

PRIME MINISTER

National Pensioners' Convention

You are to see the National Pensioners' Convention Steering Committee tomorrow at 1630 with Mr. Fowler. Attached is comprehensive DHSS briefing. You might particularly want to draw on figures at Flag E1 on the implications for National Insurance contributions of the NPC's proposals. To meet the cost of the delegation's proposed increases in pension levels and other long term benefits would require a 64% increase in the National Insurance (post April 1983) rates. This would mean increases of £9.54 a week for male average earners and £6.07 for female average earners. The employers' contribution would rise by £11.08 and £7.05 respectively. If, to spare employers extra costs in order to help employment, the full cost would fall on employees and the self-employed: this would mean a massive 139% increase over April levels or an extra £20.63 for the male average earner or £13.13 for the female average earner.

JH.

28 February 1983

Mr C Phillips

LABOUR PARTY'S 12 POINT PLAN FOR PENSIONERS

1. I attach a copy of the 12 point plan for pensioners announced yesterday by the Leader of the Opposition. Also attached is a note setting out the estimated cost of each proposal, where that is possible.
2. Many of the proposals were previously contained in the Labour Party Policy document, "Labour's Programme '82", published last Summer. That document showed that the following measures were being contemplated to raise some of the necessary revenue to pay for the additional public expenditure proposed:-
 - i. Bring down the starting point of the higher rates of tax and remove the ceiling on national insurance contributions (£1 billion)
 - ii. Limit the open-ended nature of tax reliefs (not costed)
 - iii. Phase out the married man's additional personal allowance over 3 years (£3 billion)
 - iv. Switching from a single rate VAT towards differential rates, more like the old purchase tax (food, fuel, children's clothing and public transport would be exempted)
 - v. A wealth tax on capital holdings, including owner-occupied houses, over £150,000 (yield £600 to £800 million)
3. It is difficult to cost the pensions package precisely partly because the detail is not fully spelt out and partly because the timescale for implementation is not indicated. However we do know that the TUC have urged the Chancellor to raise the pension this year to £39.50 for a single person (about 25 per cent of national average earnings) and to £63.50 for a couple (about 40 per cent of average earnings). This would mean increases of 20 to 21 per cent, which would involve a minimum public expenditure cost of £2.3 billion in a full year. We also know that the cost of raising retirement pension (only) to one-third or one half of average earnings for existing pensioners would be around £6 billion, rising to £14 billion if other benefits rose pro rata. The other major cost item is the £2.5 billion cost of lowering men's pension age to 60. The remaining items taken together would involve a total cost in the region of £1.2 billion.
4. *The ending of the earnings link has not necessarily caused a loss to pensioners of £1-45 (single) or £2-25 (married). Much depends on the actual uprating decisions that would have been made if the old link had remained, from year to year. A note on this will follow.*

E. Luxton.
 E LUXTON
 C2
 Room 104 FRH
 Ext 4162

2 March 1983

cc Mr Evans
 Mr G Brown
 Mr Joyce
 Mr Woodfield
 Mr Partridge
 Mr Heppell
 Mr J H Ward
 Mrs Bowtell
 Mr Walmsley
 Mr Tuck
 Mr Ferran

24 February 1983

National Pensioners Convention

The Prime Minister has to be in the Chamber for the opening of a debate immediately after Prime Minister's Questions next Tuesday. It is possible that she may be a few minutes late for your meeting with her at 1630 but it all depends on Parliamentary business. This is just to send her apologies, in advance, if she is a minute or two behind time.

Timothy Flesher

P. Jacques, Esq.

Person Mky.

Tim



Additional, optional

briefing, as discussed.

Colin 25/2

Mr C Phillips ^{25/2}

Further to the briefing material forwarded on 21 February I now attach

- a. speaking notes on the main issues and other issues
- b. background briefing on water service charges covering
 1. rebates for water service charges
 2. standing charges for water services charges, and
 3. refunds of water services charges as a result of disruption to supply during the recent water strike.
- c. A copy of the leaflet circulated by the London Joint Council for Senior Citizens and TGWU, retired members association. The speaking notes incorporate the slight change of emphasis between this list of 'requests' and those in the Declaration of Intent (ie the inclusion of water rebates, the advancement of 'additional' earnings related pensions to all pensioners against the increase on basic pension to $\frac{1}{3}$ and $\frac{1}{2}$).
- d. copy of EDM No 341.

SPEAKING NOTES

Main Issues

1. Value of pensions and the 1983 uprating
2. Standing charges - progress from last year
3. Heating costs
4. Declaration of Intent - impossible burden

Other Issues

5. Additional pensions for all pensioners
6. Free public transport
7. Restore the real value of the Christmas bonus and death grant
8. Six monthly upratings
9. Lower pension age/flexible retirement/pensioners' earnings rule
10. Community and Personal Social Services
11. Housing
12. Education/leisure

SPEAKING NOTE

Main Issues

1. Value of pensions and the 1983 uprating

The government will abide by its pledge to maintain the real value of pensions over the lifetime of this Parliament. Since we took office pensions have risen by 68.5 per cent over the four upratings ending with the 11 per cent rise last November. In the same period the RPI has gone up by only 61.0 per cent and the pensioner price indices have risen by only 57.5 per cent to 58 per cent.

With the forecasting method of uprating (introduced by the last government in 1976 to save £500 million) there is always the risk of a wrong forecast. We aim to ensure that any errors that arise are taken into account at the next following uprating. In 1982 we made good the 2 per cent shortfall from the 1981 uprating. Our success in bringing down inflation faster than expected has meant a gain of 2.7 per cent last November for pensioners beyond what was needed to keep up with inflation. We have decided, in principle, that some adjustment to allow for this should be made at the November 1983 uprating, but we have not yet decided what it should be. We have to balance the case for an increase in the real value of benefits with what the country can afford and with the need to consider other important and desirable improvements in the social security scheme and elsewhere.

2. Standing Charges - Progress from last year

When last year's deputation came we made clear our intention to look hard at the question of standing charges. Since then special help has been given to relieve the burden of such charges on low usage consumers of gas, electricity and telephones. For gas and electricity the standing charge cannot exceed half of the total bill. For telephones there will be a rebate of up to £3 on the quarterly telephone rental for those who have the telephone primarily for incoming calls. I am sure these measures will be warmly welcomed by members of this [afternoon's] deputation.

I am not convinced that we should relieve all pensioners of the cost of standing charges. For gas and electricity alone this would add £300 million to costs which would have to be recouped either through significantly increased unit charges - which would bear hardest on those who needed extra heating; or through much higher charges generally for other consumers, many of whom are no better off than the generality of pensioners. Similarly free TV licences for pensioners would reduce BBC revenue by £250 million a year, unless the licence fee for everyone else were increased by 50 per cent.

We think it better to concentrate attention on ways of keeping down the level of such charges by sensible, efficient management by the industries concerned, low inflation and the establishing of the conditions for sustained economic growth.

3. Heating costs

Our strategy has been to concentrate help on those in greatest need. We have given a special boost to heating additions, benefitting, at a cost of over £325 million a year, some 1½ million pensioner households, including all supplementary pensioners over 70.

The costs of extending heating additions to other groups are very high, and more than we can at present afford. It would cost £500 million to extend even the lower rate heating addition to all pensioners, or £250 million to extend it to the 2 million pensioners on rent and rate rebates.

4. Declaration of Intent - impossible burden

The cost of implementing the proposals in the declaration of intent would be phenomenal. Many items are unquantifiable in terms of cost but to take an example - increasing pensions to half of average earnings for a married couple and one third for a single person would alone come to £14 billion a year. This represents about a 50 per cent increase in public expenditure on social security. There is no way that our present economy could sustain expenditure of such magnitude.

We have now got inflation under control. We must now look to rebuilding the economy and making our industries more competitive. It is only by sustained economic growth that we can begin to achieve a better standard of living for all our people, pensioners included. To run before we can walk by spending such vast amounts of money would be foolhardy in the extreme and would undo all the work we have done; and all the sacrifices that have been made over the last few years will have been in vain.

Other Issues.

5. "Additional Pension" for all pensioners

The new pensions scheme was introduced by our predecessors and they clearly did not find it possible to devise a system of crediting-in existing pensioners who would not otherwise benefit from the earnings related additional pension. Entitlement to the additional pension is building up gradually for those who retire over the next 15 years. It will not be fully mature until 1998. The scheme is a

contributory one based on earnings since 1978. To provide now substantially increased pensions of the order of half of average earnings for a married couple for those who have not contributed would place an intolerable burden on employers and the working population. Many would already claim that their national insurance contributions, due to rise again this April are too high. It would mean additional expenditure of about £14 billion a year and an overall increase in contributions of 64 per cent on next April's rates. There is a limit to the burden we can put on the working population.

6. Free public transport

A national scheme is not the answer. Decisions must rest with local authorities, familiar with local needs and priorities, to decide how scarce resources should be spent. To provide a nationwide scheme similar to London's free scheme would cost in the region of £400 million. There are many different ways of helping elderly people which make demands on scarce resources and it is best that these are left to local choice. Not all elderly people live close enough to, or are able to use public transport.

7. Restore real value of Christmas Bonus and Death Grant

We would like to do more with regard to the Christmas Bonus if we had the money to do so. But to increase it to £37 to restore its original value for 10½ million beneficiaries would cost £286 million. Even a £20 bonus would cost an extra £106 million. In the present economic climate we cannot give priority to such expenditure.

At least this government made it a permanent feature of the social security scheme. Similar considerations apply to the death grant. We cannot commit an extra £120 million to raise the grant to £200 for everyone irrespective of need.

