

Payments of income on test of means are an important part of the social security systems of all industrial societies. Some schemes are, of course, wider in scope and more generous than others. With the passage of the years, the schemes in some countries are broadened and improved. But because benefits are dependent on a test of means, all such schemes tend to acquire characteristics which are different from those which allocate benefits according to some other criterion - whether this is the previous payment of contributions, age, medically assessed injury or sickness or the existence of dependants. Because income may come from different sources, assessment is often complicated, and because circumstances may change, checks have to be carried out at frequent intervals. This makes such schemes expensive to administer and leads to problems of achieving uniform assessments. Although, in principle, benefits are dependent primarily on test of means, in practice they have to be governed by other considerations as well, whether someone is genuinely sick or seeking work, whether a woman is genuinely supporting children on her own and whether an elderly person is or is not the householder. This is because the act of making up income without strings would come into open conflict with the other values upon which all societies are built - for example, that incomes are earned by work, that men living as husbands with women should support them, that children living with their parents should be supported by them, and so on. For the sake of preserving its order and cohesion, society insists that these values are upheld. In different ways, benefits under means-tested schemes have to be conditional on behaviour and upon the readiness of potential recipients to submit themselves to test. The function of the schemes is as much to control behaviour as to meet need.

It is no accident that the rules of such schemes are rarely all specified exactly; or if they are specified exactly to staff, are not published; or if they are published, are inconsistently applied. On the one hand, need is difficult to define, and if laid down exactly makes difficult the payment of benefit in exceptional but appropriate instances. On the other, the fact that controls are being operated is not something that society wants to have too clearly called to attention. Suppositions are made alike by applicants and staff, myths are created and obstacles to the receipt of benefits, both real and imaginary, arise. Those who defend the 'flexibility' in meeting need

which this discretionary system permits forget that the same flexibility makes for misunderstanding and uncertainty among the public and exposes them to unconscious, if not conscious, manipulation by staff on behalf of society and its approved values.

All this suggests why, in scope and amount, the coverage of such schemes is uncertain and needs to be investigated and measured. On the one hand, there are people who object to means-tested benefits on grounds that potential applicants feel stigmatized or are stigmatized, and as a consequence either do not apply for them or feel uncomfortable in drawing them. On the other, supporters of such benefits argue that they are the most efficient way of allocating scarce national resources to the poor. This chapter and the next will discuss the success of different means-tested schemes in reaching those for whom they are designed.

### **The History of Research on 'Take-Up'**

The biggest scheme financially and in coverage is the system of supplementary benefits, administered on behalf of the Department of Health and Social Security by the Supplementary Benefits Commission. In 1968, expenditure amounted to £400 million, and the incomes of approximately 4 million persons in the United Kingdom were dependent in whole or in part on weekly payments by the commission. The rates of benefit and main conditions of eligibility are set out in Chapter 6 (pages 241-7).

During the 1950s and early 1960s, a series of research studies gradually led to the realization that large numbers of people were eligible for benefits but did not claim them. The evidence was concerned primarily with old people.<sup>1</sup> Government spokesmen were at first openly critical of such research, then sceptical of the findings, but finally convinced by research carried out by the Ministry of Pensions and National Insurance itself. A national survey showed that nearly a million retirement pensioners were entitled to national assistance but were not receiving assistance. Even when allowance was made for misreported income, the ministry estimated that the figure was 850,000.<sup>2</sup> This figure was equivalent to rather more than half those actually receiving assistance at the time. Some would have been entitled only to small weekly payments.

The design of the supplementary benefit scheme, which was introduced by the

<sup>1</sup> Cole Wedderburn, D., with Utting, J., *The Economic Circumstances of Old People*, Codicote Press, Welwyn, 1962; Townsend, P., *The Family Life of Old People*, Routledge & Kegan Paul, London, 1957; Townsend, P., and Wedderburn, D., *The Aged in the Welfare State*, Bell, London, 1965; Report of the Committee of Inquiry into the Impact of Rates on Households (The Allen Report), Cmnd 2582, HMSO, London, 1965, p. 117.

<sup>2</sup> Ministry of Pensions and National Insurance, *Financial and Other Circumstances of Retirement Pensioners*, HMSO, London, 1966, Tables III.2 and III.4, pp. 20 and 83-4.

government in late 1966 to replace national assistance, was partly influenced by this research. The ministry hoped to improve take-up by eliminating 'three features of the existing scheme which are misunderstood or disliked, while preserving the humanity and efficiency of its administration'.<sup>1</sup> People satisfying the conditions laid down in the Social Security Act and its regulations now had a specific entitlement to benefit, the procedure for claiming benefits was simplified, national insurance and assistance were linked more closely in administration, and a new long-term addition to payments was introduced. The ministry also undertook an advertising campaign. Several hundred thousand people applied within a few weeks, and government ministers were quick to claim a remarkable success.<sup>2</sup>

However, the extent of the success was debatable. Rates of benefit had been raised and more generous disregards for income and savings had been introduced at the same time. Careful estimates were made on the basis of information published in the government's own report on the incomes of the retired which showed that, even ignoring the more generous disregards, the increase in numbers of retirement pensioners receiving supplements between December 1965 and November 1968 'not explained by the higher assistance scale amounts only to some 100,000-200,000'.<sup>3</sup> No field survey was carried out subsequently by government departments to confirm or reject these estimates, and the secondary analyses of Family Expenditure Survey data undertaken by the Department of Health and Social Security did not include reports on take-up among pensioners<sup>4</sup> until the Supplementary Benefits Commission itself published estimates in the mid 1970s.<sup>5</sup> For 1974, they estimated that 560,000 retirement pensioners (excluding about 180,000 wives and other dependants) or 24 per cent of the total who were eligible for supplementary benefit were not receiving it (the total value of unclaimed benefit being £60 million). In producing this figure,

<sup>1</sup> Ministry of Pensions and National Insurance, Ministry of Social Security Bill 1966, HMSO, London, 1966, p. 1.

<sup>2</sup> See, for example, Houghton, D., *Paying for the Social Services*, Institute of Economic Affairs, London, 1967, p. 12; Annual Report of the Ministry of Social Security for 1966, HMSO, London, 1967, p. 53; and DHSS, *National Superannuation and Social Insurance*, HMSO, London, January 1967, p. 7.

<sup>3</sup> Atkinson, A. B., *Poverty in Britain and the Reform of Social Security*, Cambridge University Press, 1969, pp. 75-6.

<sup>4</sup> The Minister of Social Security announced in 1968 that secondary analysis of the extent of poverty had been launched. A report in July 1971 on two-parent families stated, 'Further studies will report on analyses of FES data covering the circumstances of families without children, one-parent families and pensioners.' See DHSS, *Two-Parent Families: A Study of Their Resources and Needs in 1968, 1969, and 1970*, Statistical Report Series No. 14, HMSO, London, 1971, p. 1.

<sup>5</sup> Supplementary Benefits Commission, *Annual Report, 1975*, Cmnd 6615, HMSO, London, 1976, p. 52. A paper prepared by the DHSS Statistics and Research Branch, 'The Take Up of Supplementary Benefit', October 1977, develops in considerable detail the qualifications that need to be made in reaching the estimates.

the estimate of the number of people of pensionable age living on incomes below the basic supplementary benefit scale rates was reduced from about 690,000<sup>1</sup> to take some account of those who would not, in the event, have qualified for benefit - because they were in paid employment or had a substantial sum in savings or other capital.

Research among groups other than pensioners has not been so extensive. There had been scattered evidence of reluctance to apply for benefits.<sup>2</sup> A secondary analysis of the Family Expenditure Survey for 1953-4 and 1960 concluded cautiously that over 3 per cent of the people in the sample, representing about 1½ million in the total population, were living at a level 'which, *prima facie*, might have allowed them to qualify for supplementary help from the National Assistance Board'. They included about a million people dependent primarily on pensions, and half a million on other state benefits.<sup>3</sup> A survey in 1966 of families with two or more children, by the Ministry of Social Security, found that about two fifths of those in which the father was sick or unemployed were eligible for assistance but were not receiving it. They represented about 34,000 families (including 209,000 people). In the case of the sick, however, relatively fewer of those who had been off work for three months or more than of the short-term sick were not receiving assistance. Only a small number of fatherless families with two or more children (about 8,000, including about 32,000 people) were not receiving assistance.<sup>4</sup> For 1974, the Supplementary Benefits Commission estimated that altogether 350,000 families of heads under pensionable age, or 28 per cent of the total who were entitled to benefit, were not receiving it. The estimated value of unclaimed benefit was £120 million.<sup>5</sup>

### Social Security

The evidence from the poverty survey suggests that government estimates may hitherto have been underestimates. Information about social security payments received in the previous twelve months as well as the previous week was obtained. Estimates from the sample for payments in the week previous to interview are compared with government figures in Table 24.1. Certain difficulties in comparing the two sets of figures should be borne in mind. The sample were interviewed throughout a period of twelve months in 1968-9, whereas most government estimates apply to a single date at the end of 1968. Some families approached in the

<sup>1</sup> Central Statistical Office, *Social Trends, 1975*, HMSO, London, 1976, p. 116.

<sup>2</sup> Marris, P., *Widows and Their Families*, Routledge & Kegan Paul, London, 1958; Shaw, L. A., and Bowerbank, M., 'Living on a State-Maintained Income', I and II, *Case Conference*, March and April 1958; Marsden, D., *Mothers Alone*, Allen Lane, London, 1969.

<sup>3</sup> Abel-Smith, B., and Townsend, P., *The Poor and the Poorest*, Bell, London, 1965, p. 48.

<sup>4</sup> Ministry of Social Security, *Circumstances of Families*, HMSO, London, 1967, estimated from Table A.1, p. 133.

<sup>5</sup> Annual Report, 1975, p. 52. See also DHSS, 'The Take Up of Supplementary Benefit'.

**Table 24.1.** *Estimated numbers receiving social security benefits.*

<i>Type of benefit</i>	<i>Estimated on basis of sample numbers<sup>a</sup> (000s)</i>	<i>Government estimates (000s)</i>
Unemployment benefit	390	325 <sup>c</sup>
Sickness benefit	920	994 <sup>d</sup>
Industrial injury and war disablement pension	325	615 <sup>e</sup>
Retirement pension	7,215 <sup>b</sup>	7,122 <sup>f</sup>
Widows' benefits	485	577 <sup>f</sup>
Family allowances	4,400	4,257 <sup>f</sup>
Supplementary benefit	2,440	2,736 <sup>g</sup>

NOTES: <sup>a</sup>Except for wives receiving retirement pensions, dependants are not included.

