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CAN GOVERNMENTS ASSESS BENEFIT ADEQUACY?

THIS PAPER IS ABOUT *THE WINDSOR REPORT* (1965),

THE ONLY UK GOVERNMENT IN-HOUSE STUDY OF ADEQUACY EVER CARRIED OUT,

AND WHICH THEREFORE CONTRADICTS ALL SUBSEQUENT GOVERNMENT ASSERTIONS THAT SUCH STUDIES ARE IMPOSSIBLE.

THE NATIONAL ASSISTANCE BOARD AND THE 'REDISCOVERY' OF POVERTY.

INTRODUCTION

This chapter reports for the first time on a unique review of the adequacy of the United Kingdom's social assistance benefit levels, carried out in the early 1960s. Even before the foundation of the Child Poverty Action Group (CPAG) in 1965, an increasing number of reports were publicly 'rediscovering' the persistence of poverty. They were also suggesting that the incomes of recipients of National Assistance (NA) were inadequate, in the sense that they were insufficient to meet national standards of minimal social participation.[1] The review was the means by which the National Assistance Board (NAB) privately sought to test these criticisms. Its singularity is that it is the only empirical study of adequacy ever carried out by officials within a government department, as opposed to external researchers. Perhaps because it confirmed that the social reforms of the 1945 Labour Government had not abolished poverty, the report was neither published nor subsequently referred to.[2] No further attempt to test the adequacy of income maintenance benefits, or even to set adequacy standards, has been made by any UK government to the present day.

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[1] Note that this is a different question from the much more widely discussed issues at that time: how many people had incomes close to or below the NA scales (see B. Abel-Smith and P. Townsend, *The Poor and the Poorest* (London: G. Bell and Sons), 1965, and how many had low levels of living because they failed to claim benefits to which they were entitled (see P. Townsend and D. Wedderburn, *The Aged in the Welfare State* (London, Bell), 1965. For a general discussion of the issues of the adequacy of Assistance benefits in this period, see J. Veit-Wilson, 'Condemned to Deprivation? Beveridge's Responsibility for the Invisibility of Poverty', Chap. 7 in J. Hills, J. Ditch and H. Glennerster (eds.), *Beveridge and Social Security: An International Retrospective* (Oxford: Clarendon Press), 1994.

[2] Until now, the existence of this review has been known to very few beyond the handful of civil servants who worked on it. DHSS allowed me to study it in its archives in 1988 as part of a wider research project on the history of concepts of poverty and need in the UK's Assistance scales, 1934-66. Archive files still unaccessioned by the Public Records Office (now National Archives) at that time are given in their departmental form (such as POF which are NAB and SBC private office files).

The review was carried out by two groups of NAB officials. One group (chaired by Allan Beard) considered the NA scale rates for children; another (chaired by Robert Windsor) carried out a more complex survey of adult NA scale rates. I shall refer to their reports by their names: Beard Report (BR) and Windsor Report (WR). They reported to the National Assistance Board itself, the committee which ostensibly had executive power to run the NA system and make recommendations to the Minister for Pensions and National Insurance (MPNI), who in turn was answerable for it in Parliament (and who, in reality, took the overarching policy decisions). Their work was innovative because it acknowledged the social relativity approach to defining poverty rather than simply the subsistence approach adopted by the Beveridge Committee in 1942.[3] However, their task was not to carry out a sociological enquiry into the nature of poverty but to use methodologically defensible criteria to test the minimal adequacy of NA by conventional and politically credible standards and to report on their findings.[4]

CHANGING ATTITUDES IN THE NAB

The appointment of a new Secretary, Sir Donald Sargent, to the National Assistance Board in 1959 after the retirement of Sir Harold Fieldhouse, who had been Secretary since 1948, marked a change in the acceptability of new ideas in the NAB. Fieldhouse had represented old-fashioned Poor Law assumptions, with their emphasis on less-eligibility, minimum subsistence, the class-cultural stratification of standards of claimant needs and administrative 'tone'.[5] Sargent was appointed at a time when government had just abandoned the minimum subsistence rationalisation of National Assistance benefits and decided instead to uprate them in line with 'increasing national prosperity'.[6] Geoffrey Beltram, an official in the NAB at the time, recalled that Sargent 'had a very difficult job of letting in some fresh air, which he did very effectively, and he responded to a lot of the criticism of the scale rates and of the failure of the old people to claim and so on in a positive way'.[7] The traditional view held by administrators was, Allan Beard recalled, to avoid embarrassment to the government at all costs and, 'if ministers could not find more money, to put up arguments for leaving things as they were'. For traditionalists to admit that the scales were inadequate was implicitly to condemn their own stewardship. Consequently, they would not ask for increases in the scales over inflation, 'whereas Sargent's view was different. If he thought the rates were inadequate, then he'd bang on people's doors'.[8]

Sargent started by encouraging purposive enquiry into issues of actual or potential interest to policy-makers. Up to this time, the functions of the department had been seen as merely administrative, the policy changes amounting to little more than uprating the scales in line with inflation. For instance, the enquiries into the adequacy of the scale rates in 1934 and 1948 had been paper exercises, concerned primarily with providing a politically viable subsistence rationale for less-eligible benefit scales. Instead, Sargent initially commissioned Kenneth Stowe (who later became Permanent Secretary of the DHSS) to carry out a review of the history of the Poor Law benefits. Stowe recalled in 1988 how this had first impressed on him the continuing truth of the assertion made by the UAB officials in 1934, that there was little scientific basis for the level of the scale rates:[9]

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[3] J. Veit-Wilson, 'Muddle or mendacity? The Beveridge Committee and the Poverty Line', *Journal of Social Policy*, 21(3), 269-301, 1992.

[4] The group reported on many aspects of the administration of NA, such as the exercise of discretion, the disregarded resources as components of income, questions of housing and rent, the needs of single persons living alone, equivalences, the time dimension in need, and yardsticks for future use in raising scales. This chapter focuses solely on their ideas of need and minimal adequacy.

[5] The term 'tone' is a term for the social acceptability of the mode of administration of benefits, just as the cash level is evaluated in terms of adequacy for a specified level of living. See J. Veit-Wilson, 'Consensual Approaches to Poverty Lines and Social Security', *Journal of Social Policy*, 16(2), 207, 1987.

[6] National Assistance Board, *Improvements in National Assistance*, Cmnd 782 (London: HMSO), 1959.

[7] Geoffrey Beltram, recorded interview 3 December 1987.

[8] Allan Beard, recorded interview 11 March 1988.

[9] Public Record Office: AST12/2. UAB Memorandum 14, *A 'Scientific Basis' for the Assessment of Needs*, 30 August 1934, para 33.