8. Six monthly uprating

More frequent upratings of pension increase total costs, since

a. part of the normal annual pension increase is brought forward to an earlier date (each 1 per cent of pension brought forward by 6 months would increase the total annual cost by £150 million)

b. additional administrative costs are incurred (the costs are virtually doubled if there are 2, rather than 1, upratings a year).

The last Labour government reduced the interval between upratings for a period between July 1974 and November 1975 when there were 3 pension increases in 16 months. But at the time inflation was rising through the roof (at an annual rate of 27 per cent at its August 1975 peak) and once inflation started to fall the decision was taken to revert to annual upratings each November. This has been the pattern since November 1975.

It is more important to pensioners to work to bring down inflation than to introduce new arrangements which add to inflationary pressures. Inflation is now down to low single figures and the government will be aiming to keep it there.

9. Lower pension age/flexible retirement/earnings rule

We cannot reduce men's pension age to 60 because of the considerable costs involved - some £2500 million a year. We favour eventually moving towards a scheme of flexible retirement with a common pension age for men and women, and we are now considering the Social Services Select Committee's recommendations for such a scheme with a common pension age of 63. We shall publish our response to the Committee's recommendations in due course. We intend to phase out the earnings rule as soon as resources permit. In the present economic circumstances we are unable to commit resources to the £140 million gross of doing so. (£55 million net).

10. Community and Personal Social Services

We have kept our promise to maintain and develop the NHS and we expect local authorities to give priority to the further development of services for the elderly, especially the most vulnerable and frail. It is for each local authority to determine the appropriate levels of services for elderly people in the light of local needs and resources. I believe this is the right approach. Every local authority should be able to provide basic services where they judge that there is a need.

11. Housing

We believe that most elderly people want to stay in their own homes for as long as possible. The home improvement grant system has been made more flexible and repairs grants have been introduced for older properties. Priority rates have also been introduced for old people to insulate their homes.

We have continued support for the development of rented sheltered housing and the Housing Association's allocation for 1983/4 is now one third higher in cash terms than for 1981/2. This will enable them to continue to support a large programme of sheltered housing for elderly people. We are also looking to sheltered housing schemes for outright sale or sale on co-ownership terms.

12. Education/leisure

We hope that local authorities will continue to secure access to educational facilities for all adults and take full account of elderly people in planning their provision. Most authorities offer concessionary fees to retirement pensioners and under our expenditure plans for 1983/4 it should be possible for this subsidy to be increased. We have had an encouraging response to our initiative to get private sporting facilities opened up for community use. The Sport's Council's "Fifty Plus" scheme has also attracted considerable interest among people in their sixties and seventies who wish to take up new activities.

C2: Feb 1983

BACKGROUND BRIEFING FOR THE PRIME MINISTER'S MEETING WITH MR JACK JONES ON
1 MARCH 1983

WATER SERVICES CHARGES

REBATES FOR DOMESTIC CONSUMERS (UNDER NORMAL CIRCUMSTANCES)

It is often suggested that there should be a rebate scheme for water services charges on the same lines as the rate rebate scheme. The fundamental difference is that the general rate is a tax on the beneficial occupation of property and within the taxation system generally it has been the practice to allow rebates to reduce the liability of those on low incomes or in special categories. Water services charges on the other hand are fees for services provided in much the same way as gas and electricity charges even though they are levied mainly on the basis of rateable value.

Water authorities are obliged under the Water Act 1973 to levy cost-related and non-discriminatory charges. If there was a rebate scheme for some consumers, the cost would simply have to be recovered from others. This is not considered acceptable and there can be no question of rebates being funded by the Exchequer since this would only add to public expenditure.

Successive governments have adopted the policy that if help needs to be given it should be done through the social security system; that is why the full cost of water services charges are taken into account when supplementary benefit is calculated. In broad terms a person is likely to qualify for supplementary benefit if their only income is a state pension and they do not have savings in excess of £2,500.

Line to Take

We have no plans to introduce a rebate scheme; for those in greatest need help is available through the social security system. This ensures that the best use is made of limited resources that are available.

Standing Charges

Standing charges have been introduced by most water undertakers as part of the two-part tariff method of charging. The purpose is to improve the link between actual usage and charges raised against individual consumers on a rateable value

basis. The fixed part of the tariff moderates the effect of differences in rating valuation on individual bills and also makes a contribution to those costs which do not vary with use such as the provision and maintenance of sewage works, reservoirs and water mains. However, the water industry is re-examining the question of standing charges in view of the decisions taken by the Electricity Council and the British Gas Corporation to limit standing charges for domestic consumers to 50% of their bill.

Line to Take

Although there are clear differences in the way that charges are levied for water services charges and gas and electricity charges on the other hand, nevertheless the water industry is re-examining the question of the level of standing charges in view of the decisions taken by the Electricity Council and the British Gas Corporation to limit the standing charges for domestic consumers to 50% of their bill. The Government will make an announcement when this review has been completed.

Refunds of Water Services Charges as a result of disruptions of supply during the recent water strike

As a matter of urgency the Government asked the water industry to consider in what circumstances it would be right to give refunds on domestic water services charges where consumers have suffered hardship which could be clearly identified. The industry came forward with its proposals on 23 February. It suggests that rebates should be confined to domestic consumers who were continuously deprived of bulk supply for at least a few days (those that had a piped supply but had to boil the water would not qualify) and that abatement should be related to water supply charges only (not sewerage charges). The industry are proposing a minimum rebate of £1. The Secretary of State for the Environment has welcomed the industry's proposals but has suggested that all domestic consumers deprived of piped supply for the qualifying period should receive a minimum rebate of £1.

There is no legal liability on the industry to make rebates. The scheme has been developed expressly as a mark of goodwill to domestic consumers who have suffered considerable hardship as a result of the strike. In all some 84,000 customers will qualify for refunds at a total cost of £1m.

Line to Take

This is both an encouraging and responsible action on behalf of the water industry towards its consumers who have suffered the greatest difficulty during the recent unfortunate water strike. The Government fully endorses the action that has been taken.

A
FAIR DEAL
FOR
PENSIONERS



LOBBY OF PARLIAMENT

TUESDAY

MARCH 1st, 1983

COMMENCING ST. STEPHEN'S ENTRANCE at 2 p.m.

OUR REQUESTS:-

- NO "CLAW BACK"!
- ABOLITION OF STANDING CHARGES FOR PENSIONERS ON GAS, ELECTRICITY, WATER, TELEPHONES & T.V.
- PAYMENT OF 'ADDITIONAL PENSION' TO ALL PENSIONERS
- INCREASED HEATING ALLOWANCE FOR ALL PENSIONERS DURING WINTER MONTHS AND NO DISCONNECTIONS
- INTRODUCTION OF NATIONAL SCHEME OF FREE PUBLIC TRANSPORT FOR PENSIONERS
- XMAS BONUS AND DEATH GRANT TO BE INCREASED IN LINE WITH THE MOVEMENT OF PRICES SINCE THEY WERE FIRST INTRODUCED and
- ACCEPTANCE OF "THE DECLARATION OF INTENT" OF THE NATIONAL PENSIONERS CONVENTION

ISSUED BY LONDON JOINT COUNCIL FOR SENIOR CITIZENS and TGWU RETIRED MEMBERS ASSOCIATION

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NOTE FOR THE LEADER OF THE HOUSE, THURSDAY 24 FEBRUARY

341 RIGHTS FOR PENSIONERS

Mr Stan Crowther
Mrs Renée Short
Mr Kevin McNamara
Mr Hugh McCartney
Mr John Silkin
Mr Gordon Oakes

Mr Lewis Carter-Jones
Mr Robert Parry
Mr David Marshall

Mr Gregor Mackenzie
Mr Sydney Bidwell

Mr Harry Gourlay
Mr Gwilym Roberts

* 13

That this House welcomes the 1st March lobby of representatives of pensioners' associations and affirms its support of the priority for a pension level of one half of average gross national earnings for a married couple and one third average gross national earnings for single persons; and urges that steps should also be taken to close the gap between the pre-1979 and post-1979 pensioners, to introduce a national scheme for concessionary fares, to restore the original purchasing power of the Christmas bonus, to provide free television licences for pensioners living alone, to cancel standing charges for gas, electricity and telephones for retirement pensioners living alone and to increase substantially the death grant.

Line to take

I am pleased to say that a deputation from the lobby will be met by my right hon Friends the Prime Minister and Secretary of State for Social Services. But it would be wrong for the House to suggest to pensioners that measures could be readily implemented which would add at least £15 billion to public expenditure.

(Cont'd)

BACKGROUND NOTE

The Lobby of Parliament on 1 March is being organised by the National Pensioners' Convention (NPC), an umbrella body which brings together the TUC and all the major national organisations representing elderly people. The TUC provides the Secretariat for the organisation and one of its leading lights is Mr Jack Jones, ex-leader of the TGWU. The aim of the NPC's activities has always been the implementation of the "declaration of intent", a self-styled bill of rights for pensioners. Full implementation of the proposals in the declaration of intent would cost something in the region of £20 billion, of which the major item is the £14 billion cost of raising pensions to one-half or one-third of gross average earnings for a couple and a single person respectively. To meet such a cost from National Insurance Contributions would require a 64 per cent increase on the rates payable by working people and their employers. This is equivalent to £9.54 a week for a working man on average earnings and £6.07 a week for a woman on average earnings. The corresponding contribution from the employer would rise by £11.08 and £7.05 a week respectively.

A deputation from the lobby is to meet the Prime Minister and Secretary of State for Social Services on 1 March to discuss its proposals.