<sup>b</sup>Including elderly widows misclassified as receiving widows' pensions.

<sup>c</sup>Average number for counts made at five separate dates in 1968-9.

<sup>d</sup>Average number of insured persons absent from work owing to sickness 1968-9 (estimated by Government Actuary).

<sup>e</sup>Britain only. In the case of industrial disablement pension, 30 September 1968.

<sup>f</sup>31 December 1968.

<sup>g</sup>November 1968.

SOURCES: DHSS, *Social Security Statistics, 1972*, HMSO, London, 1973, pp. 18, 116, 168, 196, 198, 199, 201, 202; DHSS, National Superannuation and Social Insurance Bill, 1969, Report by the Government Actuary on the Financial Provisions of the Bill, Cmnd 4223, HMSO, London, December 1969, p.28.

survey deferred an interview because of sickness. The numbers interviewed in the sample who were currently receiving sickness benefit and supplementary benefit might otherwise have been a little higher. And elderly widows receiving retirement or old-age pensions were sometimes understandably misclassified as receiving widows' pensions. Accordingly, we have adjusted the estimates for these two categories. Despite the problems of sampling error, it is evident that the sample produced a range of social security beneficiaries in broad conformity with the numbers which would be expected.

### **Eligibility for Supplementary Benefits**

One of our objectives in the survey was to find how many people would have been eligible for supplementary benefits but were not receiving them. A schedule was drawn up summarizing the rules which are normally applied by the Supplementary Benefits Commission. This was submitted to the commission for comment and was then amended. It is given in full in Appendix Three.<sup>1</sup> Two procedures were then

<sup>1</sup> Since that time the Department of Health and Social Security has itself adapted SBC rates and regulations for research purposes in analysing the distribution of income. See, for example,

adopted. For the national survey, each questionnaire was checked by one person who was specially trained in using the schedule. For income units satisfying the broad conditions for entitlement, that is, having no one in full-time employment, he then checked whether they were receiving benefit, and, if not, whether they were eligible.

For the area surveys, the questionnaires were not only examined in the same way, but a research officer paid another visit to many households to verify the facts as given to interviewers, to explore reasons for failure to apply for benefit and offer information to enable people to apply. These follow-up visits allowed us to place greater confidence in our estimates of the numbers of eligible non-recipients. A total of seventy-two households, or 6 per cent, were singled out from the 1,177 which had already provided information for these further visits.

Table 24.2 shows the results for all four major age groups in the national sample - children, young adults, middle-aged adults and elderly. There were 61 per cent of people in income units currently receiving supplementary benefits. The figure was,

**Table 24.2.** *Percentages of people of different age according to eligibility of income unit for supplementary benefit.*

<i>Eligibility of income unit for supplementary benefit</i>	<i>0-14</i>	<i>15-29</i>	<i>30-44</i>	<i>45-64</i>	<i>65+</i>	<i>All ages</i>
Unclassifiable	2.1	1.0	0.4	1.7	4.7	1.8
Could not claim (employed)	88.9	92.4	94.7	79.0	6.9	78.1
Currently receiving benefit	4.0	2.1	1.6	5.5	24.6	6.1
Ineligible (income too high)	2.1	2.8	1.9	10.9	44.7	9.6
Eligible but not receiving	2.9	1.8	1.4	2.9	19.1	4.4
Total	100	100	100	100	100	100
Number	1,543	1,254	1,104	1,438	759	6,098

however, around 2 per cent for younger adults, 4 per cent for children, 5 per cent for the middle aged and nearly 25 per cent for the elderly. This distribution corresponded fairly well with official data (Table A.101, Appendix Eight, page 1066). There were another 4.4 per cent who were eligible for benefits but not receiving them, the figure again being much lower for people below 65 than for those of this age or older, and lower for younger adults than for children. These proportions represented large numbers in the non-institutionalized population of the United Kingdom. The percentage of the sample currently receiving benefits represented nearly 3,400,000 people, which compares with the figure of 3,995,000 for Britain reported by the Supplementary Benefits Commission as provided for in

Howe, J. R., *Two Parent Families*, DHSS Statistical Report Series No. 14, HMSO, London, 1971 ; Knight, I. B., and Nixon, J. M., *Two Parent Families in Receipt of Family Income Supplement, 1972*, DHSS Statistical and Research Report Series No. 9, HMSO, London, 1975.

households receiving regular weekly payments in November 1968.<sup>1</sup> The latter figure should be reduced by about 65,000 to exclude people in hospital, local-authority homes and hostels. The percentage of retirement pensioners (and widow pensioners aged 60 and over) receiving supplementary benefits was 25.2 compared with 28.1 per cent on December 1968 according to administrative records.<sup>2</sup> They represented 1,715,000, which compared with the figure of 2,044,000 retirement pensioners (and widow pensioners aged 60 and over), and another 179,000 over pensionable age who were in households receiving supplementary benefit, according to administrative records.<sup>3</sup>

The figure of 4.4 per cent not receiving but eligible for benefits represented 2,430,000 people, including 1,315,000 aged 65 and over, and 410,000 children. Retirement pensioners comprised the majority of eligible non-recipients. Most of the others were in the families of the unemployed, sick and disabled, as Table 24.3 shows. The corresponding figures from official reports are also given. The fact that government data are based on a 1¼ per cent sample should be noted. One would not expect the two sets of figures to be identical, but when taken with estimates of the total numbers in the population who received national insurance benefits (Table 24.1), certain conclusions may be drawn. Unlike other groups of beneficiaries, fewer retirement pensioners in the sample than would have been expected were found to be drawing supplementary benefit. Part of the difference is attributable to the inclusion in official figures of persons in hospital, residential hostels and homes, and guest houses. Part is also attributable to the difficulty of distinguishing between widows' and retirement pensions for widows in their sixties. None the less, an underestimation within the sample remains. But even if all of this were to be deducted from the figure in the final column of the table more than a million retirement pensioners would still be eligible for benefit but not receiving benefit. Our conclusion therefore is that at least 2 million people in the United Kingdom, more than half of them being retirement pensioners, were entitled to obtain supplementary benefit but were not receiving such benefit.

Although the numbers in the sample of currently unemployed and sick and disabled people off work were small, substantial fractions were assessed to be eligible for, although not receiving, supplementary benefit. There were over a third of the unemployed, one in seven of the sick and one in eight of the disabled

<sup>1</sup> Annual Report of the Department of Health and Social Security for 1968, Cmnd 4100, HMSO, London, 1969, p. 316.

<sup>2</sup> DHSS, *Social Security Statistics, 1974*, HMSO, London, 1975, p. 176.

<sup>3</sup> We found that although some elderly individuals in the sample appeared to have said they were not drawing supplementary benefit when in fact they were, they had given a figure for their weekly pension which appeared to include both retirement and supplementary pension. For this reason, it should not be supposed that the figure of retirement pensioners estimated to be receiving supplementary benefit in Table 24.3 should be augmented from the final column. We believe that some at least of the missing individuals have been coded as having an income too high to be eligible for supplementary benefit.

**Table 24.3.** *Number of persons in income units in the United Kingdom receiving and estimated to be eligible for supplementary benefits.*

	<i>Estimated on basis of sample numbers</i>		
	<i>Government estimates of numbers receiving supplementary benefit (000s of persons)</i>	<i>Receiving supplementary benefit (000s of persons)</i>	<i>Eligible for supplementary benefit but not receiving (000s of persons)</i>
<i>Reason for head not being at work<sup>a</sup></i>			
Retired	-	1,455	1,300
Unemployed	-	320	425
Sick	-	365	370
Disabled	-	155	35
Housewives (many units headed by lone mothers)	-	980	265
<i>Age</i>			
0-14	-	565	410
15-29	-	235	200
30-44	-	165	135
45-64	-	720	370
65+	-	1,700	1,315
Total	-	3,380	2,430
<i>Type of benefit received by income unit</i>			
Retirement pension (and widows over 60)	2,044	1,715	1,500
Widow's pension or allowance	97	120	120
Sickness or disablement benefit	385	340	365
Unemployment benefit	225	280	325
Supplementary benefit to lone parents with dependent children	548	565	160
<i>Type of benefit received by income unit (000s of units)</i>			
Retirement pension (and widows over 60)	-	1,465	1,045
Widow's pension or allowance	61	90	65
Sickness or disablement allowance	172	160	120
Unemployment benefit	73	90	100
Supplementary benefit to lone parents	188	170	55

NOTE: <sup>a</sup>Certain small categories (e.g. students, on paid and unpaid holiday) have been excluded.

SOURCES: Government estimates from DHSS, Annual Report for 1968, HMSO London, 1969, p. 316; Report of the Committee on One-Parent Families (The Finer Report), vol. 2, pp. 313 and 316.

(Table A.98, Appendix Eight, page 1065). More than one in ten of the families of lone parents also qualified for supplementary benefit but were not receiving it.

The numbers of different types of beneficiary who were eligible for, but who did not receive, supplementary benefits can also be compared with the numbers actually receiving them. As a fraction of the numbers of units obtaining supplementary benefits, the numbers eligible for them varies between two thirds and the same number in the case of those receiving retirement pensions, widows' benefits, sickness benefits and unemployment benefits. In the case of those receiving industrial and war disablement pensions, however, relatively few income units drew supplementary benefits, and there was no evidence in the sample of anyone eligible for but not drawing them (although, as we shall see, such persons were found among the samples surveyed in the four special areas). Two qualifications need to be made. There were some households in the sample where someone was off work sick in the week preceding interview but sickness or unemployment benefit had not been paid. To reflect a real 'current' distribution, a number of short-term beneficiaries should therefore be added. Secondly, some of the unemployed not getting supplementary benefits though eligible for them may have applied but been refused because of the operation of the wage-stop.

**Table 24.4.** *Percentages of income units with income from different state sources in previous week according to eligibility for supplementary benefit.*

<i>Eligibility of income unit for supplementary benefits</i>	<i>Income units with income last week from</i>				
	<i>Retirement pensions</i>	<i>Widows' benefits</i>	<i>Sickness benefit</i>	<i>Unemployment benefit</i>	<i>Industrial and war disablement pensions</i>
Unclassifiable	3.6	1.6	1.0	(2.4)	(2.4)
Could not claim	3.9	62.5	21.2	(4.8)	(50.0)
Receiving supplementary benefit	27.5	15.6	14.1	(23.8)	(9.5)
Ineligible for supplementary benefit (income too high)	45.3	9.4	50.5	(42.9)	(38.1)
Eligible but not receiving	19.7	10.9	13.1	(26.2)	(0.0)
Total	100	100	100	100	100
Number	585	64	99	42	42

The existence of substantial numbers of individuals and families other than those of pensionable age who are entitled to claim supplementary benefit but are not doing so is supported by a range of research studies for the 1970s as well as the 1960s.