> That would be true now. There isn't a scientific basis, there never has been, and no-one has ever succeeded in establishing one. I am not saying that there cannot be; I'm saying that as a matter of historical record there never has been a scientific basis. And it never has, in my view, been seriously pursued as an option. I've been in and around that department for 36 years and I never heard anybody seriously suggest that we should set up a scientific study to discover what the adequate basis for the scale is to be. There were no real reviews of adequacy. The Social Security Review initiated under Norman Fowler did not address adequacy. It took the framework as it was and started necessarily from the standpoint of cost.[10]

In fact, we shall see that Sargent later commissioned two major studies of the adequacy of the scale rates, but Stowe saw these as being more pragmatic than scientific.

Partly as a result of the raising of the scale rates in 1959, the problem of the wage stop became salient:

> The wage stop deduction, as a proportion of the total entitlement of a family, had been getting bigger because of what happened in 1959. This share of national prosperity led to a very substantial percentage increase for married couples, an 18 per cent increase if I recollect correctly. This was applied pro rata to the subordinate scale rates, which meant that in the case of a family with three (or more) children the aggregate increase occasioned by the 1959 uprating was very high. It also had a repercussion on wages. From that point on that people like Frank Cousins and other trade union leaders came to perceive that the Conservative government had given them a very useful stick with which to beat employers, namely that the wages were now manifestly too low, a big step down from adequacy by comparison with the NA scale rates for a family of four or six.
>
> The wage stop problem with which we were concerned was getting acute; there was a lot of anecdotal evidence that these families with children were having a very hard time. Donald Sargent was concerned about it. It was as simple as that. You had a Permanent Secretary who thought that 'I'm not happy – let's find out what's going on' – a straightforward concern about the poverty of families with children. This concern had many ways of surfacing, from meetings of the Area Office managers and Regional Controllers in London, cases coming in, general conversation; it bubbled in the administration; it was perceivable in the centre. It's the antennae saying 'this isn't right'. Donald Sargent was very good with antennae. That's what started it.[11]

At the outset, the departmental Information and Research Unit which Sargent set up in 1960 consisted of Kenneth Stowe and Stanley Evans. 'The Board welcome the increase in general awareness that more knowledge is essential to the development of sound policies for improving their [the poor's] lot', it reported.[12] This desire for reliable information was not, of course, a matter of philanthropy alone. The department needed information of its own to respond to or even anticipate the assertions of a new generation of academic specialists in social policy, many of them in the London School of Economics and under the influence of Richard Titmuss[13], who were beginning to make a public impact. 'There was constant pressure, there was constant criticism', Beltram recalled, 'the

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[10] Sir Kenneth Stowe, recorded interview 23 February 1988. The succeeding quotation is also taken from this interview. The wage stop was an administrative device to implement 'less-eligibility', to stop the benefits for a family being paid above the level of the wages which the claimant was assumed to be able to earn.

[11] Stowe, recorded interview, 23 February 1988.

[12] National Assistance Board, *Annual Report 1965*, Cmnd 3042 (London: HMSO), 1966, p. xi.

[13] Professor of Social Administration, London School of Economics, 1950-73; Member from 1966 and Deputy Chairman of the Supplementary Benefits Commission 1968-73.

Titmice had been nibbling away for years, there had been a constant barrage of attack'.[14] Although there was resistance by some older NAB officials to accepting the new ideas about poverty and need:

> nevertheless it was registering inside, there was a lot of discussion going on, especially the younger administrators who were firmly repressed by the old guard. But when Sargent came in the repression was lifted. Sargent was quite a sagacious man --' he spotted straight away the drift of events, and he also spotted that Ken Stowe was an exceptional person, so he pulled out Ken Stowe and used him, and people like Bob Windsor, who was in some ways a different kind of person. He was sage, conservative and also entirely honourable in not subordinating facts to political expediency. Sargent was responding to the pressure for change in the teeth of opposition from the old guard who were still there, but with the support and enthusiasm of the slightly younger guard.[15]

The pressure for a different approach was political as well as academic. In the party political sense, for instance, Stowe recalled:

> Richard Titmuss was very active at this time; he was held in very considerable respect. I remember going down with Allan Beard to listen to a debate at the House of Commons, and the Opposition was winning all the arguments. Fed by the Titmice, they were coming out with the facts and figures which made the Ministers' answers look thin.[16]

It was Richard Titmuss's estimates of the numbers of poor in Britain, some seven to eight million, which the officials gave the Minister in their briefing for the Commons debate on the NI Bill and NA Amendment Regulations in November 1960, and it was Richard Crossman, a Labour politician and member of the same intellectual circle, whom they reported as saying that there were some eight million 'living on or near the poverty line, or one in seven of the affluent society'.[17] Labour attacks were likely to increase with the maturing of several research projects. Lynes was preparing his critique of the 1959 scale rate increases, National Assistance and National Prosperity, in which he questioned whether the increase had really kept pace with average incomes. Abel-Smith and Townsend were working on their re-analysis of Family Expenditure Survey data for 1953-4 and 1960, which showed that the number and proportion of the poor had increased during this period if measured by a standard based on the changing NA scales.[18]

The NAB notes added that there was no firm evidence of how many lived just above the poverty line of the NA scale rates, and complained that the number of the poor increased every time the scales were raised. This latter point raised the broader issue that the NA scales did not constitute an independent measure of poverty. But what should be used? In January 1960, the Chairman of the NAB, drafting a paper on 'The Question of Increased Reliance upon National Assistance', had complained that the standards of what was subsistence kept changing.[19] This anticipated a letter from

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[14] Beltram, recorded interview 3 December 1987. 'The Titmice' was a facetious title for the original group of Titmuss's colleagues at LSE who shared his approach to social policy, people such as Professor Brian Abel-Smith (Senior Adviser to the Secretary of State for Social Services 1968-70), Professor David Donnison (Deputy Chairman, later Chairman of the Supplementary Benefits Commission 1973-80), Professor Peter Townsend, and Tony Lynes (Adviser to the Minister of Pensions and National Insurance, 1965-66). See D. Donnison, *The Politics of Poverty* (Oxford: Martin Robertson), 1982, pp. 16-18.

[15] Beltram, recorded interview 3 December 1987. For a statement of traditional views that perhaps the scale rates were too high, see correspondence with regional NAB officials about the wage stop. PRO:AST7/1627, Hope Wallace to regional managers, 26 July 1960.

[16] Stowe, recorded interview 23 February 1988.

[17] PRO:AST7/1627. NAB: Note for the Minister, 11 November 1960.

[18] T. Lynes, *National Assistance and National Prosperity* (Welwyn: Codicote Press), 1962; P. Townsend, 'The Meaning of Poverty', *British Journal of Sociology*, 18(3), 210-227, 1962; Abel-Smith and Townsend, *The Poor*.

[19] PRO:AST7/1627. Undated and apparently unsent, circa January 1960.

