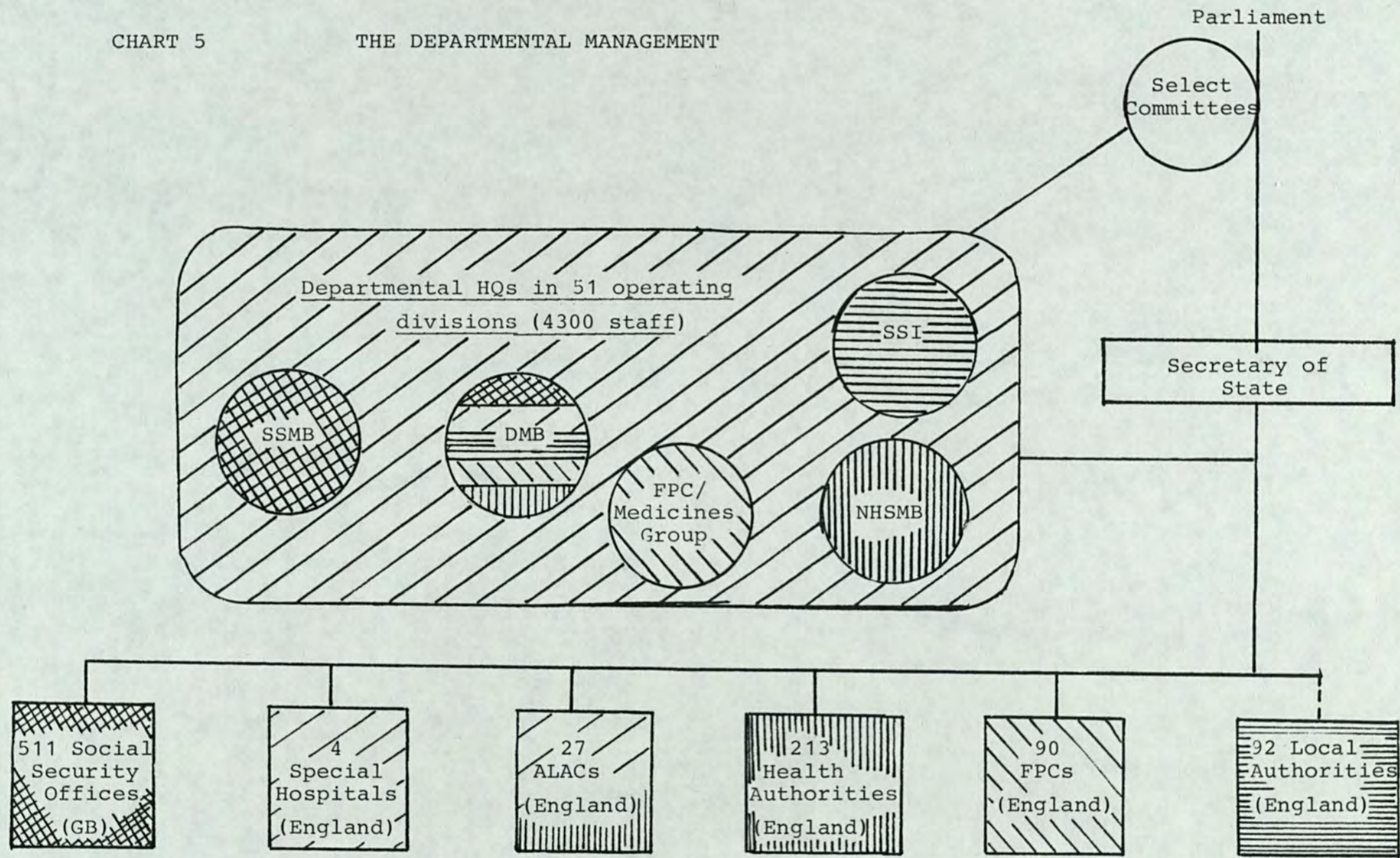


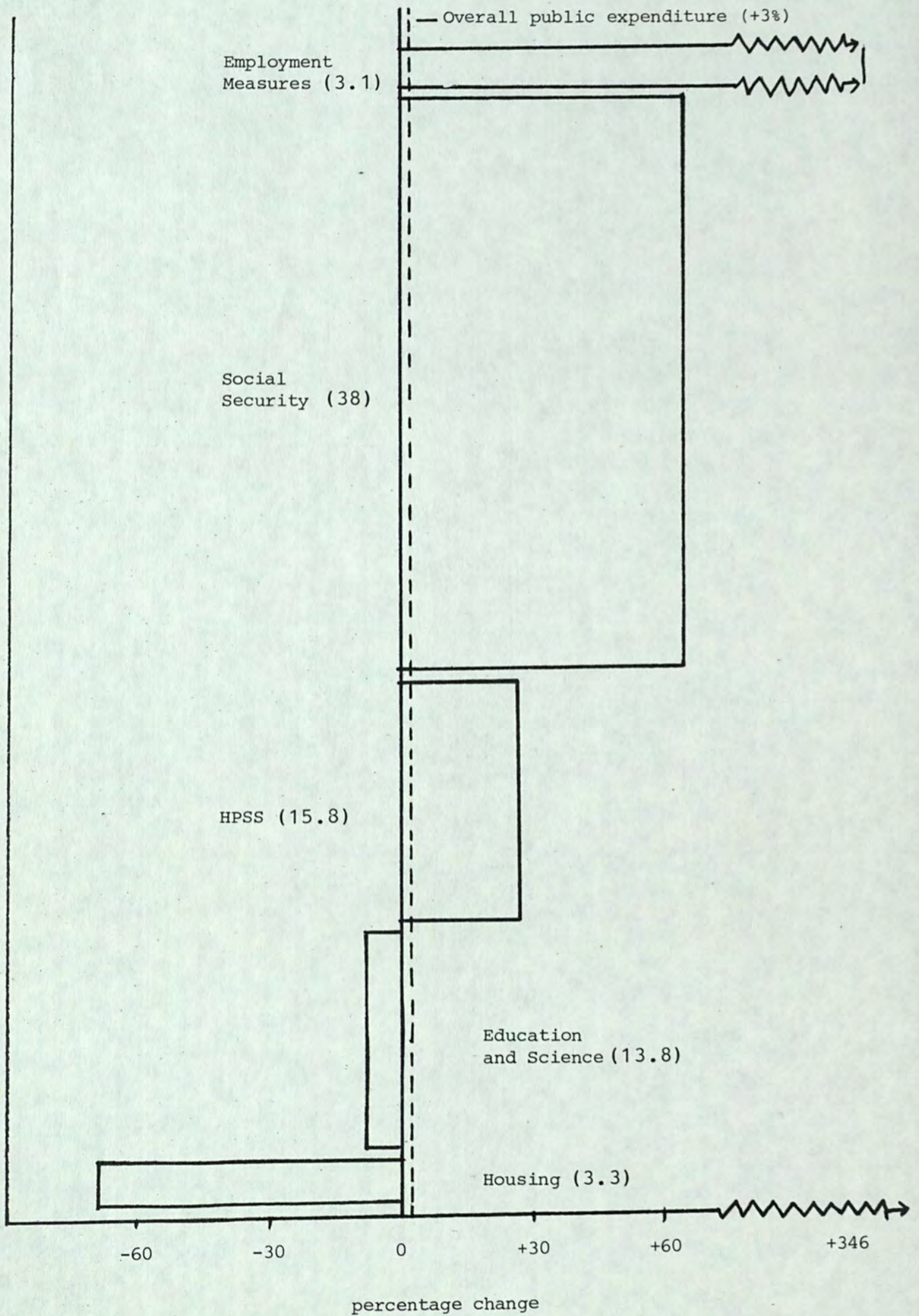


CHART 6

MAJOR SHIFTS IN EXPENDITURE BETWEEN 1974-75 AND 1984-85

(REAL TERMS)