These involve long-term sick<sup>1</sup> and disabled people,<sup>2</sup> the unemployed<sup>3</sup> and one-parent families.<sup>4</sup> Organization as well as information shortcoming have begun to be discussed.<sup>5</sup>

### **Implications of Estimated Numbers Eligible for Benefits**

The estimates of numbers of people eligible for, but not receiving, supplementary benefits in the United Kingdom as a whole require some elucidation. The number of old people is considerably higher than the estimate made by the Ministry of Pensions in its survey of 1966. There are at least four reasons for this. First, during the late 1960s the number of retirement pensioners was continuing to increase disproportionately to population and to the elderly population. Secondly, higher disregards for income and assets were introduced in late 1966. Thirdly, the long-term addition initially of 45p for every retirement pensioner, which largely replaced the varying amounts previously paid to nearly three quarters of retirement pensioners receiving supplementary benefits, had the effect of lifting the 'floor' of eligibility. Fourthly, the spread of incomes of the great majority of old people covers a very small range, and even a slight change in the basic scales of supplementary benefit, relative to median or mean income, can change substantially the numbers qualifying for benefit.

If the long-term addition were excluded from the income allowed in meeting needs, the number of old people eligible for benefits but not receiving them would have been just over 1 million. If the lower disregards of income and assets had remained in force after November 1966, then the total number of old people eligible for benefits but not receiving them would have been approximately 850,000. This figure is approximately the same as that produced in the Ministry of Pensions survey of 1965, though because of the increase in numbers of retirement pensioners it

<sup>1</sup> For example, between a fifth and a quarter of people sick for six months or more had an income below 'notional supplementary benefit assessments' - Martin, J., and Morgan, M., *Prolonged Sickness and the Return to Work*, HMSO, London, 1975, p. 58.

<sup>2</sup> Harris, A. I., *et al.*, *Income and Entitlement to Supplementary Benefit of Impaired People in Great Britain*, (vol. III of *Handicapped and Impaired in Great Britain*), HMSO, London, 1972; Smith, C. R. W., *Entitlement to Supplementary Benefit of Impaired People in Great Britain*, Office of Population Censuses and Surveys, Social Survey Division, London, 1972.

<sup>3</sup> Estimates derived from the Family Expenditure Survey were given in *Hansard*, 20 May 1974.

<sup>4</sup> Hunt, A., *Families and Their Needs*, Office of Population Censuses and Surveys, Social Survey Division, London, 1973. See also Bond, N., *Knowledge of Rights and Extent of Unmet Need Amongst Recipients of Supplementary Benefit*, Coventry CDP, Occasional Paper No. 4, 1971. General sources are reviewed in Lister, R., *Take-up of Means Tested Benefits*, Poverty Pamphlet No. 18, Child Poverty Action Group, London, November 1974.

<sup>5</sup> For example, Meacher, M., *Scrounging on the Welfare*, Arrow Books, London, 1974.

represents a proportionate reduction (from 13.4 to 12.2 per cent). To conclude, the evidence from this survey suggests that the effect of introducing supplementary benefits was to reduce the number of retirement pensioners eligible for benefit but not receiving from 13.4 to 12.2 per cent, or up to approximately 75,000. This is a modest achievement, certainly much more modest than was claimed at the time.

The estimates we have given for the unemployed not receiving benefit also require comment. Not all of them would, in practice, have received benefit had they applied. There are two factors not taken into account by our estimates. First, the wage-stop was then being applied to unemployed and temporarily sick applicants. Thus, the supplementary benefit that can be paid to an applicant was restricted to the amount of his net weekly earnings when at work. Our estimates, of course, exclude income units receiving *reduced* benefits. But they include others subject to the wage-stop who did not qualify for supplementary benefit at all, even though their incomes were less than the basic scale rates. A few of the people we interviewed had applied for benefit but had been unsuccessful for this reason.

On 25 July 1968, the Minister of Social Security also announced that the benefits for unskilled and fit single men under 45 could be terminated four weeks after they had started drawing benefit, roughly on grounds that by then it should have been possible for them to find work. Benefits for skilled men and those with families could also be terminated after four weeks' warning, though this procedure was to be applied only to those drawing benefit for at least three months. These provisions applied only to regions with low levels of unemployment.

Our estimates do not take account of these two limitations. From scrutiny of the questionnaires it would seem that up to about a third of the unemployed in the sample who were not drawing supplementary benefits, and were apparently eligible for them, might not in practice have received them on one of these grounds, had they applied.

### **Characteristics of the Legally Entitled**

What were the characteristics of those legally entitled to, but not receiving, benefits? There are the characteristics of the income units and households of which they are members, and their characteristics as individuals. Government spokesmen have suggested in the past that substantial proportions of eligible non-recipients are old people who, although legally entitled to benefits in their own right, are in fact sharing a household with other income units and so, by implication, are sharing a much larger total household income. Our survey offered small support for this contention. As many as 67 per cent of people aged 65 and over were members of households in which there was only one income unit, and a further 25 per cent were in households with only two income units. Sixty-one per cent of the elderly non-recipients were living in households alone or in couples. Moreover, the households of nearly a third of households in which there were two or more income units had a

net disposable income in the year as a whole of below or just above the supplementary benefit level. All these figures are not very different from the corresponding figures for those actually receiving benefits.

The income units who were eligible for supplementary benefits but not receiving them were spread over a large number of different types of household. Twenty per cent were, or were in, households with children. Just over a quarter of them were households consisting of man and woman only, and over another quarter were single or widowed, the great majority of them elderly, people living alone. (The numbers are given in Table A.99, Appendix Eight, p. 1065.) They show beyond any doubt that those who are living in households with other income units are a minority. The

**Table 24.5.** *Percentages of people in income units receiving and eligible for, but not receiving, supplementary benefits, according to certain characteristics (United Kingdom and four areas).*

<i>Four areas</i>	<i>United Kingdom</i>				
	<i>Receiving</i>	<i>Eligible</i>	<i>Receiving</i>	<i>Eligible</i>	<i>Receiving</i>
<i>Reason for not working last week</i>	<i>but not receiving</i>		<i>but not receiving</i>		<i>supplementary benefit November 1968<sup>a</sup></i>
Dependent children (incl. those aged 15-18 at school)	28.9	36.3	16.6	17.5	18.4
Unemployed	6.8	8.9	3.3	6.4	5.6
Sick	9.5	8.9	5.7	4.7	} 8.1
Disabled	3.3	5.5	4.2	0.8	
Housewife (mainly lone mothers)	24.4	21.4	28.9	21.8	22.3
Retired	25.8	17.4	38.3	46.6	44.8
Other	1.4	1.5	3.0	2.1	0.7
Total	100	100	100	100	100
Age 0-14	27.5	34.3	16.6	16.8	17.6
15-44	16.5	24.4	11.8	13.8	13.8
45-64	21.9	18.4	21.2	15.3	18.9
65+	34.0	22.9	50.3	54.1	49.7
Total	100	100	100	100	100
Number	516	201	372	268	3,995,000

NOTE: <sup>a</sup>Britain only. Based on Tables 30-34 in Annual Report of the Department of Health and Social Security for 1968. The distribution as between housewives, retired and miscellaneous is approximate, as is implied by the corresponding figures for the population aged 65 and over. Note that SBC statistics are based on a 1¼ per cent sample of those receiving benefit.

income units were also distributed as widely as income units receiving benefits among households with heads of different ages. As might be expected of people experiencing temporary adversities, slightly more eligible non-recipients than recipients proved to be young. This was not uniform for all age groups. As many as 45 per cent, compared with 43 per cent, proved to be income units in households with heads aged 70 and over.

Table 24.5 shows certain characteristics of both the recipients and eligible non-recipients of supplementary benefit for the UK sample as a whole (the findings for the four areas are discussed later). The distributions are not markedly different. More than half of each group are aged 65 and over, more than two thirds are housewives (mostly lone mothers) or retired, and about a sixth are children. The proportions who are unemployed, sick or disabled as such, excluding their dependants, are small, but it is noticeable that the proportion of unemployed among eligible non-recipients is rather larger, and the proportion of disabled smaller, than among recipients. The final column of the table shows the corresponding administrative statistics of the Supplementary Benefits Commission (themselves based, it should be noted, on a 1¼ per cent sample of 'live cases').

### **Temporary and Long-term Poverty**

Because incomes have a tendency to fluctuate, government spokesmen often suppose that people found in the week of a particular survey to be eligible non-recipients are not really in need or are only temporarily in need, because their incomes in the year other than in that week are adequate. There was small evidence for this supposition in the survey. Over two thirds of eligible non-recipients lived in households with net disposable incomes in the previous twelve months of less than, or only just above, the basic supplementary benefit scales. There was a majority among them living in households consisting of a single income unit, and 82 per cent of them had incomes for the year of below or just above the standard (Table 24.6). In considering the interrelationship of the two measures, it must be remembered that the basic standard takes account neither of income disregarded in the more refined administrative measure<sup>7</sup> nor of the long-term addition received by pensioners and younger recipients who have been receiving benefits for two years or more and are not required to register at an employment exchange. It is not surprising, therefore, that some people who are eligible on strict application of the official regulations and procedures in fact have annual incomes sometimes considerably in excess of the basic scale rates.

As a comparative measure of the resources of the different categories, we expressed income for the previous year as a percentage of the state's poverty standard for each income unit, and then averaged this percentage for the different categories. The results in Table 24.6 show that the average unit which was eligible for but not receiving supplementary benefit had a lower relative income than recipients.

**Table 24.6.**

<i>Eligibility for supplementary benefit</i>	<i>Last year's income as a % of the state poverty standard</i>
Receives	113.1
Not receiving but eligible	108.4
Eligible to claim but income too high	185.4
Cannot claim (in employment)	220.4

Among all income units eligible for supplementary benefits but not receiving them, approximately 20 per cent had incomes assessed at over 50p below, some of them of £1 below, the incomes which they would have been allowed under the supplementary benefits scheme, and another 20 per cent had incomes of between 25p and 50p below. Most of these income units comprised the elderly. Among those coded ineligible for supplementary benefit, a third had incomes of only up to 50p more than the income they would have been allowed.