Townsend and Lynes in *The Guardian* in which they pointed out that the government had abandoned the subsistence basis of NI and NA but without putting an alternative standard in its place.[20]

This political challenge highlighted two problems: not only the paucity of the existing standards used but, even worse, their disregard in the wage stop. The Chairman of the NAB himself felt that 'it is manifestly not satisfactory that the Board should in so many cases ... reduce payments below the scale fixed by themselves to give a reasonable standard of subsistence'.[21] Apparently the matter was becoming seen as politically serious, and Sargent wrote to the Permanent Secretary of the MPNI, Sir Eric Bowyer:

> For the first time, I believe, since the war an attack on the Board seems to be developing about the wage stop clause. ... Quite independently of the outbreaks of public criticism, we have ourselves been feeling increasingly troubled about the position. We have no doubt about the rightness of the wage stop policy --' and indeed I think most responsible opinion outside would agree with it in principle. And we are quite sure it would not be right to be deterred by wage stop difficulties from making justifiable improvements in the scale rates. Necessary as the wage stop is, we cannot but feel very unhappy at restricting a family's income to some pounds below what, according to our scales, it should be.[22]

While the NAB therefore did not regret the improvements in the scale above low wages, it wanted to know what might be done to diminish the wage stop problem.[23] Sargent consequently opened discussions with the MPNI on proposals such as increased family allowances for larger families and 'the abolition of the ban on paying national assistance to men in full-time employment'.[24]

The period at the end of the 1950s and the beginning of the 1960s was thus one of change: changing perspectives on the adequacy of the scales themselves, and changing political and administrative awareness of the need for defensible independent standards of adequacy of level and tone. Further information was required, particularly on the needs of children. In December 1962, therefore, Sargent commissioned his Information and Research Unit team to carry out a study 'to examine the children's rates, their general level in relation to the adult rates, the age banding and the relativities between the different age bands'.[25] The next section below deals with its approach and findings.

In this and the later enquiry into adult rates, Sargent and Stowe were both clear that 'science' had only a limited role to play. Sargent reported at the time that:

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[20] *The Guardian*, 24 November 1960, filed in PRO:AST7/1627. Townsend and Lynes were using 'subsistence' in the then customary Beveridge sense of Rowntree's asocial 'primary poverty', and not in what we might today call the relative approach to minimum subsistence such as is implied by Rowntree's Human Needs of Labour poverty line. They complained that average earnings would have risen by 9 per cent between 1959 and April 1961, while the scale for a couple had risen by only 5.9 per cent. The officials advised the Minister to leave aside whether the 1959 pledge really meant that scales should rise in step with earnings, and said that 9 per cent was only a guess (though it 'may not prove to be far wrong'); the real comparison was with April 1948 -- by April 1960 male earnings stood 110 per cent higher and the couples' scale 125 per cent higher. PRO:AST7/1627, Note for the Minister, 24 November 1960.

[21] Twelve thousand out of 131,000 unemployed NA recipients at the end of 1961. Memorandum by the Chairman, 29 November 1962, PRO:SBC/POF53.

[22] Sargent (NAB) to Bowyer (MPNI), 25 February 1963, PRO:SBC/POF32.

[23] Ibid. PRO:SBC/POF32. The numbers on the wage stop made it conspicuous, and the problem was not merely the unemployed; the NAB staff disliked paying the families of the imprisoned and even the sick more than they would have received from wages.

[24] PRO:AST12/76. Minutes of the 240th meeting of the NAB, 23 November 1966, para 19.

[25] Notes on research studies, PRO:SBC/POF25.

> It could not, of course, be claimed that when a piece of work of this kind had been done it was possible to deduce from it a scientific answer to the question of what action, if any, was called for. The answer must still be a matter of judgement, but he was certain that better results were obtained if judgement was exercised on the basis of a full assessment of the relevant facts and considerations: and he had no doubt of the worth-whileness of a study of this kind on the grounds of strict practical usefulness. In addition it was, he thought, necessary to take account of the fact that studies of this kind were increasingly being made in the social service field by outsiders. ... [H]e felt that, in addition to the consideration of practical usefulness, the Board would be liable to find itself at a disadvantage if it was not in a position to make it clear, if necessary, that basic decisions were based on a thorough study of the relevant facts, including practice in comparable fields.[26]

Stowe, too, saw policy relevance as a barrier to 'science'. A 'profound' study meant 'really going deep into the science' of needs, but:

> We took the empirical path of asking, what do [the scales] actually buy? There is no science; you are going to have to make a judgement on whether or not this, in the climate of the times, is a reasonable sum for a family to live on, ... the local [NAB] offices didn't think it was: exceptional needs grants going up, discretionary additions going up, with no underlying rationale. It was the rule book being blown by the local staff because they felt it wasn't fair.[27]

The studies of children's and adult scales were, in essence, not provoked by existing academic critiques of the scales but by the view that the facts needed to be collected. Much of the academic research still remained to be published, and the Child Poverty Action Group was not founded until both reports were completed. Beard could recall no outside influences of that kind on his report, insisting that 'the essence of Sargent's approach was that he would have an objective study with no political influences and then present the results to his masters'.[28] But there was a measure of political calculation in identifying the masters: the studies were commenced after twelve uninterrupted years of Conservative government and:

> Sargent could see that Labour might come in, and he could see that it wasn't good enough to be in the old reactionary rut. He was collecting evidence and setting up a situation where, to an incoming Labour government, he could say 'Look, we've been doing all this work, and this is the direction it points in'.[29]

The following sections, which report on the two studies, suggest that the disclaimer of science was perhaps over-modest.

THE STUDY OF THE CHILDREN'S SCALE RATES CHAIRED BY ALLAN BEARD

The question of the adequacy of the children's scale rates exercised the Board in the context of the wage stop. If less-eligibility held the NA rates for a married couple to below low wages, could not family allowances and the NA children's rates be used to meet the additional needs of children in the family? Civil servants had, however, traditionally countered such criticism by the argument that children's benefits were only one element among several in the family's total income and should not be seen in isolation.[30] The immediate reason for Sargent's establishment of the study was, therefore, a different debate within the Board about whether the scales for older children were enough in themselves and had the appropriate relativities to the other scales. It minuted that when next there was

[26] PRO:AST12/75, Minutes of the 208th meeting of the NAB, 26 February 1964.
[27] Stowe, recorded interview 23 February 1988.
[28] Beard, recorded interview 11 March 1988.
[29] Beltram, recorded interview, 3 December 1987.
[30] PRO:AST7/1627, NAB Briefing Notes on the Debate on the Regulations, Scale Rates -- the Ordinary Scales: the Children's Rates. 1 December 1960.

a review of all the scales, there might be a case for proposing a higher increase for children between 11 and 15. The explicit aim of the study was therefore 'to examine the case for this increase'.[31]

The study was carried out by Stowe and three other officials; he and four colleagues (one of whom was Beard, the head of the group[32]) then evaluated the material and wrote the report. It was commissioned on 20 December 1962 and reported a year later in December 1963. Two internal surveys were carried out. The first examined how some 300 families with children, who had received NA for a year or more, were managing; the second was concerned with the duration of receipt of NA by families with children, and how far their basic benefits were supplemented by Exceptional Needs Grants and Discretionary Allowances. Data was also collected from the Family Expenditure Survey, from sociologists ('with discretion') and medical authorities, from the Ministry of Health and from local authorities and voluntary organisations (such as those operating second-hand clothing stores).