VP



GR
PP's?
c/r

DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

BF ~~Per 28/2/83. for Tuesday's needs~~

Tim Flesher Esq
Private Secretary
10 Downing Street

22 February 1983

See E1 for
National Insurance
implications

Dear Tim,

I enclose briefing for the Prime Minister for the meeting on Tuesday 1 March with the National Pensioners Convention Steering Committee. It comprises summary briefing on the items contained in the "Declaration of Intent" and a summary of the costs of implementation. Detailed briefing follows on each item in the declaration and other topics which might be raised. There are also press cuttings from the "Morning Star" and the "Guardian" - these may also come up in the course of the discussion.

Mr Fowler is meeting tomorrow with a delegation of pensioners and if this meeting raises any potential topics I will see that adequate briefing is prepared to cover them.

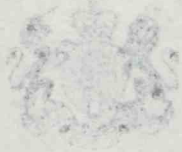
Mr Fowler will, as you know, attend the meeting on 1 March.

Yours ever,

C A H Phillips

C A H PHILLIPS
Private Secretary

Enc



DEPARTMENT OF HEALTH & SOCIAL SECURITY
Special Branch, London
Telephone No. 01-276 3500
The Secretary of State for Health

22 FEB 1983



CONFIDENTIAL

NATIONAL PENSIONERS' CONVENTION: MEETING WITH PRIME MINISTER AND SECRETARY
OF STATE FOR SOCIAL SERVICES - 1 MARCH 1983

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THE NATIONAL PENSIONERS' CONVENTION (NPC)

Origins

The NPC was set up in 1979, not long before the last General Election, at the instigation of the TUC.

Composition

The NPC brings together the TUC and all the major national organisations representing elderly people. These include the National Federation of Old Age Pensions Associations, the British Pensioners and Trade Union Action Association, Age Concern and Help the Aged. The TUC provides the secretariat for the organisation. Jack Jones, ex leader of the TGWU is one of the leading lights in the organisation.

Aims and
Activities

The Convention's first organised event was a national convention held in June 1979 at Central Hall, Westminster, attended by 2,000 people who approved the 'declaration of intent' which had been drawn up by the TUC. The third Convention and Lobby of Parliament took place on 18 February 1982. The Prime Minister and the Minister of State for Social Security (Mr Rossi) met a small delegation that afternoon at which the declaration of intent was discussed in detail. On 8 March 1982 Mr Rossi wrote to the NPC Secretary, Mr Norman Willis, giving details of the costs of implementing the declaration of intent and explaining why it was not possible to do this. The fourth Convention is planned for 1 March 1983 and will be followed by a Lobby of Parliament. Other activities have included lobbies of party conferences, town hall and gas board showrooms. The aim of the NPC's activities has always been the implementation of the declaration of intent.

SUMMARY OF BRIEFING ON DECLARATION OF INTENT

PROPOSAL

1. Pension of $\frac{1}{2}$ average earnings for couple
 $\frac{1}{3}$ for single person

2. Six monthly upratings

3. Adequate heating allowance covering all fuels

MAIN POINTS

1. £14 billion cost

2. Government already committed to substantial extra costs of new pensions scheme which will come to provide pensions of this order in longer term

1. Would add £150 million to cost in financial year for each 1 per cent brought forward (All benefits)

2. Pattern of November upratings set by previous government in 1975, and maintained through periods of high and low inflation

3. The 2 per cent shortfall in 1981 was made good in November 1982

4. The 1982 forecasting error will be taken into consideration when deciding the 1983 uprating, but pensioners will have benefited from this for a year

1. All supplementary pensioner householders over 70 qualify for basic rate heating additions on top of normal scale rates. (Basic rate £1.90; higher rate £4.65). Others qualify in cases of poor health or where the accommodation is difficult to heat.

2. These heating additions increased in 1980 to their highest ever real value and the further increases in 1981 and 1982 more than maintained that improvement

3. Of £325 million special help to poor fuel consumers £200 million goes to pensioners. $1\frac{1}{2}$ million pensioners get supplementary benefit heating additions.

PROPOSAL

3. (Contnd)

4. £20 Index linked Christmas Bonus

5. Retirement pension from 60 with no earnings rule

6. Adequate death grant for everyone

MAIN POINTS

4. Extending the basic heating addition to pensioners on rent and rate rebate would cost an extra £250 million. Extension to all pensioners would cost in the order of £500 million

5. Pensioners on rent/rate rebates qualify for 90 per cent grant (up to £90) under Homes Insulation scheme introduced in 1980. Others pensioners qualify for 66 per cent.

1. Cannot be a priority at present

2. £20 bonus would cost extra £106 million

3. This Government made bonus a regular feature.

1. Cost of lowering male pension age to 60 is £2.5 billion, therefore too expensive

2. Social Services Committee recommends common pension age of 63 within a scheme of flexible retirement. Government considering response.

3. Government has promised to phase out earnings rule (in respect of present pension age) as soon as resources permit.

1. Unchanged for 15 years.

2. Would cost extra £120 million to pay £200 for all deaths (ie to pay at the real value of the standard grant (£20) in 1949)

3. Consultative document published March 1982 set out 3 options which would concentrate existing resources where most needed. No marked support for any particular option. Government considering what further action to take. Resources not available for across-the-board increase.

PROPOSAL

7. Free health care on demand

8. Availability of community and social services

9. Appropriate accommodation including choice

10. National scheme of travel concessions

11. Access to education and leisure facilities

MAIN POINTS

1. The full range of National Health Service provision is available to everyone, irrespective of age

2. All people of pensionable age are exempt from prescription charges.

1. Local authorities have been asked to protect these services and develop them wherever possible.

2. Every authority should be able to provide basic services (such as home helps, meals on wheels and day care) where they deem there is a need.

1. Measures have been taken to help people remain in own homes eg more flexible improvement grant system.

2. Encouragement is being given to wide range of housing options - including part private part public financing of shared ownership sheltered schemes.

1. National scheme is not the answer. Decisions whether to provide concessions should remain with individual local authorities to determine in the light of local circumstances and priorities.

1. Government hopes that local authorities will continue to secure access to educational and leisure facilities for adults of all ages, and take full account of the needs of elderly people in planning provision.

BASIC RETIREMENT PENSION OF HALF AVERAGE GROSS EARNINGS FOR A COUPLE, AND ONE THIRD FOR A SINGLE PERSON

LINE TO TAKE

To increase retirement pensions and associated long-term benefits to half average earnings for a couple and one-third for a single person would cost about £14 billion a year and is therefore totally out of the question in the present economic climate. The necessary additional resources would have to be paid for through substantially increased national insurance contributions and income tax. To place an extra burden of this magnitude on the working population would simply delay and even jeopardise the recovery of the economy and would result in pensioners suffering along with the rest of the country.

The level of pensions can only be improved over a period of time and in fact this is what the new pensions scheme, in partnership with the occupational pension schemes, is doing. But this gradual improvement is as much as can be afforded at present. Nevertheless, the Government has promised to price protect retirement pensions and other long term benefits over the lifetime of this Parliament. The Government has also made it clear that, as the economy improves, pensioners will share in the rising living standards.

Background Notes

1. The new pension scheme, introduced in 1978, will provide pensions at approximately the proposed level when it matures for those retiring in 1998 and later. A person on average earnings will receive about 40% of average male industrial earnings as a single person, or 52 per cent for a married couple. The Government Actuary's report, "Long Term Financial Estimates" published in July 1982 shows the build up of expenditure and the increases in contribution rates required to meet this.
2. The new pensions scheme is already having a significant effect on pension levels for people currently reaching retirement age. Thus it is already possible for someone to have £9.59 weekly in additional earnings-related component on top of their basic pension. Even so it is necessary to bear in mind that most of the current generation of pensioners will have had

little or no opportunity to contribute to the scheme and so will not receive the higher pensions levels paid to people now reaching retirement age.

3. An indication of the effect on national insurance contribution rates of implementing this proposal is as follows:

For a man on gross average earnings of £165 a week the standard NI contribution will be increasing in April from £14.44 to £14.85, an increase of 41p a week. His employer's contribution will increase from £16.83 to £17.24 a week, an increase of 41p, plus the National Insurance Surcharge.

A woman on average earnings of £105 a week will find her standard NI contributions rising in April from £9.19 to £9.45 a week, an increase of 26p. Her employer's contribution will increase from £10.71 to £10.97 an increase of 26p a week, plus the National Insurance Surcharge. If married and opted out her personal contribution will be £4.04 per week. Even with these increases the National Insurance Fund is expected to have a deficit of over £250 million in 1983/84.

To raise pension levels as proposed and to give proportionate increases in other long term benefits, would cost £14 billion equivalent to 12½ percentage points on the NI joint contribution rate. To meet this cost from NI contributions, whilst maintaining the present split of contributions payable by working people and their employers, would need a 64% increase on the post-April rates quoted ie increases of £9.54 a week for the male average earners and £6.07 a week for the female average earner. The employer's contribution would rise by £11.08 and £7.05 a week respectively.

If employers were to be spared extra costs, so as to enable them to stay competitive and improve prospects for reducing unemployment, the full costs would then fall on employees and the self-employed. This would mean an increase in personal contributions of 139% over April levels or an extra £20.63 a week for the male average earner or £13.13 a week for the female average earner.