### **Levels of Living of Recipients**

Some of those in receipt of benefits have incomes above, and some below, the basic standard. Table 24.7 shows that over a quarter of the people in households with a single income unit had incomes in the year as a whole of less than the basic rates.

**Table 24.7.** *Percentages of people in income units receiving and eligible for, but not receiving, supplementary benefits, according to the net disposable income in previous year of the households in which they lived, expressed as a percentage of supplementary benefit basic scale rates plus housing costs.*

<i>Net disposable household income last year as % of supplementary benefit scale rates plus housing cost</i>	<i>Receiving</i>			<i>Eligible but not receiving</i>			
	<i>1 income unit in household</i>	<i>2 or more units in household</i>	<i>All</i>	<i>1 income unit in household</i>	<i>2 or more units in household</i>	<i>All</i>	<i>All neither receiving nor eligible</i>
Under 100	27.5	3.5	21.4	48.2	10.0	36.8	3.4
100-19	50.2	16.5	41.6	25.6	15.7	22.6	5.7
120-39	15.0	23.5	17.2	7.9	12.9	9.4	12.8
140+	7.2	56.5	19.9	18.2	61.4	31.2	78.1
Total	100	100	100	100	100	100	100
Number	247	85	332	164	70	234	4,591

Some of these had delayed applying for benefit and had lived for weeks or months on incomes below the basic scale rates. A few with high rents were not allowed full rents by the Supplementary Benefits Commission. Some were people in the families of unemployed men who were wage-stopped.

The household incomes of 50 per cent of recipients in 'single unit' households were up to 20 per cent above the basic scale rates. Many of them had small amounts of income which were disregarded. A further 15 per cent had incomes up to 40 per cent above the basic rates, and 7 per cent higher incomes still. Some were people in households in which wage-earners had been at work earlier in the year.

We also considered recipients in relation to current or last week's income. Altogether we found that 16.5 per cent of people in income units receiving supplementary benefits had an income last week of below the scale rates (Table A.100, Appendix Eight, page 1066). If the percentage is applied to the number stated by the commission to be depending on supplementary benefit at the time, then approximately 660,000 did not live at the level which appeared to be laid down in the rules attaching to the scale rates. Some were in wage-stopped families, but in other cases needs appeared to have been underassessed, or reduced allowances were being paid. The commission has itself conceded an administrative error rate of over 10 per cent, though only just over half of these are believed to be underpayments.<sup>1</sup> This phenomenon has been discussed in other studies<sup>2</sup> and will be discussed here later.

### **Eligibility in Four Areas**

Identical questionnaires to those in the national survey were used in the surveys in Belfast, Glasgow, Neath and Salford. But they were applied only to those among the samples of the population found to belong to minority groups, or rather less than half. A shorter screening questionnaire was applied to the remainder. The percentages of the total samples found to be receiving, and not receiving but eligible for, benefit are shown in Table 24.8. They are larger but not very much larger than for the population as a whole, with the percentage of eligible non-recipients being largest in Belfast, next in Glasgow, and finally about the same in Neath and Salford.

Because levels of unemployment and disability and sickness were higher, and incomes lower, especially among the retired, the fact that more people received supplementary benefit is not unexpected. But it might be assumed that, in such poor areas, receipt of benefit would be much more an accepted part of everyday experience and that knowledge of the system would be better diffused throughout the local community. As a consequence, eligible non-recipients might be considerably fewer. The fact that they are not is therefore important.

<sup>1</sup> Annual Report, 1975, p. 112.

<sup>2</sup> Bond, *Knowledge of Rights and Extent of Unmet Need Amongst Recipients of Supplementary Benefit*.

But the differences between the findings for the four areas and those for the country as a whole are not very large. Perhaps this is what deserves emphasis. While low incomes are prevalent in these relatively poor communities, dependence or potential dependence upon the supplementary benefit system of the state does not seem to be so marked as is sometimes supposed. Eligibility for help because of needs that are defined by the state seems to be widely diffused.

**Table 24.8.** Percentages of people of different age in four areas, according to eligibility of income unit for supplementary benefit.

<i>Eligibility of income unit for supplementary benefits</i>							
<i>Age/area</i>	<i>Unclassi- fiable</i>	<i>Could not claim (employed)</i>	<i>Currently receiving benefit</i>	<i>Ineligible (income too high)</i>	<i>Eligible but not receiving</i>	<i>Total No.</i>	
Age 0-14	1.5	71.5	14.0	6.4	6.7	100	1,023
15-44	0.7	83.5	6.5	5.6	3.7	100	1,320
45-64	2.2	67.7	14.7	10.7	4.8	100	777
65+	5.0	3.4	40.4	40.6	10.5	100	438
All ages	1.8	66.7	14.6	11.3	5.6	100	3,559
<i>Area:</i>							
Belfast	0.9	61.9	15.0	12.6	9.6	100	782
Glasgow	2.7	65.5	15.4	9.4	6.9	100	1,039
Neath	1.8	71.5	10.7	13.4	2.5	100	710
Salford	1.5	68.2	16.2	10.6	3.5	100	1,028
All areas	1.8	66.7	14.6	11.3	5.6	100	3,559

In comparing the samples from the four areas with the national sample, two points need to be made. In the four areas a higher percentage of different categories of person drawing national insurance than in the population as a whole qualified to draw, and were drawing, supplementary benefit as well (Table 24.9). And a much higher percentage of those both depending on, and eligible to depend on, supplementary benefit were children (Tables 24.5, page 834, and A.61, Appendix Eight, page 1039). Fewer of those in the country as a whole than in the four areas needed to have their contributory national insurance benefits made up to the state's minimum. Considerably more of the poor in these areas than elsewhere comprised children. Proportionately fewer of the poor were of pensionable age.

Because the interviewing was concentrated in a few areas, we decided to pay return visits to all those apparently eligible for, but not receiving, benefits. Many of these visits took place within three months of the first interviews, but for practical

**Table 24.9.** Percentages of different types of national insurance beneficiaries in the United Kingdom and four areas who received, and who did not receive, but were eligible for, supplementary benefit.

<i>Category of national insurance beneficiary</i>	<i>Percentage in income units receiving supplementary benefit</i>		<i>Percentage in income units who are eligible for but not receiving supplementary benefit</i>	
	<i>Four areas</i>	<i>UK</i>	<i>Four areas</i>	<i>UK</i>
Retirement pensioners	43.7	25.9	13.2	19.7
Widows' benefits	34.6	28.0	5.9	15.2
Sickness benefit	38.2	14.1	17.3	13.1
Unemployment benefit	30.5	23.8	38.0	26.2
Industrial injury and war benefit	13.8	9.5	10.3	0.0
Total population	15.1	6.4	5.9	4.5

reasons some, particularly in Belfast, took place more than three months later. Some families could not be contacted because they had moved, but, as Table 24.10 shows, fifty-seven of the seventy-two households were interviewed again. The eligibility of the majority of these was confirmed.

The largest category was of retirement pensioners, about half of whom were living alone and the others with relatives. They accounted for about three fifths of households, but for more than a third of the people qualifying for benefit but not getting it. The next largest category were fathers off work because of sickness. Over half of these had only been sick for periods of less than a month, but some for much longer. The remainder were fatherless families, disabled and handicapped people and a few unemployed men with families where it seemed likely that they would receive some benefit even if they were wage-stopped, and unemployed men who had not yet applied, or reapplied, for benefit.

The average amount to which each household seemed to be entitled was £1.20 a week, not including any discretionary allowances which might have been payable. Amounts ranged from an average of 50p a week for pensioners who were householders living with relatives, and 60p for householders living alone, to £1.90 for the fathers off work sick. One old woman and one young woman off work sick had no income of their own and were at the time eligible for about £4 a week each.

After the follow-up interviews, a number of the families appeared not to be eligible for benefit. They fell into three groups: (a) unemployed men whose income resources were lower than their needs, as assessed according to the basic scales of the Supplementary Benefits Commission, but who would have been 'wage-stopped'

**Table 24.10.** Numbers and percentages of eligible non-recipients in four areas.

<i>Households/persons</i>	<i>Belfast</i>	<i>Glasgow</i>	<i>Neath</i>	<i>Salford</i>	<i>Four areas</i>
Total number of households interviewed	256	361	223	337	1,177
Total number of persons in interviewed households	782	1,039	710	1,028	3,559
Percentage in income units receiving supplementary benefit	15.0	15.4	10.7	16.7	14.6
Percentage in income units eligible for, but not receiving supplementary benefit	9.6	6.9	2.5	3.5	5.6
Number of households with income units eligible for but not receiving benefit and interviewed a second time <sup>a</sup>	24	27	9	12	72
<i>Assessment after second interview</i>	<i>Number of households</i>				
Ineligible because of wage-stop	2	4	0	2	8
Ineligible for other reasons <sup>b</sup>	4	5	2	3	14
Eligible	15	9	6	5	35
Non-contact	2	6 <sup>c</sup>	1	1	10
Refusal	1	3	0	1	5

NOTES: <sup>a</sup>Six additional households also should have been interviewed, but they were identified only after coding, punching and computer analysis of the data had been completed.

<sup>b</sup>For example, an additional source of income, such as supplementary benefit, was found which had not been specified in the first interviews; or a family had, in fact, applied for, and been refused benefit, because income which we believed could have been disregarded was *not* disregarded.

<sup>c</sup>All in an area which had been demolished since the first interview.

at a figure below a level entitling them to supplementary benefit; (b) families who had in fact applied for benefit but had been refused on grounds which we believed might be wrong but which we felt we should accept (e.g. an employer's pension or disability pension had not been disregarded, as the regulations suggested they might have been, in the assessment); and (c) households whose circumstances or income did not, after all, qualify them to receive benefit (principally pensioners who had not specified some supplementary source of income). Our intention was to produce an estimate which would be, as near as possible, acceptable to the Supplementary Benefits Commission itself. If those who refused a second interview, or who could not be contacted, are discounted, and if the number of families ineligible for supplementary benefit only because of the wage-stop are added to families confirmed as eligible for benefit, and then compared with those families found to be ineligible, it can be seen that only one in four families failed our second test. While information supplied in these four areas must not be regarded as representative of

the country as a whole, the results of our test procedure can only be regarded as tending to reinforce the national findings. The large numbers failing to claim benefit cannot be dismissed as a function of incomplete or over-hasty survey interviewing. Even if that charge were true, it would also apply to a succession of studies carried out by the government itself.<sup>1</sup> Among only a small minority of these very poor income units was income found to have been underestimated.