The group was aware that, given greater resources of staff and time, more could have been done in amassing information about the situation of all families with children, non-poor as well as poor.[33] But in spite of this, the report claimed that 'sufficient material had been assembled ... to clarify the questions which needed to be considered and to provide a reasonable corpus of material with which to frame the answers and draw some conclusions'.[34] Beard's memorandum to Sargent covering the final report stated that 'as far as I am aware, this is the first time that information on this subject has been assembled in such quantity and detail in one document'.[35] However, the group did not express its conclusions as formal recommendations. Instead, it referred to 'some possible lines of development'[36] and to principles by which the scales might be evaluated.

It is not relevant here to expand on the methods or general conclusions of the study, but to consider in what ways and how far the report reflected the state of departmental thinking about needs. The issue for the officials was to find a defensible current definition of the minimum needs of children, expressed in cash terms. As common sense and political opinion raised the question of whether children of different ages had different needs in cash terms, this had to be investigated.[37]

The group initially considered the history of the children's scale rates. It recalled that 'under the Poor Law it had been customary to have a flat rate for each child, regardless of age' and that age banding had been introduced by the Unemployment Assistance Board, which originally provided for four age bands for children up to 14 (then the normal school leaving age for the working class) and one from 14 to 18. The report noted the lack of scientific basis for the UAB's scales, but its reiteration in 1963 is worth remark:

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31 PRO:AST7/1958, Minutes of the 196th meeting of the NAB, 18 December 1962, para 10, and NAB Memorandum 1263 para 1. See also AST12/75, Minutes of the 208th meeting of the NAB, 26 February 1964.

32 Hence the citation of it as the Beard Report (BR). PRO:AST7/1958-66.

33 BR para 5. Such a larger study was carried out in 1966 by the MPNI with the NAB; see Ministry of Social Security, *Circumstances of Families* (London: HMSO), 1967.

34 BR para 5.

35 Beard to Sargent, 13 December 1963, PRO:AST7/1958.

36 BR para 62.

37 There was nothing new about the paradigm of poverty with which the group worked. What it advanced in its conclusions, as a result of its enquiries, was the scope of the category of conventional necessities which should be included in the minimum that the state made available to children. PRO:SRA12/B, DHSS Economic Advisers' Office, *A Synopsis of Research Relevant to Determining the Adequacy of Supplementary Benefit Scale Rates*, para 2(a), 16 September 1975.

> There is no evidence to show whether or not the amounts of children's scale rates were fixed on any scientific basis. Whilst it is not possible to ascertain the basis on which the age-banding was decided it was said in a note of 25th June 1934 to the Treasury that '... it could be justified if necessary by reference to dietary studies such as that of Cathcart and Murray'. Nevertheless, the Parliamentary debates ... indicate that the children's scale rates received a large measure of acceptance ... [and] were recognised as an improvement on the Poor Law rates generally, and the principle of age-banding was well-received. Criticism was based largely on the fact that the proposed children's scale rates were low in relation to the food standards recommended by the BMA and to the general standards recommended by the Children's Minimum Committee ... These were answered by reference to the Board's discretionary powers and to the fact that the children's scale rates should not be looked at in isolation but as part of the total family income.[38]

The traditional civil service approach was therefore one of deciding on the level of the scales (almost determined, one might say, by the less-eligibility principle) and then finding *post hoc* rationalisations in terms of a different and publicly hard-to-dispute discourse, that of nutritional science. But what was to be the new approach in 1963?

The group's starting point was the admission that the children's scale rates in 1946 had been set below the Beveridge recommendations (which themselves were acknowledged to be inadequate), and that there had been no clear statement of what they were intended to cover. The general assumption was that the rates for children 'were regarded as having only the same elements in them as the Beveridge rates (viz. food, clothing, fuel, and light).'[39] For children, about 4/5 of the rate was for food, 3/20 for clothing and the remaining 1/20 for fuel and light. The Beveridge standards had been dispensed with by the Assistance Board (AB) after the war because the available foodstuffs did not match the recommended minimum diet, and the Ministry of Health had then admitted that the scale rate for men of working age was inadequate.[40] 'Beveridge had considered, following Cathcart and Murray, that as much or more should be allowed in food for children over five as for a single pensioner; the 1948 allowance for a single pensioner (11s 6d) was, however, higher than the whole of the children's scale rate for the 11-15 age group, 10s 6d'.[41] The report appended the Assistance Board memoranda of 1945 and 1948, which reiterated the political nature of the judgement, but it avoided the simple assertion that the NAB baseline for children was inadequate, turning instead to an examination of the external standards by which the official measures might be judged.[42] 'The Beveridge standard was the last test of adequacy applied by the Board to the children's scale rates', and:

> the pre-1948 studies of the cost of maintaining a child were all directed to establishing <u>the minimum subsistence</u> cost. Subsistence for a child was considered to comprise only a sufficiency of food and a bare standard of clothing. Provision for fuel was added on a family basis by Rowntree but on a personal basis by Beveridge.[43]

Food costs for children were simply based proportionately on adult estimates. Beveridge's addition for clothing and fuel came from the 1938 survey of working class household expenditure. Revaluing these estimates at 1963 prices suggested the NA scales provided 'substantial margins' above these minimum subsistence authors' estimates of the cost of a child.[44]

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[38] BR appendix 1 para 5. The reference to the Children's Minimum Committee (of Labour MPs) was mistaken since the standards came from the Children's Minimum Council, an offshoot of the Family Endowment Society and driven by many of the same people (Eleanor Rathbone, Eva Hubback and Marjorie Green), with all-party support including prominent Conservative MPs (J. Macnicol, *The Movement for Family Allowances 1918-45* (London: Heinemann), 1980, p. 62.

[39] BR para 11(2).

[40] PRO:AST12/53. Assistance Board Memorandum 499, 'National Assistance: the adult scale rates', 15 April 1948, paras 7,9,11. See also Veit-Wilson, 'Condemned' pp. 109-10.

[41] BR para 13(2).

[42] PRO:AST12/52. Assistance Board Memorandum 436, 'Note on Standards of Allowances', 2 November 1945. AB Memorandum 499, q.v.

[43] BR para 10; BR para 15(1), underlining in original.

[44] BR para 15(2-5).