SIX MONTHLY BENEFIT UPDATINGS

LINE TO TAKE

Six monthly updatings of benefit are ruled out on the grounds of cost. For example a full updating in May additional to the normal November updating would add £150 million to updating costs in 1983/84 for each one per cent brought forward. In general terms, with a steady rate of inflation, six monthly updatings are 25 per cent more costly each year than a single updating. There would also be administrative problems and an increase in administrative costs. Social Security updatings represent a very considerable administrative task and the time needed to implement an updating has necessarily to be geared to those benefits which operationally take the longest. It takes almost six months to carry out an updating of supplementary benefit and until payment of benefit is eventually computerised there is no real possibility of reducing this time scale. Six monthly updatings would thus involve staff in updating work virtually the whole year round. Foreign schemes are able to update more frequently because they do not allow weekly payments by order book, but issue their payments at monthly intervals. Aside from these arguments since pay increases for employed people are in an annual cycle, there seems to be no good reason for making more frequent arrangements for social security beneficiaries.

Background Note

Cost A full updating of all benefits in May additional to the normal updating would add some £150 million to updating costs in 1983/84 for each one per cent of updating brought forward to May.

The equivalent costs for an additional updating of pensions and long term benefits only is £100 million.

As a further illustration the net extra benefit cost of updating retirement pension only by 2½ per cent in May and November, over the cost of a single 5 per cent increase in November, would be about £140 million, after taking account of savings in supplementary pension.

The pattern of annual updatings in November was established by the last government in 1975, and has operated on that basis ever since. In 1978 the Labour government declined to make good a 1.9 per cent shortfall at the updating until the following November.

EXTRA HELP WITH FUEL COSTS FOR PENSIONERS

LINE TO TAKE

Our strategy has been to concentrate help with heating costs on those in greatest need in order to provide a worthwhile level of assistance. We are already spending far more than any previous Government - about £325 million in the current financial year - on supplementary benefit heating additions: this help now goes to nearly 2½ million households. These heating additions are uprated each year in line with the expected increase in fuel prices and have more than kept pace with rising fuel prices in the lifetime of this Government. The standard rate of heating addition is now £1.90 a week: the higher rate is £4.65.

Help for Pensioners

With particular reference to pensioners this Government has made heating additions automatically payable to supplementary pensioners aged 70 or over: 90 per cent of all supplementary pensioners now get a heating addition, and we are now spending over £200 million a year on helping pensioners in this way.

Fuel Allowance

The main difficulty with fuel allowance schemes is that, because they extend help much wider than supplementary benefit claimants, they either pay out without regard to financial need (and are hence very expensive and an imprecise means of directing help) or entail a means test (and are administratively complex).

Possible Extensions

The cost of extending the lower rate heating addition to all pensioners would be of the order of £500 million: the cost of extending heating additions on the present basis to the estimated 2 million pensioners on rent and rate rebates and allowances would be an additional £250 million.

THE CHRISTMAS BONUS

LINE TO TAKE

1. An indication of the Government's concern for pensioners is our early action to legislate to make the Christmas Bonus a permanent feature of the Social Security scheme. Of course we would have wished to increase the amount of the bonus from £10, but in the present economic climate this cannot be a priority.

BACKGROUND INFORMATION

2. The Christmas Bonus is paid to about 10 $\frac{1}{2}$ million people who are, broadly speaking, pensioners, widows and disabled people.

To increase the bonus to £20 would cost an extra £106 million.

3. The bonus was first introduced by a Conservative government in 1972. The previous Labour administration did not pay a bonus in either 1975 or 1976. The present government made the bonus permanent in the Pensioners' Payments and Social Security Act 1979.

The bonus is tax free.

LOWERING PENSION AGE AND FLEXIBLE RETIREMENT

LINE TO TAKE

1. Earlier retirement on full pensions has to be ruled out on the grounds of the formidable costs involved. To reduce pension age for men to 60, for example, would add some £2.5 billions each year to central government costs. The Government recognises however that, notwithstanding the very considerable problems, a more flexible approach to retirement age is a socially desirable longer term objective. We would like individuals to have a greater freedom of choice in deciding when they wish to retire. The Social Services Committee published their report "The Age of Retirement" in October 1982. This recommends greater flexibility towards retirement and we are now considering the proposals in detail.

2. The Government has promised to phase out the earnings rule (in respect of the present pension ages) as soon as resources permit. The present cost of doing so is £140 million (£55 million net).

BACKGROUND INFORMATION

3. The White Paper 'Growing Older' (March 1981) stated the Government position in the following terms:-

".... a scheme, combining a common pension age with effective and worthwhile provisions for flexible retirement, has attractions as a long term aim, and seems to offer the best prospects of an acceptable solution. Current constraints on spending preclude early changes. Nevertheless, the Government intends to keep such an arrangement in view as a long term objective".

4. The Social Services Committee report recommends flexible retirement between ages 60 and 65 for men and women with a common notional age of 63 as the age at which a pensioner would be entitled to a pension at the same level as at present. Retirement at ages less than 63 would lead to a reduced pension. Some type of earnings rule would be an essential part of this proposal. The Committee recommends that the scheme should be phased in over about 10 years. The build up of the new earnings related pension scheme will assist those retiring early on reduced pensions and help to ensure adequate levels of pension.

The Government is now considering its response to the proposals.

ADEQUATE DEATH GRANT FOR EVERYONE

LINE TO TAKE

We published a Consultative Document in March 1982 setting out possible ways in which the money now used to provide a small death grant to all who satisfy the contribution conditions could be used to provide a much higher grant limited to those with most obvious need for it.

Following the several hundred representations received we are now considering what action to take. I cannot say at this stage what the outcome will be. However the constraints which led us to seek to redirect existing resources to those in need still remain. An increase to £200 to bring the grant into line with its 1949 value would cost an extra £120 million. We cannot contemplate extra expenditure of this level at the present time.

Background Notes

1. The Consultative Document set out three options for consideration. All of these proposed a non-contributory funeral grant linked to the size of the deceased person's estate and receipt by the person paying for the funeral of certain specified benefits. All options would have given assistance to those cases where funeral costs give rise to serious hardship.
2. A total of about 630 letters were received, 30% of which supported one or more options, and 55% of which rejected them all. Just over half the rejections called for an increase in the grant to its 1949 value. About 15% of the replies covered other suggestions.
3. In the light of the representations received, and the lack of clear support for any one of the options. Ministers are now considering what action, if any, to take with regard to the grant.

PENSIONERS SHOULD, AS OF RIGHT, HAVE READY ACCESS TO COMPREHENSIVE FREE HEALTH CARE ON DEMAND.

Line to Take

The full range of National Health Service provision is available to everyone, irrespective of age. Clear evidence of the fact that services are readily available to those over retirement age is that a high proportion of the work of the community health services is devoted to the care of elderly people and that elderly patients occupy nearly half of all National Health Service beds. Moreover, over 40 per cent of current health and social services spending is related to services for elderly people.

The Government's White Paper on elderly people "Growing Older" stresses the importance of the right kind of health services to meet the special needs of those over retirement age. The policies and priorities handbook "Care in Action", issued by the Department of Health and Social Security at the same time, asks health authorities to give priority to the development of services for elderly people, particularly the most vulnerable and frail; and emphasised the need for a joint approach to the planning of services by health and local authorities, with the close involvement of voluntary agencies. ^{N/P} All people of pensionable age are exempt from prescription charges. Those in hospital or in receipt of a supplementary pension qualify for free optical and dental treatment under the National Health Service; others with low income may also be eligible for help towards the cost of such treatment. With regard to the recent increase in the prescription charge, the Government has confirmed that the exemption arrangements will continue.

Pensioners should, as of right, be able to call on the full range of community and personal social services to give full support as need arises, including, for example, home helps, meals on wheels, chiropody, television and telephone.

Line to Take

The Government recognises the importance of services such as these for elderly people in need, particularly those who are frail and live alone. We have kept our promise to maintain and develop the National Health Service which is of such vital importance for elderly people, and we expect local authorities to give priority to the further development of services for elderly people, especially the most vulnerable and frail. It is for each local authority to determine the appropriate levels of services for elderly people in the light of local needs and resources. Every authority should be able to provide basic services such as home helps, meals-on-wheels and day care where they judge that there is a need. Many local authorities are also developing intensive home care schemes, community communication systems backed by mobile street wardens and fostering schemes for elderly people. These and often similar innovations and developments are often in conjunction with local voluntary organisations; we welcome such initiatives.

PERSONAL SOCIAL SERVICES FOR ELDERLY PEOPLE - BACKGROUND NOTE

Policy

1. The majority of elderly people want to remain in their own homes and can do so with the right kind of support from their families and from the services provided by statutory and voluntary organisations. Health and local authorities have been asked to strengthen their community services and their links with voluntary organisations. DHSS guidance on health and local personal social services policies and priorities is set out in 'Care in Action' (February 1981) and more generally, in the comprehensive review of issues affecting elderly people contained in the White Paper 'Growing Older' (March 1981). Both documents recognised the vital role of the statutory services in providing support and care for elderly people, and the need for their further development. They emphasised that whatever levels of public expenditure proved practicable, the burden must and should be shared by the community as a whole. They also pointed to the fact that even in times of economic difficulty, advances could and were being made by better and more effective use of all available resources - be they in the public, voluntary or private sectors. This is still the case.

2. The Government's initiatives include:

2.1 Commitment to the fostering and development of the voluntary sector, through guidance, encouragement and financial support. In May 1982, £3.3 million was allocated in 1982/83 and until the end of 1983/84 for grants under the Opportunities for Volunteering Scheme. Because of the success of the scheme in helping local voluntary projects, an additional £300,000 has been made available for 1982/83 and £4 million for 1983/84.