The follow-up interviews helped us to understand how some interviews can produce wrong or incomplete information. For example, the initial interview with an 81-year-old woman living alone in Salford showed that she had a retirement pension (£4.50 per week at the time), but there appeared to be some friend, neighbour or relative who came and occasionally gave her 15p or 20p in addition. At the follow-up interview it was established that the visitor was in fact an SBC officer and the elderly woman received supplementary benefit of 20p a week. Again, a woman of 64, living with a son permanently off work through sickness, appeared on the basis of the first interview to be eligible to receive a total of £6.20 but only received a pension of £4.50. At the follow-up interview she revealed she had a cleaning job for two hours a day. She would give no further details, and despite the interviewer's assurance to the contrary, persisted in believing that because she had a part-time job she was not eligible for supplementary benefit. In the absence of full information, we had to assume her income was such as to make her ineligible for benefit.

There were a few informants, mainly old people, who revealed either with order books or after questioning that they were, in fact, receiving supplementary benefit, though this had not emerged during the first interview.<sup>2</sup> In almost no instances was concealment deliberate, though in some instances embarrassment had caused people to imply that the total figure they gave in reply to questions about income was attributable to a pension and not also to supplementary benefit. The term 'supplementary benefit' was unfamiliar to some people. Indeed, we came across instances of people referring to 'public assistance' and even 'outdoor relief' instead of 'national assistance' (operating between 1948 and 1966). And the amount of supplementary benefit was sometimes combined in payment with a non-contributory old-age pension for some of the oldest people, so misapprehensions were understandable.

This follow-up research tends to reinforce substantial estimates of shortfalls of receipt of benefit made on the basis of the national and special area surveys. It shows that a proportion of those initially assessed as eligible for but not receiving

<sup>1</sup> For example, the Ministry of Pensions studies of retirement pensions and families with children, and DHSS and OPCS studies in the 1970s of one-parent families, and the long-term sick and disabled.

<sup>2</sup> It should be noted that most of the errors of the first interview were made in 'screening' interviews of short duration rather than in the full interviews held with households falling into one or more of the thirteen social minorities (and with all households in the national survey).

benefit would be ineligible, but the proportion is small and is made up in part of families who would be ineligible only because of the operation of the wage-stop. On the other hand, it should be remembered that the follow-up research was confined to the potentially eligible and, just as some errors of interviewer classification were found among them, a few errors may well have been made in classifying the potentially ineligible. This would have had the reverse effect of *increasing*, rather than *decreasing*, the estimate.

### **Attitudes and Circumstances of those Eligible for Benefit**

About three quarters of the pensioners interviewed in the follow-up research seemed to be unaware that they might be eligible. They assumed they did not qualify because they were not destitute, had part-time earnings, owned their own houses, had savings or had help from their families. Householders living with working relatives, including sons and brothers, were, in particular, unaware of their rights. 'But I'm not on my own. I've a son (brother) working who lives with me.' When the qualifying regulations were pointed out to them, several seemed very doubtful and it seemed unlikely that they would apply.

But, as pointed out earlier, such people account for only a small proportion of eligible non-recipients. Pensioners living alone were also uninformed. Some were aware that they might get help with their rent, but believed that savings or small sources of income would disqualify them. Despite protestations to the contrary, the interviewer was sometimes regarded as being a representative of the 'welfare' and felt that explanations of failure to apply were sometimes couched politely in terms of the complexities of the system instead of distaste for it. Some pensioners reacted in traditional terms to supplementary benefit as a form of charity. As one woman in Glasgow said, 'I'll apply when I need it. As we are now we can manage. I've always been independent, but with the way things are going perhaps I'll be applying soon.'

A widowed householder of 77 lived with a 68-year-old unmarried sister in one of the city's slum areas. The widow's pension was £5 and she appeared at the first interview to be entitled to another 60p. At the follow-up interview she claimed she had part-time earnings. She had been a corset-maker all her life and still lived over the shop, which she owned, and made corsets for her relatives. But it was unlikely that her earnings even reached 25p per week. She was well aware of her entitlement to supplementary benefit, and indeed referred to the notes circulated with her pension book. She did not regard supplementary benefit as a charity, yet said she would only apply for it when she 'needed it'. For her, such an act seemed to symbolize the end of her working life and independence.

The fathers off work sick were all unaware of their possible entitlement to benefit. At least in the areas in which we did this research, it was apparently not the policy of officials to tell men drawing sickness or unemployment benefit that they might be

eligible for supplementary benefit. Instead, information was given only when requested. Some men were doubtful when told by our interviewer of their entitlement, and some were opposed to making an application because they had an unfavourable impression of the Supplementary Benefits Commission officers and procedures. Antagonism was strongest in Belfast where the wage-stop appeared to be more frequently and stringently applied and where unemployment was running highest. People in Belfast were, for example, convinced that supplementary benefit rates were lower than in England, and that discretion was less frequently exercised in the applicant's favour. The commission does not publish area analyses of the number of households receiving exceptional circumstances additions, exceptional needs grants, and so forth, but the commission's Northern Ireland Report shows that, in number and amount, such payments in Northern Ireland are disproportionately small.<sup>1</sup> The stigma of charity was also strong. One wife said, 'It sounds like superstition but your own money goes further. You can lay it out better.'

Among reasons given for not applying in all four areas was a fear that basic sickness benefit would be reduced, or that an application would lead to bureaucratic inquiries during a period of convalescence. Some people were reluctant to submit to what they regarded as distasteful procedures for comparatively small results. This was particularly true if there was more than a single income unit in the household and a member of the family was still at work, or if earnings-related supplements to national insurance benefits were expected after the first fortnight. Understandably, people confused these 'supplements' with supplementary benefit.

Most of the sick people who were eligible for supplementary benefit were temporarily in poverty, as in the following example.

At first interview a man off work sick for just over a week showed that the total family income per week from sickness benefit and a family allowance for his second child was £9.10. His supplementary benefit entitlement worked out at £11.65. At the follow-up interview, he was back at work and revealed that he had drawn a 'sub' of £4 from the SBC to tide him over the first week until he was paid. Although this involved the loss of a day's pay because of the waiting in the office, he preferred it to asking for a 'sub' from his employer. He claimed not to have known he was eligible for supplementary benefit while sick but said he might apply if he became sick another time.

The long-term sick posed a variety of problems. Sometimes there was a straightforward refusal to apply for benefit even after many weeks on a minute income.

<sup>1</sup> The severity of conditions in Northern Ireland and the long-term nature of adversities would suggest that more of those granted supplementary benefits should be receiving discretionary additions, either regularly or occasionally. But the reverse is, in fact, the case. In 1969, for example, only 13.2 per cent received exceptional circumstances additions, compared with 17.5 per cent in Britain. DHSS, Annual Report, 1969, Cmnd 4462, HMSO, London, p. 332; and *Northern Ireland*, SBC Report for 1969.

The first interview showed that a Salford man who had been off work for twenty-four weeks with thrombosis had a wife and six children of school or pre-school age and a total income, including family allowances, of £13.18 a week. Their entitlement appeared to be £16.25. The follow-up interview confirmed all the information obtained at the first and showed that although the couple were acutely aware of the possibility of getting some additional help, and lived only just round the corner from the offices, they refused point-blank to apply.<sup>1</sup>

Sometimes the people living in the household were unaware of entitlement.

A woman of 50 years of age in Glasgow was off work because of 'nerves'. She had no income whatsoever and acted as housekeeper to her unmarried brother and sister, both of whom were in paid employment. Some entitlement existed, but the exact amount depended on whether or not the SBC would treat her as 'working' for her relations. She had not worked full time since 1944, though she had done a little outwork recently as a raincoat machinist. Her basic problem was claustrophobia in factory conditions. When her father was alive she had drawn national assistance, but had sent her allowance book back when he died, a few years previously. She said in the follow-up interview that she was aware that pensions and benefits could be paid to the crippled or physically ill, but did not believe her condition made her eligible. 'The people I've seen with allowances have all been crippled, their hands all twisted up with rheumatism, or they've had bronchitis.' Two years earlier her sister had sought advice from the local Citizens' Advice Bureau after a circular had been put through the letter-box, but had been offended at the suggestion that a further application should be made to the National Assistance Board. They both felt that national assistance was degrading and that the Citizen's Advice Bureau should have helped. 'Well you have got a bit of pride left, haven't you?' she asked the interviewer. Since then they had let the matter drift. When she learned that it was possible to apply for a home visit through the Post Office she said she would apply.

This was not the most extreme case of individual entitlement.

A man of 55 living with a common-law wife in Neath had, he said, chronic bronchitis and spent his life on or near his bed. He looked like a living skeleton and could only move a few feet at a time, and with great difficulty. His only income was his sickness benefit of £4.50 per week. In better times he had bought his wife a small hairdressing business, and she had worked at this for several years but failed to stamp her insurance card. Now she had fallen ill and could work very little, with the result that the couple were living on sickness benefit for a single man, but were afraid to apply for supplementary benefit because they believed the irregularity over the stamp would be discovered.

<sup>1</sup> From September 1971, invalidity benefit became payable instead of sickness benefit after six months' incapacity for work, and higher allowances were paid for dependants and later for claimants. But, at the end of 1971, the number of sickness beneficiaries drawing supplementary benefit was still 12.6 per cent (compared with 14.6 per cent at the end of 1970). By the end of 1974 it was 7.7 per cent. See DHSS, *Social Security Statistics, 1974*, HMSO, London, 1975, p. 176.

There were a number of other kinds of household eligible for benefit but not receiving it.

A separated woman in Belfast with two illegitimate children received £5 per week from the children's father. Although this was equal to the maximum possible maintenance award, it was below the supplementary benefit level. At the follow-up interview it proved that the woman was not aware that she was eligible, but she was also reluctant to apply for benefit, since the question of her divorce and prospective remarriage was at a delicate stage. She did not want to make relationships with her former husband more acrimonious, nor damage her relations with the children's father. Had she applied, the SBC would have been legally entitled, though unlikely, to sue the father for the minimum 50p which they would have had to pay her. The practice of the SBC in Northern Ireland was to make a wife deserted by her husband sue him; and some informants told us that benefit was not paid until she had done so.

There were also three instances in which difficult decisions would have to be taken in the event of any application. In one family a girl aged 15 stayed off work to care for her mother who was ill and was said to need constant attention. For six months the girl had been supported from the father's sickness benefit. A girl of that age could not receive money in her own right from the Supplementary Benefits Commission, and whether the commission chose to pay her a housekeeper allowance would depend on whether the family could establish that the mother needed attention and that the daughter was suitable to provide this attention.