The group also examined contemporary studies. On food needs, it used British and US medical data and accepted that children of 11 upwards needed as many calories as adults doing light work. Costings were derived from the Ministry of Health's nutritional expert (Dr W. T. C. Berry), the National Food Survey data and Dr T. Schulz[45] of the Oxford Institute of Statistics ('she found no correlation in these surveys between income and quantity and quality of food consumed comparable to the close correlation in pre-war years'). On clothing needs, it was noted that in adolescence, age was not much use as a guide to height, and that over the age of about 13 'children mostly wear clothing from the adult price range'.[46] The FES data examined for the years 1957, 1961 and 1962 gave an indication of the incremental costs of children in families of different sizes and income levels. The random sample of 300 families who had received NA for a year or more showed, inter alia, that nearly two-thirds were single parent households; that 'housewives had little idea of the cost of maintaining their children, budgeting always being on a family basis'; that heating expenditure varied by the number of adults but not children; and 'the investigators gained the impression that clothing caused the greatest amount of worry to families with children'.[47] Interestingly, in view of the political influence of 'prescriptivists', the survey found that 'food has ceased to be the first charge on the majority of family budgets', and 'All parents made some provision for 'extras' for the children in the form of pocket money and/or provision of sweets, comics, etc.'.[48]

How, then, should the minimum needs of children in 1963 be expressed? The group was clear that the subsistence items (food, clothing and fuel) alone were an insufficient guide. The fact that all families spent on miscellaneous items for children demonstrated an irresistible social pressure. But that did not mean that the cost of such expenditure should be met by the state. However, perhaps some part should be met, and the group felt that the margin in the existing scales was not large enough to do this. Citing the AB Memorandum of April 1948 about the stringency of the adult scales, the group added: 'whatever may have been thought proper when arriving at subsistence levels in the past, it is considered that such expenditure should be allowed for today', and quoted in support Adam Smith's much-cited comment about linen shirts as necessities.[49]

Thus in spite of its overall conclusions that 'the 1963 children's rates ... show no such inadequacy as would be sufficient of itself to cause hardship, although for reasons unconnected with the level of the rates some families with children may indeed be in difficulty',[50] the report clearly indicated a departure from the merely physiologically-based approach to defining minimum subsistence. Beard expressed the motive behind the departure as the desire to diminish stigma:

> We did have quite a lot of discussion about pocket money, and decided that children of a certain age should have some money. I do recall that we thought it extremely important that the children of people on assistance should not feel out of place with their contemporaries at school, their friends whose families were not on assistance. They should have a reasonable amount of pocket money. It probably was the first time that that had been really brought up. I don't think any of the earlier rates of assistance had got any element of it.[51]

The reference group here was not, however, average society but the peer group of the children, who might be the children of low paid workers. The conclusions of the report were thus still couched in minimum subsistence language:

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45 Trude (Gertrude) Schulz was in fact neither PhD nor MD; the title appears to have been ascribed to her by people referring to her scientific work and assuming her credentials.

46 BR para 17(1-7).

47 BR para 20 and 21 (1-5).

48 Prescriptivists are those who, believing in freedom of choice, like to prescribe how poor people should choose to spend their money. BR para 21 (7 and 9). It is a possible indication that among some low income people the urgency of hunger had been superseded by the ability to make choices about the priorities of expenditure, in which social needs ranked higher than minimal food costs, and in that case it is an indicator of the rising standard of relative poverty.

49 BR para 29.

50 BR para 72.

51 Beard, recorded interview 11 March 1988. 'To abolish the wage stop would have been quite out of keeping with the thinking at that time, even Sargent's thinking', Beard added, and the comment about families in difficulty above (BR para 21(12) referred to such things as low rates of uptake of welfare foods, free school meals and necessitous clothing.

> The needs of children which should be met by national assistance are food and groceries which are the major need, clothing, and miscellaneous ‘extras’, including pocket money, each of which is relatively modest; and finally fuel and light, which are minimal.[52]

Particular aspects of the scales were, however, singled out for attention: inequities between larger and smaller families (to the latter’s detriment), more logical age breaks at 8 and 13 and better provision for the young adolescent of 13 and over. While the Beard review therefore did not escape from the language of minimum subsistence, or indeed push the calculation of scale rates towards meeting the costs of children as calculated by others in national or local government[53], it did at least open the discussion to a consideration of social as well as of physiological necessities for children.

The NAB summarised the Beard report in its Memorandum 1263. It answered the question, ‘do the children’s rates as a whole provide an adequate standard?’, by stating that the question was imponderable because the answer could not be based on costs alone. It referred back to the minimum subsistence calculations of Rowntree, Beveridge and the nutritionists, by whose standards ‘the rates in general are seen to provide a satisfactory standard’.[54] The Board considered the memorandum, accepted the advice that no change was in any case called for until all the NAB scales were raised, and endorsed the suggestion that the scales for older children should then be raised by ‘a substantial sum of several shillings, as an act of deliberate policy, openly defended as such’. It also made recommendations for age breaks, but was unconvinced of the arguments for discrimination between families of different size or for special clothing grants.[55]

The Board was pleased with its ‘new departure’ report. The chairman wrote to the MPNI, aiming to get the Treasury thinking at the official level about its implications, and to indicate that the NAB intended to carry out a further study of the adult scale rates. Sargent told the rest of the Board members about this at their next meeting. Having completed the review of the children’s rates:

> the question arose of what aspect of the scale rates should next be made the subject of special study. He had discussed this with the Chairman and ... having regard particularly to the fact that in considering any particular rate an important factor must be its relativity to other rates, the best result would be obtained by proceeding straight to a comprehensive examination of the adolescent and adult rates generally. ... the new study would not be confined to an examination of the existing pattern but would also cover the question of whether there was a case for creating any new categories, representing groups considered to have needs of a special character.[56]

A decision was also taken not to mention the review ‘to outsiders’ --’ in Whitehall as well as amongst the general public -- ‘until the time came for action’.[57]

THE STUDY OF THE ADULT SCALE RATES CHAIRED BY ROBERT WINDSOR

The Process of Enquiry

In March 1964, Sir Donald Sargent commissioned a group of four senior officials and a secretary to study the adult scale rates. The group was chaired by Robert Windsor, the NAB’s Principal Finance Officer, and it included Kenneth Stowe, the only official who had also been a member of the Beard team. In contrast to the previous study, the new terms of reference were more explicit about the need to justify the rates of benefit. They were ‘to consider the scale rates above the age of 16, to examine aspects of the matter which may shed light (a) on the relationship between them

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[52] BR para 31.

[53] PRO:AST12/85. NAB Memorandum 1340, 18 November 1965. The copy of the Beard Report on file was not complete (omitting the section on ‘The adequacy of the 1963 scale rates’, paras 52-61), so I could not check if the group had included this estimate. But it did consider local authorities’ reports of their costs of maintaining children and the Weaver Report on Educational Maintenance Allowances.

[54] PRO:AST7/1958. NAB Memorandum 1263, ‘Children’s Scale Rates, The Adequacy of the Scales’, para 70, 14 February 1964.

[55] PRO:AST12/75. Minutes of the 209th meeting of the NAB, 26 February 1964, paras 10-18.

[56] PRO:AST12/75, Minutes of the 210th meeting of the NAB, 26 March 1964, para 5.