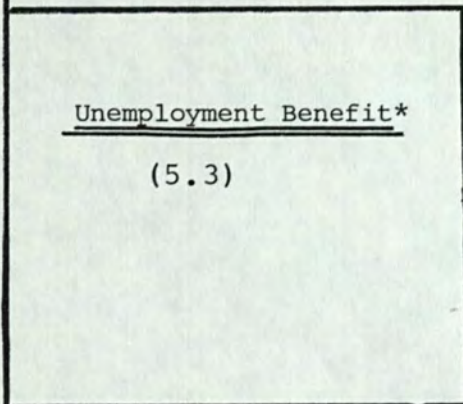
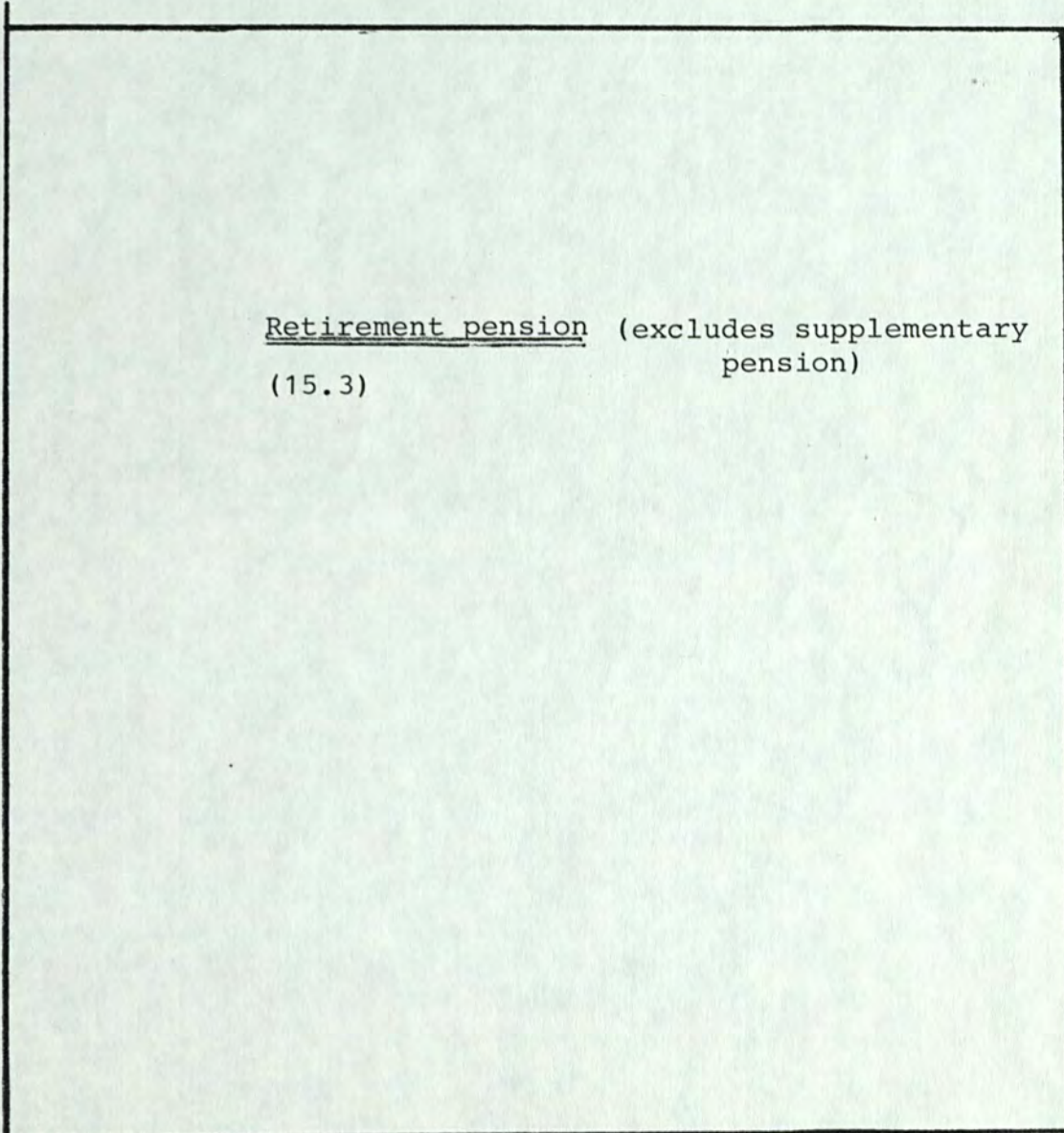
1984/85 expenditure billion (figures in brackets)





GROWTH IN COST OF RETIREMENT PENSION AND UNEMPLOYMENT BENEFITS

1984/85 expenditure £billion (figures in brackets)



\*includes supplementary benefit paid to unemployed

2 4 6 8 10 12

£ billion increase 1974-75 to 1984-85 (real terms)