In another instance, a widow worked to keep her 27-year-old son who was mentally handicapped and had never worked. She said he was 'excused paying stamps' and was incapable of the most menial job. When the interviewer suggested the possibility of support, the widow said she was reluctant to contact officials because they would call attention to her son's handicap.

Among the elderly, the predominant impression about their failure to obtain supplementary benefit was one of ignorance and inability to comprehend complex rules and pride in such independence as was left to them. Among men with families, it was one more of fear of the power and arbitrariness of official procedure and decisions. Both shied away from wearisome form-filling and queries at offices. They were deterred by physical distances, by waiting and uncertainty, by awesome bureaucratic procedures and by the uncomfortable and sometimes abrasive contacts with officials or other clients which they expected. People were visibly pleased to be told about the Post Office method of applying for a home visit to determine eligibility. But, in general, old and young returned by one route or another to the stigma which they felt was still implied by this system of obtaining money in need.

### **Attitudes of Recipients**

We asked people receiving benefits who had advised them to apply and whether they were embarrassed to have this kind of help. Among the total receiving benefits, 31 per cent said that making an application was their own idea and another 16 per cent did not know of any particular advice; but 24 per cent said a relative or a friend

had advised them, 8 per cent a 'welfare worker', 5 per cent a doctor and 3 per cent the Post Office, leaving 13 per cent who gave miscellaneous sources.

The exact question we asked of people receiving benefit was: 'Do you feel embarrassed or uncomfortable about it or do you accept it just like a pension or any other kind of income?' Table 24.11 gives the distribution of answers. The great majority were not embarrassed or uncomfortable, although some of these were over-assertive, for example: 'I've worked my guts out all my life and it's about time my country did something for me in return.' Alternatively, some were mechanical in giving their replies, as if applying for help were an automatic part of the adjustment they had had to make in their self-esteem: 'You have to take it, don't you, and get on with it? It's the only thing you can do.' A little less than a third, but rather more younger than older people, felt embarrassed or uncomfortable.

Among recipients under the pensionable ages, there was little variation among the unemployed, sick, disabled and housewives in the proportion expressing embarrassment. The fraction did not vary much around two fifths for each of these categories. And roughly as many men as women expressed embarrassment. Among the elderly, the fraction fell to about a quarter, but relatively twice as many housewives as retired married men, or two fifths compared with one fifth, expressed embarrassment. On the other hand, the proportion of women living alone in retirement who expressed embarrassment was approximately the same as of retired husbands (or one fifth). In the four special areas, fewer claimants than in the United Kingdom as a whole expressed discomfort (21 per cent compared with 29 per cent), but the distribution between the sexes and age groups followed the same pattern.

The information given here should not be regarded as offering more than a starting point. It was not our purpose to explore relationships with social security agencies,<sup>1</sup> and it was evident from illustrative comments that many people held

**Table 24.11.** Percentages of elderly and younger recipients, according to their attitudes to receiving supplementary benefit.

Whether embarrassed or uncomfortable at receiving supplementary benefit or accepting it like a pension or other income	Recipients aged 60 and over	Recipients under 60	Recipients		
			Male	Female	All
Very embarrassed or uncomfortable	5.3	19.2	8.0	9.7	9.1
A little embarrassed	20.7	19.2	18.4	21.2	20.0
Not embarrassed	74.1	61.6	73.6	69.1	70.9
Total	100	100	100	100	100
Number	189	73	87	175	265

<sup>1</sup> But see, for example, Meacher, *Scrounging on the Welfare*.

strong views about correct methods of procedure and treatment. All we have sought to show is that there is a wide variation in attitudes towards the receipt of benefit, which is bound to contribute to any explanation of the inefficiency of supplementary benefits as a system.

### **Inadequate Payments**

We did not attempt to check every payment of supplementary benefit to recipients in the national and special area samples to find whether payments corresponded with needs as they were defined in regulations. However, interviewers were instructed to pass on information whenever they could, and to encourage informants to apply for additional benefits or appeal if there seemed to be grounds, *prima facie*, for doing so. There were at least ten households which subsequently applied for, and obtained, supplementary benefit, and at least twenty-five families gained additional payments as a result of asking for an account of an assessment, appealing against an assessment, or applying for an 'exceptional circumstances addition' or an 'exceptional needs grant', as they are known administratively. There may have been others about whom we did not subsequently learn. A number of cases were also taken up on behalf of interviewers by those in charge of the survey. The correspondence describing one such case is given in full in an annex to this chapter (except for one or two cuts and inconsequential changes to conceal identity), to illustrate the different issues that can arise.

### **The Conflicting Functions of the Supplementary Benefits Scheme**

In support of other evidence,<sup>1</sup> the correspondence brings out how difficult it is for staff to apply Supplementary Benefits Commission rules in practice (embodied as they are in the voluminous unpublished A and AX codes); how easy it is for mistakes to be made; how strenuously the commission itself, its senior officials and its area managers, endeavour to apply the rules of the organization in what they consider to be a rational, dignified and humane way while remaining conscious of (and some would say unduly influenced by) unbridled and erroneous expressions of antipathy towards claimants on the part of many in the press and among the public; and how vainly allowances are adjusted to any, even crude, assessment of real need. Most importantly, the correspondence illustrates the conflict between the social control and poverty alleviation functions of the Supplementary Benefits Commission whereby the exercise of 'discretion' becomes self-deceiving.

Management tends to be governed more by the need to safeguard public ex-

<sup>1</sup> In recent years perhaps the best illustrations are to be found in the exchange between David Donnison, the chairman of the SBC (from 1 October 1975), and Michael Hill, David Bull, Ruth Lister and Frank Field in *Social Work Today*, 1975-6.

penditure, control abuse and ensure conformity to social norms than generously to meet poverty. Thus, it is implicitly assumed that people have to be motivated towards work and self-help, and rents paid regularly, and that men must be obliged to maintain their wives and children, and women to honour the ties of formal marriage. In spite of some impulses to the contrary, the organization will tend to *delay* payment, or will underpay.<sup>1</sup> It will impose repayments unnecessarily or impose them over unnecessarily short periods. The payment of additional grants or allowances will more often be the result of intense pressure than of anticipatory action, and, at least for those under pensionable age, will be withdrawn unless that pressure is kept up. In other words, the commission as an organization will tend to revert to form - that is, acting more in conformity with established institutions and the views of the majority of the population than of the minority of claimants.

In the case of the Thackens (see the annex at the end of this chapter, pages 850-59), the weekly allowance was increased, and an exceptional needs payment of £30 was made in 1968. But no further lump-sum payment was made until 1972 - despite the appalling problems which any visit to the family would have disclosed -and in that year we found that the additional allowance for Mr Thacken's dietary needs was no longer being paid. This is, of course, only one unusually well-documented instance, but it is a particularly illuminating one, which might be backed up by the accumulated experience of organizations like the Citizens' Rights Office of the Child Poverty Action Group. When challenged about particular families, the commission will often respond in conformity with its poverty alleviation functions and will appear to take individual need into account. But unless the situation can be watched, it may revert to one more in conformity with principles of parsimony and control. A different example of the tendency for extensions of welfare to be impermanent is the fact that decisions of Supplementary Benefits Appeal Tribunals cannot be treated as setting precedents.<sup>2</sup>

## Summary

This is the first of two chapters which discuss the function and success or failure of means-tested schemes in alleviating poverty. The supplementary benefits scheme is the largest of the many schemes. The chapter suggests that the scheme exists as much to control behaviour in conformity with what is regarded as desirable socially

<sup>1</sup> This can arise not only from difficulties, because of staff shortages, in administering prompt payments, but also from discrepancies between published and unpublished rules, for example the published SBC Handbook and unpublished A code. See Healy, P., 'Three Ways in which the Social Security System Misleads Claimants', *The Times*, 28 June 1976.

<sup>2</sup> 'The law they have to administer leaves them with wide, problematic and in some areas ambiguous discretionary powers. Each tribunal is isolated from the rest, there is no second tier appeal structure and thus no body of decisions which can be referred to' - Bell, K., *Research Study on Supplementary Benefit Appeal Tribunals*, HMSO, London, 1975 p. 20.

as to meet need. Prior to 1966, independent and government research studies had revealed that there were substantial proportions of the elderly and other groups in the population who were eligible for national assistance but not receiving it. The Social Security Act 1966 and the substitution of supplementary benefits for national assistance was believed by the government to have greatly reduced these proportions, but independent estimates had thrown doubt on official claims. Our evidence suggests that the number of people failing to claim benefit to which they were entitled was reduced by only about 75,000 (from a total conceded even officially as being in excess of 1 million).

The income units in the sample which were dependent on supplementary benefit corresponded closely in number and type with expectations based on administrative statistics in the reports of the Supplementary Benefits Commission for 1968 and 1969. But 4.4 per cent of the people in the sample, representing 2,430,000 people (comprising 410,000 children, 1,315,000 people aged 65 and over and over 700,000 other adults), seemed on the basis of a careful check to be eligible for but not receiving benefit. Further research in four poor areas, Belfast, Glasgow, Neath and Salford, where follow-up visits were paid to those found on the basis of an initial interview to be eligible for benefit but not receiving it, largely confirmed these estimates. Around half the eligible old people lived alone and not with relatives. Many of the younger families were not temporarily in poverty but had been living on a low income for the whole of the previous twelve months.

Some people did not realize that they might still qualify for help if they lived with relatives, had savings or an occupational pension, or had part-time earnings. Certainly there are severe problems in acquainting potential applicants with information about the conditions of benefit. Some people were discouraged by the procedures involved in making an application, and the waiting and questions to which they would have to submit. Others wanted to maintain their independence or to avoid the shame of pleading poverty. Their feelings were shared to a lesser extent by a substantial minority of those who received such benefits. They said they were embarrassed to receive this assistance, and some had grounds for seeking an exceptional needs grant' or an exceptional circumstances addition' but were reluctant to press their claims.

Since the survey was carried out, a more pronounced distinction has been made between 'ordinary' and 'long-term' rates of benefit. This is perhaps the most important development in the scheme. By and large, the long-term rates are paid after two years receipt of benefit, except to those who have to register for work. Retirement pensioners, however, are eligible for the long-term' rate from the date of their retirement. In 1974, the ordinary rate for a single householder (including rent) expressed as a percentage of *net* average earnings was 34.6, and the long-term rate was 43.5, compared with 38.6 and 41.6 respectively in 1968. In 1974, the corresponding rate for a married couple with four children (two aged under 5 and two aged between 5 and 10) was 67.2, and the long-term rate 73.6, compared with

respectively 70.4 and 72.7 per cent in 1968.<sup>1</sup> The ordinary rate declined in relation to earnings, and the long-term rate improved slightly. However, the total number of claimants in Britain increased by 43,000 between these two years, and the total number of recipients and dependants from 3,995,000 to 4,092,000. The number of sick and disabled people with national insurance benefit declined, and the number of unemployed increased. Other changes could be listed. But, in coverage and level of provision in relation to other incomes in society, the scheme can be said to remain substantially the same as it was in 1968. In broad outline, at least, the survey conclusions would seem therefore to apply to the mid 1970s and not only the late 1960s.