[57] Ibid, para 4.

and (b) so far as may be possible, on the actual level of the rates, and to make recommendations and suggestions'.[58]

The principal perceived problem at the time was of course not the level of the scales in the abstract, but the level of benefit for particular groups such as the old. Sargent, however, issued an additional memorandum to clarify that the group '... will be expected not to confine themselves to relativities between the existing categories but to consider also whether there is a case for new categories with differential rates, for example the aged and/or those living on national assistance for an extended period ...'[59] We thus have here the first and only review by a British government department of the fundamental justifiability of the benefit levels being paid in the basic income maintenance system.[60]

The timing of the review was not chosen for its overt political salience, though the NAB was not isolated from the current flow of ideas. Sargent's sensitivity to the prevailing NA issues reflected the new atmosphere of enquiry and respect for facts. A 1965 briefing offering model answers to hypothetical questions refuted the suggestion that the report had been timed with the General Election of 1964 in mind by pointing out that the information was not available until later. It also included the following:

> Q: Is this survey intended to be a counter to the survey on poverty which is to be conducted by Peter Townsend and Brian Abel-Smith at the University of Essex?
>
> A: No. This survey was conceived before it was known that the University of Essex intended to launch such a survey.[61]

Windsor and Stowe each produced papers on their first thoughts for the group, which provide an insight into the nature of the officials' ideas about the scope of the problem of defining and measuring need. Windsor listed what he thought were the needs to be covered: food; clothing (and bedding: 'not in the current scale'[62]); heating and lighting; short-term household replacements (pots and pans); long-term household replacements (furniture); and an element for amenities. The needs of shelter (rent) were to be covered separately. In a later note, this list was extended to cover personal and household cleaning and necessary services such as window cleaning and transport. Variations of needs were to be considered, by age, climate, soil, atmosphere, sex, locality, local cost of living and duration on national assistance. The report should also address itself to how the scale rates were to be settled in future, age banding and differentials, and should include sections on the history of the scales, and their relationship to wage rates (in the past, at present, and what might be desirable in the future). There was a further problem to be considered, and that was the level of need: was it to be taken as being 'at subsistence level only', or this level plus 'a share of national prosperity', or was it be to defined by reference to external criteria such as wage rates, the levels of earnings, National Insurance scales, or family expenditure patterns? Stowe's paper addressed itself to 'Some basic questions'. These were: what was the purpose of the NA scale rates; if there were variable circumstances, should the scales vary for different classes; what criteria were relevant to judging their appropriate level; how did the current scales match up to these questions; whether anything should be done if they did not; and if so, what?

The first meeting of the group took place on 23 March 1964, and it minuted agreement on some of these issues. The purpose of the NA benefits was to provide 'maintenance', though it had never been clearly defined what this was. The original concept had been 'a minimum income required for subsistence', but after the uprating of 1959 should the scales include a built-in 'prosperity factor' -- and how should it be assessed? The group agreed that the needs to be covered included food, clothing and bedding, heating and lighting, short-term household replacements, and long-term ones 'where possible'. But it was uncertain whether and how far the scales should cover 'what might be

[58] PRO:AST7/1992. Sargent to Windsor, 13 March 1964. See also WR vol. 1 para 6.

[59] PRO:AST7/1992. Sargent to Hope Wallace, n.d.; WR vol. 1 para 7.

[60] See Sir Kenneth Stowe's remarks about there never having been a scientific study of adequacy, quoted above. He was Permanent Secretary of DHSS, 1981-7. Stowe, recorded interview 23 February 1988.

[61] PRO:AST7/2016, (undated) Briefing Notes and 'Questions about the Managerial Survey of National Assistance Cases'.

[62] PRO:AST7/1992. This paragraph is based on: Note on chart, 28 April 1964; 'First thoughts', RW 15 March 1964; 'Areas of enquiry', 7 April 1964; 'Some basic questions', K R Stowe, 23 March 1964.

termed luxury expenditure, for example, tobacco, alcohol and entertainment, and whether they should contain a margin for inefficient spending'. The criteria for settling the scales in future were expanded to include national income per head.[63] Further, a survey was to be carried out to see how the actual expenditure of recipients differed from that prescribed for the scales, 'and whether any items of customary or necessary expenditure were omitted from the scale rates.'[64] These are all clear signs of the persistence of the prevailing minimum subsistence paradigm, within which there were now new queries about the minimum at issue. Nevertheless, we must note that in a discarded draft there was revealing evidence of an increasing openness to new ideas: 'The group was influenced by the general change in outlook which regards national assistance as designed no longer only for the relief of destitution but expects it to provide a reasonable standard which should include a margin for many of those small items of expenditure now covered by most of the discretionary additions.'[65]

Further planning for the study threw up what were described as 'policy considerations': whether meeting the need for shelter should be by provision within the scale rates, or by a separate provision for rent, or by a new formula. On the question of meeting the need for food, was this to be measured 'scientifically' (meaning prescriptively), or in terms of what people preferred to eat, or by what they could afford to eat? The same issues arose in considering the need for clothing and bedding: were these to be measured in terms of a 'scientifically' measurable requirement, or a 'reasonable' physical need, or treated as matters of habit and conventional acceptability? And the question of heating was further complicated by the costs of possible future technical developments.[66]

During the next few months, a further policy consideration arose, which came to be among the most significant. This was based on the temporal dimension of need: the implications of distinguishing the needs of the long-term recipients from those who depended on NA for only short periods: 'in so far as the long-term have no expectations, National Assistance should provide, on the grounds of equity, not poverty, a standard that gives enjoyment of some of our affluence.' The existing scales did not do this; the 1948 scales were 'thin (plenty of evidence)', and although they had improved since then 'to give some fat and admittedly are not now 'primary' poverty lines (Note: the 'theoretical' argument establishes this)', the long-term cases clearly needed more.[67] The memorandum went on to confirm that long-term cases could be identified, and proposed higher rates of benefit for all recipients of 65 and over. Here, then, is the origin of the provision for the long-term addition to Supplementary Benefit which was introduced in 1966 and lasted for 22 years.

Methods of Enquiry

The group examined the question of an appropriate level for the scales in three different ways, but before doing so, it had to define what the scales were for. The successive drafts of the report give us an insight into the officials' thinking, including those ideas which were later to be amended or even omitted. Since that thinking, rather than the bald conclusions alone, is the focus of this chapter, it is relevant to quote some of these changes at length. The first draft on file[68] dealt with the question as follows:

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[63] A criterion similar to that adopted by Lynes for his study of NA and national prosperity (see Lynes, *National Assistance*); it and other criteria are discussed in WR vol. 2 app 6 paras 10-11.

[64] PRO:AST7/1992. Minutes of the first meeting, 23 March 1964.

[65] PRO:AST7/1998. 'Bluebeard 2' draft for chapter 9 para 2 (Bluebeard was the appositely-chosen code name apparently used for drafts of the report).

[66] PRO:AST7/1992. Chart, Policy Considerations, 28 April 1964.

[67] PRO:AST7/1992. Memorandum: 'Adult Scale Rates -- a Hypothesis for the Study Group Report', 18 September 1964, (underlining in original). The 'theoretical' argument was the traditional budget approach to needs, WR vol. 1 chapter 4 and vol. 2 app 2.