2.2 Development of services for mental illness in old age: This initiative was announced on 4 January 1983 (Press Release 83/1). Letters were sent to Chairmen of RHAs by Lord Trefgarne (copies to Regional Teams of Officers) asking them to encourage each of their Districts to draw up plans for the comprehensive and integrated local services needed for elderly people with psychiatric disorders. Parallel letters were sent to Chairmen of Social Services Committees (copies to Directors) because it is stressed that these plans should be drawn up in full consultation with local authorities (and voluntary bodies). To help the initiative along an extra £6m is being made available over the next three years and RHAs have been asked to nominate (by 1 June 1983) at least one District - "a Demonstration Development District" - where extra money could help to create an appropriate service rather more quickly than would otherwise be possible and would thus demonstrate how progress can be made.

Announcement of this initiative was timed to coincide with the issue by the Health Advisory Service of their report "The Rising Tide" (sent to all health and social services authorities). The report gives detailed guidelines for the development of services for mental illness in old age.

2.3 Care in the community: About 40 per cent of the Joint Finance allocation for 1982/83 is expected to be used for services for elderly people. The Joint Finance allocation in 1982/83 was £85 million; for 1983/84, there will be a real increase of £6 million (to bring the allocation to a total of nearly £96 million) to support the initiative for moving people out of hospital into the community. Of this £6 million, £1.6 million will be reserved centrally to give additional support to a programme of pilot projects.

Local Authority Powers

3. Under Section 2 of the Chronically Sick and Disabled Persons Act 1970, where a local authority has accepted that it is necessary for them to make one or all of the specified arrangements to meet the needs of a disabled person, they have a duty to do so. These arrangements include home helps, adaptations to the home, assistance with television, holidays, travel and with the installation and rental of a telephone. Local authorities also have (discretionary) powers under Section 45 of the Health Services and Public Health Act 1968 to promote the welfare of elderly people by providing services such as meals and recreation in the home and elsewhere, practical assistance in the home, visiting and advisory services and social work support.

Expenditure

4. There is some variation in the types and levels of service offered by local authorities. Local judgement has led some authorities to put more of their resources into the development of domiciliary services while others have chosen to develop their residential provision. It is for local authorities themselves to decide relative priorities between services, how resources shall be allocated, and where savings can best be made in the light of local circumstances. The Government has suggested that, for personal social services provision, savings should be made by further increases in efficiency by reducing or eliminating low priority provision, by developing policies designed to help people to help themselves and others, and by promoting collaboration with the voluntary sector. Where reductions in expenditure have to be made authorities have been asked to bear in mind the importance of giving as much protection as possible to the most vulnerable in the community. Evidence suggests that collectively they have done so - expenditure on personal social services increased by seven per cent in constant terms from 1978/79 to 1981/82. Nevertheless there has been a reduction on some Section 2 items (eg number of telephone installations provided for disabled and elderly people fell by 50 per cent between 1978/79 and 1980/81).

CLAUSES 13 to 17

RESIDENTIAL ACCOMMODATION - CHARGES

1. These clauses are part of a package of measures agreed with the local authorities associations - to improve the administration of the charging procedures and to give authorities powers to recover debts arising from failure (or inability) of residents to pay for their accommodation.
2. These provisions therefore supplement the existing charging assessment procedures; they do not replace them.
3. During its passage through the Lords, there was apparent difficulty over the relationship between the charging assessment procedures and the provisions in the Bill. The position is that since 1948 Part III residents have been liable to pay a charge equivalent to the full cost ("the standard rate") unless able to demonstrate that they cannot afford to do so. In those circumstances, their ability to pay is assessed by reference to their resources (both income and capital) subject to their paying the minimum charge (£26.30 a week) and retaining the minimum personal allowance (£6.55 a week) prescribed by the Secretary of State. Most residents pay the minimum or a little above the minimum charge.
4. The method of assessing ability to pay for accommodation has traditionally been linked to the Supplementary Benefits Scheme. In many respects, as the purposes are totally different, the SB scheme therefore only "fits where it hits". In November 1980 with the introduction of the new SB scheme with its capital cut-off criterion it was apparent that regulations specific to Part III charging assessments were required. The National Assistance Act 1948 was therefore amended by the Social Security Act 1980 to provide for separate regulations.

5. New regulations have yet to be made. Meanwhile, the former (1976) Supplementary Benefits method of assessing means has been retained for the purposes of assessing a resident's ability to pay for Part III accommodation.

6. It is planned that the new Regulations will be made and introduced later this year. There will also be associated guidance to local authorities which would encompass the provisions of Clauses 13 to 17 of the Bill.

7. There are many potentially contentious issues in the charging assessment procedures at present and it should be assumed that that will continue to be the case with the new Regulations (which will largely consolidate and clarify existing arrangements).

8. Whilst consideration of the provisions of the Bill inevitably leads to discussion of the charging and assessment procedures, the Bill is not the place in which to seek to make changes of detail such as:

- altering the capital disregard (now £1,200);
- incorporating a measure to encourage some younger residents to take gainful employment by enabling them to retain more of their earnings;
- clarifying the way in which particular assets (eg a dwelling house, personal possessions) should be disregarded or taken into account in assessing ability to pay;
- the definition of assets.

These issues will be reflected in the new Regulations.

9. The Part III charging provisions in the Bill are therefore limited to:

Clause 13: empowers authorities to charge the flat
(minimum) rate for the first 8 weeks of any stay.

Clause 14: gives authorities recourse when a resident
divests himself of his assets.

Clause 15: empowers authorities to secure a debt by
placing a charge on an interest in land.

Clause 16: provisions similar to Clause 15 related to
Scottish land law.

Clause 17: interest payable on debts.

CS3B
16.2.1983

Defensive Briefing

UNITED NATIONS WORLD ASSEMBLY ON AGEING: INTERNATIONAL PLAN OF ACTION

The Government is aware that the International Plan of Action will be made use of by the elderly lobby as a lever in seeking improvements in public provision. We would like to suggest that the Plan has a wider and equally valid use in the hands of the voluntary organisations. It can be used as an instrument to generate support for their activities - both in terms of personal commitment and fund raising from the public at large.

UNITED NATIONS WORLD ASSEMBLY ON AGEING : BACKGROUND

THE ASSEMBLY, INTERNATIONAL PLAN OF ACTION AND FOLLOW UP

1. The Assembly was held in Vienna from 26 July to 6 August 1982. It was convened because of "growing concern about the implications of the world-wide increase in the relative and absolute size of the elderly population". Its objective was to launch an international "action programme" aimed at "guaranteeing economic and social security to older people as well as providing opportunities for them to contribute to national development".
2. The United Kingdom delegation to the Assembly was led by Mr Finsberg and included two DESS officials and Mr David Hobman, of Age Concern, in an advisory capacity.
3. The main business of the Assembly was to consider and endorse an International Plan of Action. In common with the leaders of other delegations, Mr Finsberg addressed the Assembly during the General Debate; he indicated general United Kingdom support for the Draft Plan of Action and took as his main theme the contribution elderly people can make to society. The delegation participated actively in debate on the Draft Plan and successfully tabled a number of amendments. As with other participants in the Assembly, the United Kingdom submitted a written report describing, in factual terms, the circumstances of elderly people in this country.

4. The Report of the World Assembly on Ageing, of which the International Plan of Action forms part, was recently adopted by the United Nations General Assembly. The Plan is to be published by the UN Secretariat as a separate document and copies are likely to become available towards the end of February.

5. The International Plan of Action covers a wide range of issues touching upon the lives of elderly people (e.g. income in retirement; health and social services; housing and environment; education and the family) and also refers to the effects of ageing populations on the development of national economies. The document is not a plan in the accepted sense but rather a statement of issues and principles and a series of recommendations for action at global, (UN) regional and national levels. These recommendations are directed primarily towards those countries with less well-developed policies and services than those of the United Kingdom. They reflect, fairly closely, our own current practice and should cause little difficulty in terms of service provision in the public sector.

6. It is likely that, at some stage, the United Nations organisation will ask member states what follow-up action to the Assembly they have taken (an item entitled "Question of Ageing" is to be included in the provisional agenda for the 1983 session of the General Assembly). As a first step, it is proposed that copies of the Plan are to be distributed to all interested parties to ensure that they are aware of its existence (these would include DESS divisions and other Government Departments; health and social services authorities and members of the United Kingdom National Advisory Committee on the World Assembly).

Pensioners should, as of right, live in accommodation which is appropriate to personal need and circumstance with a reasonable degree of choice including sheltered housing.

Line to Take

The Government believes that most elderly people want to stay in their own homes for as long as possible. We have taken measures to help. The Home Improvement grant system has been made more flexible so that local authorities can for example give grants for small improvements such as a more effective heating appliance. The rates of grant have been increased; repairs grants have been introduced for older dwellings - many of which are occupied by elderly people; and priority rates have been introduced for old people to insulate their homes.

We want to encourage a wide range of options for elderly people who wish to, or have no alternative but to move. At the same time it is essential to make the best use of public resources. Support continues for the traditional schemes of sheltered housing for rent by local authorities and housing associations and other schemes specifically for the elderly. The Housing Corporation's allocation for 1983/84 for example is about one third higher in cash terms than their gross expenditure for 1981/82. This boost in housing association investment next year will enable the Housing Corporation to continue support for a large programme of sheltered accommodation for the elderly. But we are also looking to sheltered housing ^{schemes} for outright sale or sale on shared ownership terms.

The Department of the Environment is currently making a film about housing for the elderly. Hopefully it will demonstrate the wide range of housing options available in both the public and private sectors for those elderly people who wish to move, and at the same time will show the initiatives being taken to help elderly people remain in their own homes.

