

NOTE FOR THE RECORD

SOCIAL SECURITY REVIEW
NOTE OF POINTS MADE BY THE CHANCELLOR OF THE EXCHEQUER
TO THE PRIME MINISTER AT HIS BILATERAL
ON MONDAY 15 APRIL

The Chancellor said that he was still hoping for further savings from the Social Security Review. In ascending order of importance, he was considering the following possibilities:

(i) Supplementary benefit: less than full uprating for all or some recipients of benefit.

(ii) Housing Benefit: reducing the ceiling on reimbursement on rates from 80 per cent to 75 per cent.

(iii) Child Benefit: creating a presumption that child benefit would not be indexed by projecting it in the public expenditure figures at its presently proposed level.

(iv) Deferring the operative date of the 1986 uprating until April 1987: the Prime Minister doubted whether this could be done in a single move.

The Chancellor also said that he would prefer that the results of the Review were published as a White Paper rather than as a Green Paper. They were in fact firm proposals, and, if the Government suggested that there were scope for comment on them this would invite pressure for concessions which would reduce the public expenditure savings. The Prime Minister had some sympathy with this view, but said that it would have to be one of the matters decided by Cabinet.

F.R.B.

15 April 1985