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### **Annex to Chapter 24**

A man and woman in their mid thirties were visited in Salford. They had three young children. He was an epileptic and was suffering from a brain haemorrhage as well as a peptic ulcer. His wife had recovered from tuberculosis and suffered from bronchitis. Two of the three children had been ill for long periods in the recent past. They had all lived in poverty or on the margins of poverty for some years, and the house had been condemned. Certainly the roof let in water, and the back yard, into which everyone had to go to reach the WC, was a quagmire in rainy weather. (The name and address of the family below have been changed.)

*26th April 1968*

To The Manager  
Supplementary Benefits Commission  
SALFORD

(Copy also to the Permanent Secretary of the Supplementary Benefits Commission)

Dear Sir,

You may be aware that at the present time a research team from Essex University and the London School of Economics, under the direction of Professor Abel-Smith and myself, are carrying out a survey of standards of living in Salford. This is, in fact, part of a national survey. Although social work is not the responsibility of our interviewing officers, we occasionally feel a moral duty to help certain families. Usually the interviewer can deal with this himself or herself but I should like to obtain your advice about Mr George Thacken and his family, of 14 Mulford Street, Salford. Mr Thacken has given us permission to approach you and any other body on his behalf. Mr Thacken is chronic sick and has been off work for more than six years. In exploring his resources we find that his total income from you (including rent paid) is £14.80p. This does not appear to include the automatic allowance of 45p for a person who has been sick for two years or more. I also wonder whether there is not a case for an additional discretionary allowance. As far as we can discover, Mr Thacken, who is in his mid 30s, suffers from both epilepsy

<sup>1</sup> *Hansard*, 13 February 1976, cols. 423-4.

ELIGIBILITY FOR SUPPLEMENTARY BENEFIT 851

and a clot on the brain and his life expectation may be unfortunately short.

The final point I should like to raise is the question of single grants. I understand that a grant of about £4.50 was made for shoes as well as a previous similar grant in the year for some other purchase. The living conditions of this man, his wife and his three young children are very bad and they are extremely short of furniture and other essentials. There does seem to be a *prima facie* case for a much more substantial single grant.

Yours faithfully,  
P. T.

8th May, 1968

Ministry of Social Security  
Salford West Area Office

Dear Sir,

Thank you for your letter dated 26th April, 1968 regarding Mr George Thacken, and his family of 14 Mulford Street, Salford.

Unfortunately we have not been able to see Mr Thacken at his home, to date, in order to investigate his circumstances, but we hope to deal with this matter in a day or so, and I will let you have a reply in due course.

Yours faithfully,  
H. Grundy  
Manager

23rd May, 1968

Supplementary Benefits Commission  
Ministry of Social Security  
LONDON E C4

Dear Professor Townsend,

Thank you for sending me a copy of your letter to our local Manager about Mr George Thacken of 14 Mulford Street, Salford.

As you know the, Manager has arranged for Mr Thacken to be visited to see what additional help can be given and he will be writing to you direct about this. I understand, on the main point in your letter, that the long-term addition of 45p has been allowed in calculating Mr Thacken's Supplementary Allowance, and I have asked the Manager to let you have a detailed explanation of how the allowance is calculated.

Yours sincerely,  
Donald Sargent  
(Permanent Secretary)

4th June, 1968

Ministry of Social Security  
Salford West Area Office

Dear Sir,

With reference to your letter dated 26th April, 1968, regarding Mr George Thacken and his family of 14 Mulford Street, Salford, we have now looked into his circumstances and

852 POVERTY IN THE UNITED KINGDOM

I am able to let you have the following reply.

I understand that the Secretary of the Commission has advised you that a detailed explanation of the calculation of Mr Thacken's supplementary allowance will be given to you and this information is furnished hereunder.

*Weekly income taken into account*

	£	p
Sickness benefit	9	90
Family allowance	<u>1</u>	<u>60</u>
Total to be taken into account	11	50

*Weekly Requirements*

	<i>Amount</i>	
	£	p
Claimant and wife	7	05
Children Age		
Christopher 7 years	1	50
Harriett 9 years	1	50
George 13 years	1	85
Long-term addition	0	45
Rent allowance	<u>2</u>	<u>61</u>
	Total	14 96
	LESS total to be taken into account	<u>11 50</u>
	Supplementary allowance entitlement	<u>3 45</u>

You will see from the details overleaf that the long term addition of 45p has been allowed in the calculation, and that Mr Thacken's weekly requirements have been brought up to a total of £14.95p by the payment of supplementary allowance of £3.45p.

I must point out, however, that at the time of your survey the total weekly income was in fact £14.80 as mentioned in your letter, and the reason for this difference was that Mr Thacken agreed to a weekly deduction of 15p in order to repay an excess of benefit which he had drawn. This matter has been cleared up and he now receives a weekly supplementary allowance of £3.45p.

It has been possible to make grants to cover the cost of new clothing, and some other urgent needs, and steps are now being taken to provide a modest amount of necessary furniture.

Yours faithfully,  
H. Grundy  
Manager

*24th June, 1968*

To The Manager  
Ministry of Social Security  
Salford West Area Office  
(Copy to Sir Donald Sargent)

Dear Mr Grundy,

I very much appreciated your courtesy in writing such a full letter about the circumstances of Mr George Thacken. I am very glad indeed that you have found it possible to make grants to cover the cost of new clothing and some other urgent needs, including furniture. On the basis of the information I have, I am sure this is most justified.

I must confess that there are still two points which make me uncomfortable. You mention that the sum of 15p per week was deducted as repayment of 'an excess of benefit which he had drawn'. While not knowing all the circumstances resulting in this deduction, I wonder whether such a step really is necessary with families living in such poverty as that of Mr Thacken. If an excess of benefit is ever given through some misunderstanding or some mistake on the part of an officer serving the Ministry, I am sure that the right principle would be to impose no repayment. The only instance which might give rise to doubt is one where an applicant knowingly gives false information. I would like to be assured that this was the case and whether Mr Thacken was informed of the deduction and was offered the opportunity of appealing against the decision. There must be many instances when members of your own staff and staff of offices elsewhere believe that applicants have consciously withheld information but where in practice they may be simply confused by official procedures and forms.

The other point which disturbs me is that although Mr Thacken did in fact receive the 'long-term addition' of 45p he did not receive any additional discretionary sum. I would have thought that if ever there was a family which deserved to receive a regular additional discretionary amount, that family was Mr Thacken's. But this, as you must know, raises in question the whole problem of how the introduction of the long-term addition of 45p has changed, or ought to have changed, the Ministry's policy over discretionary payments.

Yours sincerely,  
P. T.

*27th June, 1968*

Ministry of Social Security  
Salford West Area Office

Dear Professor Townsend,

Thank you for your letter dated 24th June, 1968, regarding Mr Thacken.

I will look into this case with particular reference to the points you raise and will let you have a reply as soon as I am able.

Yours sincerely,  
H. Grundy  
Manager

*9th August, 1968*

Ministry of Social Security  
Salford West Area Office

Dear Professor Townsend,

Thank you for your further letter of 24th June about Mr George Thacken, of 14 Mulford Street, Salford.

To enable me to clarify the first point in your letter, I should explain the Ministry's position in connection with the recovery of overpayments of supplementary benefit. Under the Ministry of Social Security Act 1966, the Ministry is entitled to recover the full amount of any excess expenditure incurred due to a person's failure to disclose a material fact. The Supplementary Benefit (Claims and Payments) Regulations provide that recipients of supplementary benefit must report information, for example, about changes in their circumstances 'at any office or place as the Commission may direct.' This is explained in notes included in the order-book, which set out the changes to be reported to the address given in the book. Mr Thacken's wife ceased work on 13th April, 1967 and this led to an increase in the dependent's sickness benefit for his wife (£2.50). He did not, however, report the change to the Supplementary Benefits Office until 16th June, 1967, and as a result he was overpaid supplementary benefit for the period 14th April 1967 to 18th June 1967. I should explain that whereas only £1.95 per week of Mrs Thacken's earnings were offset against the family's requirements in calculating the supplementary allowance paid to Mr Thacken the full dependant's sickness benefit for her would be taken into account. Normally the Ministry seeks recovery in cases such as this only where the claimant has either some disregarded income or readily available capital and, clearly, since Mr Thacken possessed no such resources the decision to seek recovery was incorrect. (In answer to the question in your letter on appeal rights, when Mr Thacken signed a form of undertaking to repay, this included a paragraph drawing his attention to his right of appeal under section 26(2) of the Act, but he did not exercise this right.)

When the decision to require the payment was recognized as being contrary to the normal practice, the deduction from benefit was stopped. By that time, £6.75 had been recovered and this fact was taken into account, among other considerations, in making the grants for clothing and furniture, to which I referred in my previous letter. The grants made for these purposes totalled £29 and there was also a payment to clear some rent arrears and to provide the family with a supply of coal (they had previously been buying coal in very small quantities at correspondingly high prices).

I can confirm that the Ministry would not normally seek to effect recovery when an overpayment of supplementary benefit was due entirely to an error on the part of a member of the Ministry's or other Government Department's Staff.

Finally, you comment on the fact that no discretionary sum over and above the long-term addition was allowed in the calculation of Mr Thacken's supplementary allowance. As you will know, the long-term addition was one of the major innovations of the Supplementary Benefits scheme and was intended to provide a margin, over and above the basic scale rate, to meet special expenses. Where the long-term addition is not payable or is insufficient to cover all the special expenses a person, or his dependants, may have, the

supplementary benefit can be increased. On the information we had about Mr Thacken's circumstances, and those of his family, it appeared that any special needs were more than covered by the long-term addition but when I called at the home following receipt of your earlier letter Mrs Thacken mentioned for the first time that her husband also suffered from stomach trouble but did not take a special diet. In his own interest, I thought it best that I should have a word with his doctor, who told me that a peptic ulcer had been diagnosed and that Mr Thacken had been recommended to follow a special diet. He had, however, failed to collect the diet sheet. I therefore advised Mr Thacken to obtain his diet sheet forthwith and I have increased his supplementary allowance to enable him to meet the extra cost involved. On medical advice, the Commission take the extra expense of a diet for peptic ulcer as being 62½p a week. In Mr Thacken's case, 45p of this is provided by the long-term addition and a further addition for the balance of 17½p has been made. This has the result that, after rounding his allowance to the nearest 5p, he receives an extra 20p a week.