HOUSING FOR THE ELDERLY: BACKGROUND NOTE

1. The Government, keen to ensure the maximum capital expenditure on housing compatible with its overall economic strategy, has made sufficient resources available to local authorities for 1982/83 and 1983/84 to permit a substantive increase in capital investment. Local authorities have again been asked to concentrate their available resources on those in special need such as the elderly and disabled. [The need for sheltered housing is one of the factors taken into account in determining the allocation to local authorities]. Nevertheless, the detailed administration of a local authority's housing programme remains a matter for local decision.

2. The housing capital expenditure for 1983/84 in England and Wales announced recently includes an allocation of £690m for Housing Corporation loans to housing associations. This is about one third higher in cash terms than the Housing Corporation's gross out turn expenditure for 81/82 and will maintain the expected level of expenditure (less debt refinancing) in the current year. Housing association investment has therefore been boosted and this will be sustained next year, enabling the Housing Corporation to continue to finance a large programme of sheltered accommodation for elderly.

3. The Department of Environment's measures aimed at helping elderly people to stay in their own homes include the introduction of more flexibility into the Home Improvement Grant system, the introduction of repairs grants for older property and increases in the rate of home insulation grants for elderly people. As well as the traditional sheltered housing for rent (specially designed housing with a warden and alarm system) other options being developed for people who need to move are outright ownership or shared ownership of sheltered

housing . In addition Housing Associations are operating Leasehold for the Elderly schemes in which elderly people buy an equity in a sheltered unit and Central Government funds the rest.

4. The Department of the Environment is now in the process of making a film: "Housing for the Elderly". The film will help publicise new initiatives and demonstrate the wide range of options available to those elderly people who wish to, or have no alternative but to move both in the public and private sectors. Topics covered will also include measures taken in helping elderly people to stay in their own homes.

A pensioner should, as of right, be able to use a National Scheme of substantial concessionary facilities on all public transport in all parts of the country.

Line to Take

A national scheme is not the answer. Decisions whether to provide concessions should remain with individual local authorities who are familiar with local needs and priorities and can decide how scarce resources should be spent. A half fare national scheme would not solve the problem of variations between areas unless the existing more generous schemes, such as London's, were reduced to half fares. This would be unpopular with pensioners who would lose their free travel, and with the authorities who operate the schemes. To bring all the schemes up to the level of London's could cost somewhere in the order of £400m. Even a half fare scheme with the existing more generous schemes continuing would cost around £300m a year compared with the £200m or so being spent on concessions at present.

Background

All local authorities have powers under S138 of the Transport Act 1968 to provide concessionary bus fares for people of pensionable age. Most local authorities operate schemes but there are wide variations in the value of concessions offered (from free travel in a number of metropolitan areas to £3 or so of tokens a year in some rural areas), in the areas and times they are valid, and the charges made to the concessionaires. These variations reflect local choice and the fact that there are other ways of helping elderly people which also make demands on scarce resources. About 10 per cent of elderly people live too far from a bus route to use concessions and another 10 per cent are too frail to board a bus.

British Rail's Senior Citizen Railcard, which provides half fare for those who buy a card, is operated as a commercial venture and pays for itself.

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1983 UPGRATING -- ADJUSTMENT

LINE TO TAKE

This is a welcome opportunity to clarify a number of misunderstandings that have arisen concerning this. There is no question of cutting back pensions and the Government will abide by its pledge to maintain the real value of pensions over the lifetime of this Parliament.

Pensions and benefits were increased by 11% last November: this comprised an estimate of 9% for the rate of inflation in the year to November, plus 2% to compensate for the shortfall at the previous uprating. The Government's policies in controlling inflation proved more successful than expected and prices rose by only 6.3% in the year to November. Thus the increase was 2.7% more than required to keep in line with inflation and pensioners will have the benefit of this extra amount for a year.

This must be taken into consideration when deciding the November 1983 uprating and the Government have decided that some adjustment should be made. A decision as to the amount of adjustment on individual benefits will be made in the light of total social security expenditure and an announcement will be made in due course.

Background Notes

1. The cost for each 1% increase in pensions and benefits is about £300 million a year. This cost must be balanced against other improvements. The increases have to be paid for by wage earners. National insurance contributions are due to increase from April by $\frac{1}{2}\%$ ($1\frac{1}{4}\%$ for contracted out) and despite this the NI fund is expected to have to draw on its reserves.
2. There were other improvements made at last November's uprating: the earnings limit was raised by £5 to £57, and there was a 15% increase in supplementary benefit heating additions.
3. The Government remain committed to eventual abolition of the earnings rule when circumstances permit.
4. The Government consider that the Retail Prices Index forms the best measure on which to base upratings. Past evidence has shown that, over a period of time, the pensioners index, which is subject to greater uncertainty, does not differ significantly. Other indices have been suggested, but none has any discernable advantage over the RPI.

USE OF THE RPI FOR PENSIONS UPDATINGS

Retirement Pension levels and Price Indices

1. The standard basic rates of retirement pension in November 1978 were £19.50 (single person) and £31.20 for a married couple.
2. As from November 1982 the single basic rate is now £32.85 and the married couple rate is £52.55.
3. Thus in this government's period in office pension levels have been raised over 4 updatings by about 68.5 per cent.
4. By comparison the Retail Price Index rose by only 61 per cent between November 1978 and November 1982.
5. The Pensioner Price Indices (which cover 40 per cent of pensioners - those on low incomes) rose between the final quarter of 1978 and the final quarter of 1982 by only 58 per cent for a single pensioner household and by 57.5 per cent for a two pensioner household.
6. It is true that in the last 12 months the Pensioner Price Indices have risen faster than the RPI. But pensioners would not necessarily have gained in any way if, over a period of years, pensions had been uprated by reference to the Pensioner Price Indices.

7. Nor is it true that the inclusion of mortgage interest in the RPI in any way devalues its use as measure of price movements for pensioner households as a whole. It includes within its scope some 60 per cent of pensioners and the movements of mortgage interest rates over a period of years have made little difference to the overall movement of the index.
8. The Social Services Committee has recently expressed support for the Government view that the RPI remains the best price measure for general social security updatings. (Report on the Autumn Statement.) We would need more convincing evidence of a case for change than has so far been produced to persuade us to move from an Index which is widely accepted, comprehensive and reliable to any alternative so far available.

Supplementary Benefit Upratings

9. A change was made at the 1982 uprating in the method of uprating supplementary benefit scale rates. This was to avoid double counting of housing costs which are met quite separately in the supplementary benefit and housing benefit schemes. Supplementary benefit scale rates are now uprated by reference not to the full RPI but to the RPI adjusted to exclude housing costs.

10. The supplementary benefit scale rates have also risen considerably in real terms since November 1978.

11. In addition to these improvements all supplementary pensioners over age 70 now receive automatically a separate addition for extra heating costs of at least £1.90 a week. This addition has risen in line with the movement of the fuel indices: faster than either the scale rates or the RPI.

AGE CONCERN INDEX

The principal weaknesses of the proposed alternative index are that:

- a. it covers only 32 per cent of pensioners, fewer than either the RPI or the existing Pensioner Price Indices.
- b. the adjustments it assumes necessary for under recording of expenditure on alcohol, tobacco or confectionery are inappropriate to low income pensioners and, in the case of confectionery, excessive
- c. the weights used involve a much higher degree of aggregation than the full RPI or pensioner indices, with resultant loss of accuracy
- d. the index is of the 'fixed weight' type which is less sensitive to changes in patterns of household expenditure over time than the RPI
- e. the proposed adjustment for housing costs does nothing to allow for the extra level of housing subsidy enjoyed by low income pensioner households and does not help to overcome the problems identified by the Retail Price Index Advisory Committee in properly providing for a measure of the housing costs of such households.

BACKGROUND NOTE

LOW INCOME HOUSEHOLDS INDICES

1. A thorough examination by the Department of Employment of the various published indicators of the increases in prices expressed by low income households led them to take the view that the difference in experience of low income households is small. The difference is not sufficient to justify the calculation of separate official indices in addition to those already done for pensioner households.

[Article published in DE Gazette March 1979].

2. The DE have also looked at the effects of rising prices on different types of households including those on low incomes. No consistent pattern emerged and all the indicators for the low income groups were close to the position of households in general.

[Article in DE Gazette February 1979 on price indicators].

3. The Low Paid Price Index (LPPI) published jointly by the Low Pay Unit and CPSA has a number of limitations:-

(i) In the absence of separate information on the housing costs of the low income households, the LPPI uses the housing component of the general RPI covering all households; and therefore does not take account of the support given to low income households for housing costs. The LPPI therefore overstates the rise in housing costs.

(ii) The weights used in LPPI (to reflect patterns of expenditure) are based on 1976 levels and therefore do not reflect the changing patterns of expenditure over the years. The RPI weights are brought up to date each January.

(iii) The level of detail on types of expenditure in the LPPI is much more highly aggregated than the RPI; details on about 70 groupings are published, the LPPI is based on about 40 groups.

4. These limitations could in themselves explain the apparent divergence between the LPPI and the RPI over time. In the 12 months to October 1982 the LPPI rose by 7.4 per cent against a movement of 6.8 per cent in the RPI. Between October 1979 and October 1982 the RPI rose by only 37.7 per cent compared to a rise of 42 per cent in the LPPI⁷.

