

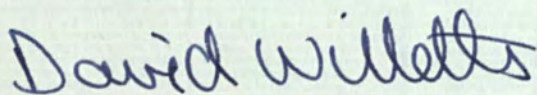
27 March 1985

MR BUTLERSOCIAL SECURITY EXPENDITURE

I attach two tables as background for this afternoon's meeting with the Chancellor.

The first table shows Social Security expenditure broken down in two ways: pledged/unpledged; and statutory/non-statutory indexation.

The second table gives rough figures for savings from not uprating the main unpledged, non-statutory benefits.

DAVID WILLETTS

SOCIAL SECURITY EXPENDITURE 1984-85 (£M)

PLEDGED

Statutory Price Indexation

Attendance Allowance	568
Industrial Disablement Benefit	382
Industrial Death Benefit	56
Invalid Care Allowance	11
Invalidity Benefit	2,074
NCIP/SDA	232
Retirement Pension	15,397
Widows' Pensions	794

Total 19,514

No Statutory Price Indexation

Supplementary Pension	871
War Pensions	544
Non-contributory Retirement Pensions	46

Total 1,461

Total Pledged Benefits 20,975

UNPLEDGED

Statutory Price Indexation

Maternity Allowance	157
Sickness Benefit	268
Unemployment Benefit	1,597

Total 2,022

No Statutory Price Indexation

Child Benefit	4,272
One-parent Benefit	122
Family Income Supplement	131
Supplementary Allowance	5,496
Mobility Allowance	361
Housing Benefit	2,778

Total 13,160

Total Unpledged Benefits 15,182

SECRET

NO UPGRATING OF UNPLEDGED, NON-STATUTORY BENEFITS

	<u>1985/86</u>	<u>Savings (£m)</u> <u>1986/87</u>	<u>1987/88</u>
Child Benefit	70	210	220
One-Parent Benefit	5	10	10
FIS	10	30	30
Supplementary Benefit (except pensioners)	90	260	270
Mobility Allowance	5	20	20
Housing Benefit (pe)	20	50	50
(rate rebates non-pe)	20	55	55
<u>TOTAL (rounded)</u>			
pe	<u>200</u>	<u>580</u>	<u>600</u>
non-pe	20	55	55

Note: These figures assume an uprating of about 5%. The higher the rate of inflation, the bigger the savings.

SECRET