



DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Joint Parliamentary Under Secretary of State

PO 2715/1916

Councillor T Tissiman
19 Berkley Road
Gravesend
KENT
DA12 2EU

DT
7/6

Dear Mr. Tissiman,

Thank you for your letter of 3 March to the Prime Minister about her meeting with pensioners on 1 March, Pensioners' Convention Day. I have been asked to reply and I am sorry for the delay in doing so.

In her response to the delegation, the Prime Minister made it clear that the Government would like to see a much higher level of pensions. But the pensions of retired people have to be paid from the contributions of those in work. Despite a severe recession, the Government have been able to do slightly more than protect the level of pensions and expenditure on social services. The basic pension has, for example, increased by 68½ per cent in the last four upratings. Between the first and last of these upratings, the retail price index rose by only 61 per cent. The pensioner price indices, which the delegation favoured, rose by even less, namely by 58 per cent. There would have been no advantage to pensioners if the pensioner indices had been used.

Altogether, the delegation's proposals for the level of pension would cost a considerable amount. The increase in national insurance contributions necessary to pay for the higher pensions would place an intolerable burden on employees and employers alike. All this at a time when there is considerable demand for reductions in levels of taxation would be quite unacceptable.

The Prime Minister and the Secretary of State, Mr Norman Fowler, made a number of other points which are detailed below:-

- (i) Annual Upratings The difficulties in using the "forecast" method for calculating pension increases was readily appreciated. An announcement about the 1983 uprating was promised and given in the Budget. As you will now know, we propose to abandon the forecast method and to base this year's increases on the movement of prices in a past period. This will clear any uncertainty in pensioners' minds. They will know that they are being compensated for a full year's inflation, and we will no longer have the problems which forecasting errors inevitably produce.

E. R.

(ii) Standing Charges It was pointed out that the Government had already responded to the Convention's concern about standing charges on fuel bills and the like. The new arrangements limiting standing charges to 50 per cent of any bill should benefit pensioners considerably.

(iii) Social Services Spending in this area has been maintained and indeed increased. Since 1978/79 there had been, up to March 1st at least, a real increase of 7 per cent in spending on personal social services, and a 5 per cent increase in National Health Service provision.

(iv) Fuel Costs Emphasis was laid on the fact that the Government already provided considerable assistance to fuel consumers. Of the £355 million special help in this area, £200 million went to pensioners.

In a time of recession such as this, the Government's objective has been to protect the social services, including the level of the pensions. We have done so, and despite what the pensioners' delegation said on March 1st; pensioners are now better off than they were. I think most pensioners recognise this. The problem is to secure the right balance between what the working population can afford to pay and what can be paid to the retired population. Our approach was designed to achieve such a balance, and at the same time not to prejudice the economic recovery. This alone could provide the money to give pensioners the kind of benefits which everyone would like to see.

I hope you find this a satisfactory summary of the response to the delegation on March 1st.

Yours sincerely,

Trefgarne
LORD TREFGARNE

Prime Minister: Mtg with National
Resources Convention
May '79

GRAVESHAM BOROUGH COUNCIL

From :-
Councillor Tom Tissiman.
19 Berkley Road.
Gravesend. Kent. DA12 2EU.

My Ref.:-

Your Ref.:-

MEMBERS' ROOM,
CIVIC CENTRE,
WINDMILL STREET,
GRAVESEND, KENT.
DA12 1AU.

GRAVESEND 64422

3rd May 1983.

24
E/APS

Dear Madame.

I wrote you on the 3rd of March 1983 asking you for your answers to the Declaration of Intent agreed at the Pensioners' Convention.

I recieved a reply from Timothy Flesher saying "this was receiving attention, and a reply will be sent as soon as posible"

I now trust that you are in a position to state your answers as I do not wish to misquote you on some statement from the Press etc.

Yours sincerely,

Rt.Hon. Mrs M.Thatcher. M.P.
Prime Minister.
10 Downing Street.
London.

PA on NPC Ltr
(Meeting with PM
on 1/3/83)



FILE SW

PM

10 DOWNING STREET

From the Private Secretary

16 March, 1982

The Prime Minister has received the attached letter from Councillor Tom Tissiman about her recent meeting with a delegation from the National Pensioners Convention. I am sorry this has taken a little time to reach you but I wonder if you could arrange for a suitable reply to go from your Department. We do not need a copy of the reply.

TIMOTHY FLESHER

Colin Phillips, Esq.,
Department of Health and Social Security

GRAVESHAM BOROUGH COUNCIL

Cllr Tom Timminan.
19 Lerkley Road.
Gravesend.
Kent. Da12 2EU.

MEMBERS' ROOM,
CIVIC CENTRE,
WINDMILL STREET,
GRAVESEND, KENT.
DA12 1AU.

GRAVESEND 64422
0474 50100.

My Ref.:-

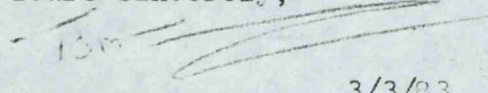
Your Ref.:-

Adv ✓
R7 (16/3)

Dear Prime Minister.

Could you please let me have a statement of your views
which you expressed to the deputation of pensioners which
you were kind enough to meet on March 1st. Pensioners
Convention Day.

Yours sincerely,



3/3/83.