[68] The first draft on file is of course not necessarily the first draft made; there may have been earlier rough versions which were not filed. I shall refer to draft order numbers as they are filed.

> The NA scale rates are the statutory answer to the question, what standard of living, in monetary terms, does the state undertake to provide for those who seek its help? Any question of standards immediately raises difficulties of definition; the whole matter becomes confused by the use of imprecise concepts like 'need', 'subsistence', 'minimum requirements', 'the poverty line', 'a share of prosperity' and so on, the meaning of which depends largely upon the time, place and circumstances in which they are used and the value judgements of the user.[69]

In the final report, the notion of the state undertaking to provide help to seekers was replaced by 'a standard ... below which no one need fall'.[70] The undertaking itself – the obverse of the right to benefit – was not in fact introduced until 1966, when it formed part of the attempt to improve the tone of NA. In the belief that it would help to avoid these semantic problems, the report turned to the 1948 National Assistance Act itself, which required the NAB to assist 'persons whose resources are insufficient to meet their requirements' (National Assistance Act, 1948, Section 4). The term 'requirements' was therefore chosen to avoid the use 'of words with overtones such as "subsistence" and "needs"'. Although the 1948 rates were designed to meet 'minimum requirements', the group avoided that usage because: 'Whether the standard should be minimal (however the word is defined) or something more and, if so, how much more is a question to which the answer will vary according to economic and social circumstances and the temper of the times. In this study we have sought an answer which will have regard to the circumstances of Great Britain in the mid 1960s'.[71]

To answer the question, 'what are the requirements which national assistance should meet?', the report proposed three different 'lines of approach': traditional, comparative and empirical. The report described 'the traditional approach' as that 'followed by sociologists such as Booth, Rowntree and Beveridge, which holds that the lowest level of State provision has in it an element of the absolute and uses the physical and social sciences to determine what goods and services the citizen requires and how much is needed to buy them'.[72]

The report admitted that science could not answer the question of what minimum needs were in modern societies; at most, medical science might answer for nutritional needs and their cost. The rest were a matter of judgement, and even if some list were prescribed, people might not spend their money on those items; if they failed to do so, they would fall below the line unless some margin had been left for their preferences. The report therefore concluded that 'the traditional approach has had to include something of the comparative approach'.[73]

The second method was a comparative study of expenditure patterns in the population at large, not just the poor, on the assumption that income and expenditure patterns give rise to perceived requirements. But the report then confused this insight about relative deprivation with the valid but conceptually distinct question of how far changes in prosperity and thus requirements should be reflected in the social security provisions.[74] If the average were rejected as a guide, it argued, that would still leave the question of where to set the minimum necessary selection of goods and services which were consumed by the population. However, the report went on to argue that this approach was constructive because recipients had lived 'as ordinary members of the community' and would have similar standards; their reference groups would be their non-claiming neighbours. In a comment which is in fact about the social security scales and not poverty lines, the report made an important and revealing statement about the symbolic as well as practical role which scales play in public consciousness:

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[69] PRO:AST7/1994, First draft, para 11.
[70] The quotations in this paragraph are from WR vol. 1 paragraphs 9-10.
[71] WR vol. 1 para 11.
[72] WR vol. 1 para 12. Leaving aside whether any of these people could be described as sociologists, it is arguable that neither Booth nor Rowntree would have accepted this confusion between their definitions of poverty and state minimum income maintenance systems; see J. Veit-Wilson, 'Paradigms of Poverty: A Rehabilitation of B. S. Rowntree', *Journal of Social Policy*, 15(1), 69-99, 1986.
[73] WR vol. 1 para 13.
[74] It exhibited the common confusion between the scientific finding of the poverty line and the political setting of the social security scales; for clarification, see for instance J. Veit-Wilson, *Setting Adequacy Standards: How governments define minimum incomes* (Bristol: The Policy Press), 1998.

> Thus the assistance standard could be judged as much by reference to the degree of deprivation it imposes on recipients as by the goods and services for which it provides. On this approach a national assistance allowance which provides fully -- even generously -- for, say, food, fuel and clothing will not be thought adequate if it means that the recipient has to give up the television, or leaves what will, in common judgement, be too large a gap in incomes between persons on national assistance and the man in employment.[75]

The third approach was an empirical study of how a sample of NA recipients was actually managing. The report rejected the risk of implying that because recipients spent a certain amount, that was what they required; it admitted that an independent measure was needed, but argued that 'finding out how people on assistance live has the merit of providing a background of realism and a point of reference against which judgements may be made with more confidence than if made in ignorance of how people manage on assistance'.[76] An earlier draft added that the method also had the advantage that 'even in isolation, a survey of recipients may bring the judgement of the Board's field staff to bear on the question whether they are going short by reference to the Board's existing standards'.[77] As we shall see, this issue of variation in staff observation of standards (and the consequent volume of unmet need) was a finding of the survey which caused serious concern to the Board.[78]

These three approaches are not conceptually in the same methodological category; they cannot be used as a kind of triangulating survey method, although the report implies that this was the aim. The first approach could be described as the 'traditional' way of constructing a minimum budget prescriptively, and was used by B. S. Rowntree to prescribe a minimum income standard for decency in *The Human Needs of Labour* (1937; referred to as HNOL), and to rationalise asocial subsistence by Beveridge in his 1942 Report. The second approach is not a way of finding a poverty line at all, let alone a social security scale, because (as the report admitted) it does nothing except reveal conventional expenditure patterns, without prescribing what a tolerable minimum consumption of the goods and services purchased would be. That would still be left to the experts, or to convention, to prescribe. The third method exposes aspects of life on a low income without showing what higher income would be needed to make the level of living conventionally acceptable. The group realised that in the end these approaches would not answer the question posed, but asserted that 'all three taken together would provide a body of evidence on which a judgement could be made'.[79] In other words, the comparative and empirical methods were intended to provide reliable evidence of a kind not previously available, which could be used by civil servants designing social security scales to make them more politically defensible in the new ambience of relativity. That is a sufficient and perfectly justifiable role for a civil service review. But they were confused between this justifiable aim and the search for a poverty line, something which the group was not equipped to investigate or report on. This was a conceptual and practical distinction which did not seem to be made or understood at the time. Nevertheless, it was certainly an advance of a kind that the report avoided the use of the terminology, which was threadbare then and outworn now, of 'subsistence', 'absolute' and 'relative' poverty. The group sought, and found, a more constructive use of terms.

The Traditional Approach

In examining how to take what it called 'The Traditional Approach', the group decided to avoid looking for 'minimum' requirements. This may seem hard to believe, as it is supposed to be inherent in the construction of social assistance systems that the state provides the least that is needed. But the group wanted to avoid the use of the term for fear that its taken-for-granted meaning as 'minimum needed for physical subsistence' would be confused with 'minimum level ... at which requirements should be met' by the state. 'Recent experience of public argument about the national assistance scheme supports the view that such confusion of thought is very likely', the report added

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[75] WR vol. 1 para 15.