BACKGROUND NOTE

MOVEMENT IN PPI, RPI AND RP 1978/82

Percentage increase in:-

RPI	60.6	(Q4 1978 - Q4 1982)
RPI (less housing)	56.0	" "
1 Person PPI	58.1	" "
2 person PPI	57.4	" "

Retirement Pension

Single person	68.5	(Nov 1978 - Nov 1982)
Married couple	68.4	" "

Supplementary Pension

Single householder	65.3	" "
Married couple	65.1	" "

BREAKING THE LINK WITH EARNINGS

LINE TO TAKE

Expenditure on retirement pensions represents almost a half of social security expenditure, or about one eighth of the public expenditure. Changes in the level of pensions can involve a massive increase in costs. It is not a question of what we should like to do, but rather what we can afford to do. In these times of economic difficulty, when the major fight is to get inflation under control and get the economy on to a sound footing, we can claim to have got our priorities right. We have pledged to maintain the value of pensions over the lifetime of this Parliament and we have done so. Of course, we should have liked to do more, but it cannot at present be afforded.

We could not allow pensions to be increased in line with the higher of either prices or earnings because it would have been irresponsible to have had no regard to the ability of the economy to pay the costs. We therefore took powers in the Social Security Act 1980 to limit the uprating of pensions to prices. It is an achievement we can be proud of that the standard of living of pensioners has been maintained in these difficult times.

Background NotePresent value of pension if link with earnings had not been broken

No reliable estimate is available of what pensions would now be worth if the link with earnings had not been broken in 1980. This would require an assessment of the likely forecast of future earnings movements that would have been made at each uprating review, together with an assumption as to whether forecasting errors would have been corrected in full or in part at the next uprating. Each one per cent increase in pensions alone would cost £146 million in public expenditure.

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STANDING CHARGES

Background Note

The Government has now reached agreement with the fuel industries that standing charges for gas and electricity should not exceed half the total bill. It is estimated that about one million gas consumers and perhaps as many as 2 million electricity consumers will benefit and that about half of these will be pensioners. The cost is estimated at about £16 million for electricity and £20 million for gas.

The cost of totally abolishing standing charges for pensioners would be about £300 million. The distribution of such a benefit would be inequitable and unrelated to need. The amount of assistance would depend arbitrarily on which fuel the household uses. No benefit would go to those people who are not registered consumers - including many pensioners living in rented accommodation. Furthermore it would lead to an increase in the bills of non-pensioners, many of whom might be worse off than some pensioners.

British Telecommunications have introduced a low-user rebate scheme in respect of all domestic bills from 10 January. Rentals will be reduced by 3p for every unit that usage falls below 100 units a quarter. This will benefit about 2 million customers, many of them pensioners, at a cost of about £12.5 million a year.

HYPOTHERMIA AND OLD PEOPLE: BACKGROUND NOTES

1. Hypothermia is defined as a condition which exists when the core body temperature is at or below 35°C (95°F). Marginal variations will have differing significance for individuals but it is generally accepted that those at risk of developing hypothermia are people whose core temperature is between 35.0°C and 35.5°C .

2. Hypothermia is often associated with underlying clinical conditions (eg malfunction of the body's thermo-regulatory mechanism, chest infections, stroke), serious terminal or overwhelming disease, or with taking of drugs, tranquilizers and alcohol (all of which can induce a lowering of the deep body temperature). Also, hypothermia can be said to exist in all deaths at some stage in the process of dying. But hypothermia is a reversible condition and in its minor forms is little more than a transient dip in the normal daily cycle of temperature variations. It is important to avoid confusing hypothermia with subjective feelings of cold.

3. There are however very old and frail people whose thermo-regulatory mechanism might not be functioning adequately and whose perception of the effects of changes in environmental temperature levels may have dulled. One of the dangers for such people is that they will not be aware of feeling cold and they will therefore need the advice of those who are in contact with them about whether a room is warm enough.

INCIDENCE OF HYPOTHERMIA

4. There is no firm evidence that the incidence of hypothermia is high. All we know for certain is that out of the total number of deaths in England and Wales (just over half a million per annum) hypothermia is given on the death certificate as the underlying cause of death of around 20 people and is mentioned as a main or a subsidiary cause on about 600 to 700 certificates.

RISK OF HYPOTHERMIA

(Sometimes 800,000)

5. Reference to 700,000 old people being at risk of hypothermia are likely to have been drawn

from projections of the findings of two small surveys (one national and one in Camden) of body temperatures in elderly people living at home; the surveys were carried out in the winter of 1972 (January to March). The results were published in an article in the British Medical Journal on 27 January 1973 (pages 200-206). These showed that about 10 per cent of the 2,000 respondents had a deep body temperature below 35.5°C in the morning. The researchers explained that, although this was an arbitrary point below which risk of hypothermia might exist, the individuals concerned showed evidence of some degree of thermoregulatory failure. But the authors referred to inconclusive and unsatisfactory aspects of their study and said:

"We therefore believe that it is most unwise to make firm projections of the incidence of hypothermia for the population as a whole".

6. Much effort has been put into publicising the fact that some people might be at risk of developing hypothermia because their reserves of body heat might be low. Staff of health and social services authorities and practitioners in all disciplines are alert to the possibility that some elderly people may suffer the effects of cold in this way. The Health Education Council has launched a "Winter Warmth Campaign" which will be promoted by Health Education Officers in the health authorities through Social Services Departments, voluntary organisations and community groups, and supported by publicity material and advertising on local radio stations. The campaign is directed at the community generally with the slogan "A good neighbour can be a life saver". The HEC also publishes a leaflet "Keeping Warm in Winter" which contains advice on commonsense measures to minimise the risk of accidental hypothermia which elderly people themselves can take (eg., wearing sufficient clothing, eating at least one good meal a day).

MORNING STAR ARTICLE - BRIEFING ON HOUSING BENEFIT

1. Housing benefit will come fully into effect this April (for many council house tenants on supplementary benefit it started last November). From now on, all help with rent and rates will come from one source: the local authority, in the form of a rebate or an allowance.
2. The new scheme should be simpler to run and easier for claimants to understand. Many people, especially pensioners, used to have trouble deciding whether they would be better off claiming supplementary benefit or rebates from the local council. Housing benefit will help to solve this problem.
3. Many council house tenants on supplementary benefit will receive a full rebate, but it was certainly not the Government's intention that people should regard this as an "imposition". It may take a bit of getting used to at first, but many people, particularly pensioners, will welcome the fact that their rent and rates are now taken care of without them having to worry.
4. For people already getting a rebate or an allowance, there will be no major changes this April in most cases. But the Government has changed the rules so that over a million pensioners on low incomes who do not get supplementary benefit will be up to £1 a week better off as a result of the introduction of housing benefit.

HOUSING BENEFITS

HISTORY

1. Housing benefits will replace the supplementary benefit provisions for rent and rates assistance and the local authority rent and rate rebate and allowances schemes. HB is being operated by local authorities.
2. Legislative provision is made in Part II of the Social Security and Housing Benefits (SSHB) Act 1982 and in regulations made in August and subsequently.
3. The scheme is being introduced in two stages, in November 1982 and April 1983.
4. Guidance on the implementation of the scheme has been issued to local authorities in circulars HB(82)1 to HB(82)4.

ISSUES/ACHIEVEMENTS

1. Housing benefits are more rational than the two systems they replace. The "better off" problem for claimants is resolved.
2. DHSS saves about 2300 staff.
3. Although local authorities will have some extra manpower costs, overall it is estimated that there will be administrative savings - up to £10 million a year - to be devoted instead to benefits.
4. Housing benefits must be introduced at nil cost - this produces gainers and losers. But there are no supplementary benefit losers and the poorest rebate recipients either gain (if pensioners) or break even. Losses are only experienced by the relatively better-off rebate recipients.
5. Partial start of the scheme (November 1982) implemented successfully - 98% of local authorities completed the work on time or within 2 weeks of the start date, and half of the remaining ones were linked to DHSS offices involved in industrial action.

PLEDGES

1. There is no pledge to maintain the value of housing benefits. There is provision in section 29 of the SSHB Act for annual reviews of the needs allowances.
2. The Government is pledged to meeting in full additional benefit and reasonable administrative costs incurred by local authorities.

KEY FIGURES

1. Numbers of claimants involved (latest estimate).

On supp ben: 2.9 million

Others: 4.0 million

Total: 6.9 million

2. Expenditure on rent and rates assistance (latest estimate)

£ million

Supp Ben 1900

Rebates 1120

Total 3020

3. Numbers of gainers and loser (millions) (Taper changes).

Gainers 1.2

Losers 2.3

Breakers even 3.4

Total 6.9

4. Average weekly gain: c£1
Average weekly loss: c40p

Mean Tories leave pensioners cold

WINTER is a time of anxiety and apprehension for most of our nine-and-a-half million senior citizens. As in previous winters many old folk will die from the cold, others may survive but will endure a miserable existence because the government refuses to meet the real needs of this important section of the community.

The recent increases in the retirement pensions simply maintains a very low level. To boast as Mrs. Thatcher does that she is keeping pensions in line with prices and that pensioners' living standards are, therefore, protected is deceitful humbug.

Over the past year the government's own figures show that prices for pensioners have risen more rapidly than for the population generally, partly because few pensioners reap any benefit from the lower mortgage rates.

Compensate

Moreover, the 2 per cent of the pensions increase was to compensate them for the "fine" suffered in November last year—when the pension increases were less than the official retail prices index figures. No payment has been made for the loss incurred over the last 12 months which means frankly that senior citizens have been mugged by the government over that period!