Yours sincerely,  
H. Grundy  
Manager

*10th September, 1968*

To The Ministry of Social Security  
Salford West Area Office

Dear Mr Grundy,

Thank you for your further information about Mr Thacken. There are a number of very disturbing points about this case, most of which affect Ministry policy rather than local administration. Although your recent inquiries have resulted in both a small increase in the weekly allowance and the payment of a lump sum, I am not sure that justice has been done.

First, you mention that recipients must report changes in their circumstances and that Mr Thacken did not for some weeks report that when his wife ceased work, he received an increase in sickness benefit of £2.50 for a dependent wife. I find it rather astonishing for you to suggest that the responsibility for notifying a change *always* rests with the recipient. Mr Thacken might be entitled to assume that one half of the Ministry will know what the other half is doing. After all, sickness and supplementary benefit are both paid by the same organization.

Secondly, you say that Mr Thacken was overpaid supplementary benefit for the period 14th April, 1967 to 18th June, 1967. This covers about nine weeks. Taking into account the £2.50 extra sickness benefit as against £1.95 of the wife's earnings deducted from the calculation of the family's requirements, he seems to have been overpaid around 55p per week. I would be grateful if you could confirm the details because if the amount were as low as this, then the total overpayment during the nine weeks would be about £5 - as against the sum of £6.75, which you say was 'recovered'. Irrespective of the error in seeking repayment, it seems that no check was made to ensure that too much was not repaid.

Thirdly, you admit that 'the decision to seek recovery was incorrect'. It would follow

## 856 POVERTY IN THE UNITED KINGDOM

that Mr Thacken should be reimbursed and should also receive an apology. Instead you say the fact 'was taken into account' in making a grant for clothing and furniture. The two matters are clearly distinct in principle. Putting right the wrongful recovery of money is one thing; making a payment for need is another.

Fourthly, you say that a form signed by Mr Thacken, undertaking to repay, contained a paragraph drawing attention to his right to appeal. May I ask whether in all such cases the individual's right to appeal is specified *verbally* by officers of the Ministry? We make a mockery of individual rights unless the Ministry ensures they are called properly to the attention of persons in poverty - particularly since so many are sick, disabled or old.

Fifthly, the additional allowance of only 17½p for a special diet is absurd. You say that the introduction in 1966 of the long-term addition of 45p was to meet special expenses. This appears to deny the *general* need of those who have been sick for two years or more or who are retired for a higher rate of subsistence. There is an argument from equity which might be discussed publicly. Two men who have been off work sick for over two years will both receive the long-term addition of 45p. Yet if one has the additional expense of a special diet (which you acknowledge to be 62½p per week) you pay him only 17½p more than the other man. Moreover, in Mr Thacken's case I would ask most seriously whether there is not still a case for a further discretionary allowance, beyond that for a special diet?

Finally, I would be grateful to know the itemization of the grants which you say amount to £29. It would seem that about £22 was made available for clothing and furniture for a family of five.

Yours sincerely,  
P. T.

*30th September, 1968*

Salford West Area Office  
Salford

Dear Professor Townsend,

Thank you for your further letter dated 10th September, 1968, regarding Mr George Thacken.

I regret the delay in this acknowledgement, and wish to inform you that the matter is receiving attention.

Yours sincerely,  
H. Grundy  
Manager

*18th November, 1968*

To Ministry of Social Security  
Salford West Area Office

Dear Mr Grundy,

I would be most grateful for any observations you care to make on my last letter of 10th September concerning Mr George Thacken.

Yours sincerely,  
P. T.

ELIGIBILITY FOR SUPPLEMENTARY BENEFIT 857

*21st November, 1968*

Ministry of Social Security  
Salford West Area Office  
Salford

Dear Professor Townsend,

Thank you for your letter of 18th November 1968, concerning Mr George Thacken. I am very sorry that you have not yet received a full reply, and hasten to explain that in view of the questions you asked, I referred the matter to my Headquarters at London for consideration, and understand that they will be replying to you direct very shortly.

Yours sincerely,  
H. Grundy  
Manager

*16th December, 1968*

Supplementary Benefits Commission  
Department of Health and Social Security  
LONDON WC2

Dear Professor Townsend,

You have been in correspondence with Mr Grundy, the Manager of our Salford West Office, about the case of Mr George Thacken, of 14 Mulford Street, Salford. Your most recent letter, of 10th September, raises, as you know, a number of points which concern Departmental policy and I have therefore been asked to reply. I am sorry that I have been unable to do so sooner.

Your first comment related to the need for a claimant to report changes in his circumstances. Mr Grundy explained the provisions of the Regulations on this point and pointed out that the position is set out in some detail in the notes which the claimant is asked to read in the order-books sent to him. The claimant is requested to report changes of circumstances to the office from which the order-book was issued. Where he is in receipt of more than one benefit, and these benefits are controlled by different offices, the claimant may in practice report a change of circumstances to one office only, but it is reasonable then to expect him to give details of the various benefits he is receiving. The procedures which are followed within the Department are designed to ensure that, where possible, information reaches other offices which are known to have an interest in a case but, bearing in mind the many different benefits and pensions paid by the Department, not all of which are controlled by local offices, this is not always practicable and it is necessary to rely on reports from the individual claimant. In Mr Thacken's case, the local office which paid his sickness benefit did in fact notify the supplementary benefit office - though unfortunately somewhat belatedly - that the sickness benefit had been increased. As a result, he was interviewed right away and he then provided information about the termination of his wife's employment.

Your second point concerned the amount by which Mr Thacken was overpaid and I do agree that there was a miscalculation. The position has been looked at again and the information on which the assessment was based has been checked in detail to ensure that

the calculation of the overpayment is correct. As a result it has been found that Mrs Thacken's earnings increased during the period and it is now calculated that the overpayment of supplementary allowance was £7.70 in respect of a period from 20th March, 1967, to 18th June, 1967. This overpayment arose for two reasons: initially because Mr Thacken did not tell the local officers that his wife's earnings had increased and subsequently because, as you know, she ceased work and the additional sickness benefit which became payable was not taken into account. A detailed week by week account of how the overpayment arose is attached to this letter.

On your third point, the Department has the right under the Act to recover any overpayment which arises because, whether fraudulently or otherwise, a person misrepresents or fails to disclose any material fact. However, where an overpayment arises in circumstances similar to those in Mr Thacken's case, a refund is normally invited only where the claimant is in a position to repay, e.g. has income which is disregarded, or savings. The refund in Mr Thacken's case was contrary to our normal practice and Mr Grundy himself apologized for this mistake when he visited Mr Thacken on 8th May last. Although I agree that it was only right and proper that this apology should have been given, it does not follow that a repayment should have been made to Mr Thacken. There was, as I have said, a statutory right to recover the money and Mr Thacken had refunded less than he had been overpaid. But because the refund had been made during a separate and subsequent period it was likely that this had contributed to the need of clothing; the question whether to repay the money he had refunded was therefore considered with the decision to award a lump sum for exceptional needs over and above the weekly benefit to meet this situation. If the £6.75 had been refunded a correspondingly smaller lump sum payment would have been necessary - because the need would have been smaller - and the overall result would have been the same.

With regard to your fourth point, which concerned the right of appeal, where a claimant agrees to refund an overpayment he not only sees, and signs, the undertaking which includes a statement concerning the right of appeal in the event of dispute, but he also retains a copy of the form.

We could not undertake to inform the claimant verbally, on every decision which carried a right of appeal - if only because so many of these decisions are issued in writing, but, as in the case of the undertaking signed by Mr Thacken, each notice does explain that the claimant has this right.

In answer to your fifth point I must first of all make it clear that the purpose of the long-term addition is not to provide a higher rate of basic subsistence. The addition is paid in recognition of the fact that people who qualify for it are likely to incur additional expenses, for example, on account of their age or illness. The addition is a means of providing for these, mainly small, expenses as and when they arise without the detailed specific inquiries which were necessary under the former national assistance scheme and which were often a source of embarrassment, particularly to the elderly. The taking into account of the long-term addition when the need for exceptional circumstances additions under paragraph 4 of Schedule 2 to the Act comes into question is laid down in paragraph 4 itself - the situation has been made clear on many occasions since the new supplementary benefits scheme started for example in the Ministry of Social Security Annual

Reports for 1966 (pp. 55-56) and 1967 (page 57), and is also referred to in explanatory leaflets. Where, however, there is reason to think that a person's special expenses may be greater than 50p (the current rate of the long-term addition) our officers do, of course, make full inquiries about the actual expense so that any necessary addition can be given. In Mr Thacken's case, we have accepted that he incurs additional expense (now of 67½p a week) on account of his special diet and we have always been prepared to consider any other specific item which leads to necessary additional expenditure.

You asked, finally, to know the items covered by the lump sum payments. These amounted in total to £29 (and I am sorry that it had been suggested to you that this amount did not include the provision for fuel and rent arrears). Of this £29 payment, £2.50 was spent on second-hand furniture, £1.57½ on a stock of fuel, £3.42 on rent arrears and 50p on four pillowcases. Of the remainder, Mr Thacken spent £18.52 on clothing and obtained trousers, shoes, a raincoat, a shirt and two pairs of socks for himself; a dress and two pairs of shoes for his wife; and five pairs of socks, two pairs of trousers and four pairs of shoes for his children; in general the items purchased were somewhat cheaper than had been envisaged by our local officers. There was a balance of £2.49 unspent and Mr Thacken was advised to use this in connection with the cost of repairs to a broken window. Now that the family possess an adequate amount of clothing it should be possible for them to provide replacements from their weekly income.

I am afraid that I must end this letter on an unhappy note. We have been paying benefit to Mr Thacken on the basis that his wife has not worked since April 1967; he had signed statements about his circumstances on a number of occasions since then, including one on 1st May, 1968 in which he stated specifically that his wife was not employed and had no income apart from family allowances. We have discovered, however, that Mrs Thacken had resumed work prior to May 1968 and it is necessary that our officers should now investigate the extent of this overpayment and the circumstances in which Mr Thacken failed to advise the Department of this material change in his financial position.

Yours sincerely,  
N. M. Hale