Now we are being told that this year's increases were more than they should have been and an amount may be "clawed back" in next year's increases. Accord-

With winter upon us and many old people struggling to keep warm, JACK JONES questions Mrs. Thatcher's boast that pensions are keeping in line with prices.

ing to some reports the government is working on the assumption of reducing next year's RPI increase by 1.7 per cent which would mean a loss of income of 90 pence a week for a married couple and 55 pence a week for a single pensioner.

How miserable and mean can government thinking get — no wonder "Pensioners Voice" called it "callous and cheese-paring." They had good reason because senior citizens have been conned for years. The percentage adjustments they receive are on a very low base payment and definitely do not maintain a reasonable standard of living. The Low Pay Unit claims that pensioners and others on low incomes have suffered an inflation rate of 4 per cent more than the average (the official Retail Prices Index) over the past three years because more of their money goes on essentials. So really the government has underpaid the retired.

The fact is that no senior citizen can live properly on the retirement pension alone. £32.85 for a single pensioner and £52.55 for a married couple are starvation rates. The government virtually admits this to be true because it provides means-tested "hand out" in the form of supplementary benefits

or rent and rate rebates to hide the niggardly figures.

Five to six million pensioners are on or below the poverty line in this way. What an indictment of the government which so maltreats its senior citizens, but can spend billions of pounds on the Falklands and on nuclear weapons of destruction.

Senior citizens have been losing out ever since the present Government took office in 1979. In 1980 the Government stopped the link between pensioners increase and the earnings of workers at work, saving £500 millions at the expense of the pensioners in the process. A loss of £3.25 a week for a married couple.

Living standards

Despite their repeated promises to maintain pensioners living standards they also failed to increase the Christmas Bonus in line with prices.

The Government spokesman Lord Trefgarne admitted that if the bonus were to be increased to maintain its value of ten years ago (when it was introduced following representations I made on behalf of the TUC to Ted Heath) it would need to rise to £35 — this would cost £260 millions and that is apparently too

much for the Iron Lady!

Neither has her Government done anything of significance about the death grant or the standing charges scandal.

Standing charges on gas and electricity have gone up by 400 per cent since 1979 which means intensifying winters problems for the elderly. So many freeze in the cold because they can't afford to heat their homes properly.

Cruelty is a soft word for the way many senior citizens are treated. The latest imposition is to deprive those on supplementary pensions and rent and rate rebates, of the privilege of paying their own rent and rates.

The new arrangements are already causing bureaucratic muddles and complications causing more trouble and anxiety to the old people concerned.

No wonder that so many of the elderly are suffering from mental and physical deterioration. The Government does not look after them when they are fit and fails to look after them when they are sick.

The conditions in which old sick people are looked after is a national outrage. Because of the starvation of funds for the health and social services the care provisions are humiliating. And this is at a time when some two million people are over the age of 75 and therefore very vulnerable.

The proportion will increase until 1991 and will clearly represent the most significant increase in demand for services by very frail and dependent people that has ever been known.

TL

The whole situation could be alleviated by ensuring that senior citizens are provided with a good income free of any means test.

The first step would be to meet the demand of the pensioners movement for Retirement Pensions to be raised to around £75 for a married couple and £50 for a single pensioner. These figures could be met and their achievement should become a national priority.

A growing movement of indignation is sweeping the country among pensioners and more and more members of the general public are beginning to

realise the necessity of backing the pensioners case.

If civilised standards can be secured for the senior citizens of today then the way could be opened up for early retirement.

Great lobby

Retirement with a good pension would be welcomed by millions and would undoubtedly create many job vacancies for the younger unemployed.

It is therefore a common fight for the community, and political leaders worth their

salt should demonstrate their will and determination in joining this fight.

A great opportunity will be provided for all senior citizens and their supporters to advance the cause by participating in the great Pensioners Parliamentary Lobby being called by the Pensioners Convention on March 1 next year.

We in the pensioners movement hope it will be the biggest lobby ever and will mark the turning point between misery and despondency and real progress, independence and dignified security for the nation's veterans.

THE GUARDIAN

KEITH HARPER on the doughty champion of the old age pensioners

Jones the pension battles for an ever-growing multitude 15

IT IS ironic but perhaps a tribute to the man, that one of the few trade union leaders the Prime Minister sees these days retired five years ago, yet is still waging a furious campaign on behalf of nine and a half million people, the largest group he has ever represented.

At 70, Jack Jones has become the person most identified with the pensioners' movement, a cause he espoused while general secretary of the Transport and General Workers' Union and pursued with vigour during many TUC demonstrations along windswept seashores at Blackpool and Brighton.

Today his fight continues, except that he has risen three floors at Transport House, the TGWU's headquarters to do it. The union gave him Room 703, a pleasant office on the seventh floor, overlooking the Westminster rooftops and permeated with cooking smells from the TGWU canteen. It is from here he runs the TGWU retired members association, which boasts more than 70,000 members. But he is also an honorary president of the British Pensioners and Trade Union Action, and a sponsor of the Pensioners' Voice, the national body which speaks for pensioners' associations throughout Bri-

Mr Jones is sure, of course, that Mrs Thatcher does not count him as one of her personal friends. But she does realise that the people over 65 count for a substantial slice of electorate, and their numbers are growing every year. Last year, just before the Budget, Mr Jones led a group bringing together all the pensioners' organisations to Downing Street, and hopes to do the same on March 1, when the pensioners hold their third convention in London.

Going to see her is a sentimental occasion — rather like the TUC meeting the prime Minister of the day flanked by ministers, except now it is she who does all the talking. At least, Heath, Wilson, and Callaghan allowed others to field some of the questions.



Still fighting: Jack Jones at Brighton OAP rally

On the last occasion, Mr Jones recalls that the Prime Minister listened sympathetically, and then proceeded to remind the pensioners that what they were demanding would cost the Government far more than it could afford.

Len Murray and Company have got virtually nothing from Mrs Thatcher in their isolated meetings with her. Mr Jones managed to wring some concessions on the standing charges which apply for gas, electricity, and water. Eventually, he wants them to be removed altogether.

His diary is as full as ever, with meetings all over the country. Admittedly, the pressure is not as considerable as when he was in charge of the largest union in the country, but he is not without influence in the Labour movement and is said to have been prominent in pressing the argument that Jim Mortimer should be the new general secretary of the Labour Party.

Jones had a natural understanding of what was possible and where advantages could be won. The pensioners may not have industrial

power or be well organised, but they are a group which has been ignored by the politicians, and the former TGWU leader fully recognises that much needs to be done by society to help them. He is surprised how well meetings are attended, and how Conservative MPs from South Coast resorts — considerable pensioner territory — are beginning to ask him questions.

Mr Jones knows his members well. He reckons that six million of them are on the poverty line; that 2½ million claim supplementary pensions, with a further two millions rent or rate rebates. On top of this, he estimates that a further 900,000 would be eligible for a supplementary pension, if they were not so proud and independent.

This year's Budget representations to the Government will be as long as ever "because we have only just begun to make the Government aware of our problems," says Mr Jones. They start with a call for the abolition of all standing charges on gas, water, electricity, continue with a national scheme for free transport,

proceed with a "realistic" increase in the pensions level, and end with an appeal not to claw back 2 per cent of the pensions increase in November 1981.

There are other demands, too, such as the raising of the death grant and an extension of the winter heating allowance to those who receive rent and rate rebates. The main concern of Mr Jones is to try and expose what he calls the "callous and cheese-paring" attitude of the Government towards this aging and defenceless group. "To boast, as Mrs Thatcher does that she is keeping pensions in line with prices and that pensioners living standards are protected is deceitful humbug. In effect, the Government has been underpaying the retired."

In spite of repeated promises, he thinks the Government has palpably failed to increase the Christmas bonus in line with prices. Recently, the Government admitted that if the £10 bonus was to be increased to maintain its value of 10 years ago, it would cost £260 million.

Although Mr Jones does not lay the blame for the deaths of 8,000 hypothermia victims each winter on the Government, he is under no illusion that standing charges on gas and electricity have gone up by 100 per cent since 1979, and have therefore intensified winter problems for the elderly.

Mr Jones could stop there, but he doesn't. He goes on to suggest that the trade unions could press even more strongly for early retirement, thereby opening up more job vacancies for the young unemployed. He would like the unions to organise more strongly for their retired members, but most of all he wants the pensioners' movement to produce their biggest Parliamentary lobby on March 1 to mark "the turning point between misery and despondency, and real progress, independence and dignified security for the nation's veterans."

The trade union movement generally could benefit from Mr Jones's undiminished fervour.

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CAP 17/1 Book mail



10 DOWNING STREET

From the Private Secretary

14 January, 1983

17 JAN 1983

Jean Dand,

The Prime Minister has received the attached letter from Mr. Peter Jacques, the Secretary of the National Pensioners' Convention Steering Committee, asking that she should receive a group of representatives from the Convention on the afternoon of 1 March. Mrs. Thatcher has agreed to see the delegation and we have offered a meeting at 1630 on 1 March in the Prime Minister's Room in the House of Commons. The Prime Minister would wish your Secretary of State to be present at the meeting and I should be grateful if you could make the necessary arrangements. I should also be grateful if you could arrange for briefing for the meeting covering in particular the points raised in the Declaration of Intent attached to Mr. Jacques' letter, together with other issues which the Convention are likely to raise. Could such briefing reach us by Friday, 25 February.

I am sending a copy of this letter to Jill Rutter (H.M. Treasury).

SECRETARY OF STATE'S OFFICE	
— for advice	
by 18/2/83	Mr AE Tock
pl.	Mr JH Ward
	Mr Heppell
	Mr Luxton
	Mr Woodfield

Yours ever,

Tim Freston

D. J. Clark, Esq.,
Department of Health and Social Security