[76] WR vol. 1 para 16.

[77] PRO:AST7/1994. Draft para 18; the method was then called 'pragmatic' rather than 'empirical'.

[78] PRO:AST12/85; addendum to NAB Minutes of the 227th meeting, 22 September 1965, AST12/76. NAB Memorandum 1333, para 3: 'Further, as the Report had shown, it was exceedingly difficulty (sic) to administer a nation-wide scheme which professed to deal with special needs in such fine detail without producing rather glaring inconsistencies.... the results it produced were open to damaging criticism'.

[79] WR vol. 1 para 17.

pointedly.[80] Naturally the group was looking for the minimum cost of what people without sufficient resources required from the state, but this should be expressed as their:

> requirements which ... would enable them to follow the general habits of the community at large in buying the day-to-day necessities of life (food, heating and lighting, clothing and household goods) and would allow them a small margin of income so that, without going short on staple items, they might have some share in the purchasing power which is conspicuously enjoyed in Britain today. Such a standard would require no further supplementation save in quite rare circumstances and it should not be described as minimum since people can and do live on less.[81]

The report argued that the concept of minimum subsistence had no validity in social security, first, because nothing in the statute required it, but chiefly because it 'lends an appearance of objectivity to what must remain a matter of judgement'.[82] The judgement in 1934 and 1948 had been that times were hard and wages were low. Minima were perceived differently in the 1960s, and the 1959 policy change demanded more than subsistence. The group rejected Beveridge's exclusion of everything except urgent expenditure and decided that the period over which requirements were to be calculated was a year. 'Put broadly, retrenchment of the order which Beveridge appeared to have in mind does not accord with the current social and economic climate.'[83] The requirements which were examined and estimated in the traditional approach were for food, fuel, clothing, durable household goods, and miscellaneous. The basic unit was taken to be a single person living alone, for two reasons: sharing was assumed to create not greater costs but savings; and the largest separate household category of NA recipients was persons living alone (42.6 per cent in December 1964).

On the food needs, the group reviewed and rejected the estimates used up to 1949 as too low. Instead it took account of estimates published since 1950 by the BMA and Ministry of Health (for the WHO and FAO), and on information from the National Food Surveys 1950-61. An upper estimate of calorie needs corresponding to all but the needs of adult males of working age (as these were only a tiny proportion of recipients) was then taken and translated into a cash sum. Here the group rejected the prescriptive methods of pricing the calories in expert nutritionists' dietaries, or in the dietary components of the national average diet, as both methods required NA recipients to have nutritional expertise. Instead, the group chose a method recommended by the Ministry of Health's Senior Medical Officer. This took the average unit cost of each 1000 calories in the national diet as a whole (calculated from Ministry of Agriculture data on household food consumption and expenditure for households of varying composition) and multiplied accordingly. To avoid criticism, the group chose a figure 'to understate rather than overstate the cost of meeting requirements', plus a ten per cent wastage allowance. This produced a weekly cost of 39s 1.5d per person, compared with Beveridge's cost of 22s 1d and Rowntree's HNOL cost of 18s 9d for men, all at October 1964 prices. The report's estimate of needs was thus below average calorie consumption, and the proposed cost below average expenditure on food. 'Founding the requirement for food on the average daily cost of 1000 calories in the national diet does, however, have this consequence: that it is meaningless to describe it as a minimum requirement in money terms ... '. Clearly the nutrients could be bought for less, as well as for more: the figure should 'be described as a standard requirement – one could manage on less and enjoy spending more'.[84]

Estimates of the appropriate amounts to include for fuel were complicated by changes in the technology of heating. Earlier estimates had assumed coal was the principal component; this was no longer as true. Further, there was uncertainty about the sum ascribed to heating costs in the scales: was it to cover the cost of a scientifically measurable requirement, a reasonable physical need, or merely habit and convention? Throughout the period of the NAB, there had been complaints that old people had to spend more on fuel than the scales allowed, thus leaving them short of food. The winter of 1962/3 had been severe and there continued to be widespread concern about hypothermia. The

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[80] WR vol. 1 para 32.
[81] WR vol. 1 para 33.
[82] WR vol. 1 para 31. See also PRO:AST7/1995. 3rd draft, para 28, refers to the rates in 1948 having been designed 'to meet minimum requirements – a qualification which does not appear in the statute' (underlining in original).
[83] WR vol. 1 para 34; vol. 2 appendix 2, paras 2-5.
[84] These quotations and details of food needs are from WR vol. 2 app 2 part (2) Food (underlining in original).

group decided that it could not speak of minimum heating requirements, as these presupposed no more than what is needed to sustain life, but instead adopted the phrase 'a minimum standard of heating' as implying a judgement about what people ought to have.[85] That judgement followed one which had already been made by another government agency: the Central Housing Advisory Committee under the chairmanship of Sir Parker Morris, which had reported to the Ministry of Housing and Local Government in 1961 on the standards to be adopted for residential accommodation. These standards were costed and an allowance duly calculated.

Clothing provided the group with the same basic problem: the 'science' of subsistence had nothing to say about requirements, and culture was the only source of standards. The group therefore commissioned J. E. Goodwin to seek the opinions of public authorities which supplied clothing, and of the clothing trade and consumer associations. The aim was to arrive at a weekly figure for maintaining what the group assumed was an adequate wardrobe, given that there was to be no reliance on second-hand clothing or gifts. The question was: what was an adequate wardrobe, and what was the interval and cost of replacing the items in it? Goodwin's background paper set out the answers to the question which had been given in the past and concluded that:

> the provision for clothing in 1948 was not founded as a result of any widespread enquiry into need or scientific assessment of requirements. Clothes rationing obviously loomed very large then, but the assumptions made in the Board memorandum about supply of second-hand clothing, the dislike of the elderly to renew clothing suggest that the Board did not regard this matter of first importance and expected in fact that clothing needs would largely be met from sources other than the assistance grant.[86]

The issue of tone is very clear here. The paper listed earlier NAB files recording repeated proposals for the NAB or local authorities to hold stores of clothing or wartime surplus blankets for dispensing to eligible recipients. Assistance at that time was for the working class, and charitable donations of clothing and surplus blankets were good enough. Additionally, the paper shed interesting light on the NAB's own standard list of clothing needs, the B/O.40, which was used as a guide when people applied for grants. There were no records of its origin; it was meagre and had remained substantially unchanged for 17 years. It was also incomplete and often superfluous in administration (which was subject to officer discretion), although it was useful as a guide in cases of bad management.

In answer to the question about an adequate wardrobe, the paper concluded that 'It can be stated categorically that there is no recognised optimum standard, neither are there any accepted views as to what standard there ought to be for the less well off members of the community'.[87] Consequently, to frame an agreed standard it proposed that 'if a wardrobe is to be something more than a minimum scale of one garment on and one off', then:

> The clothing, in fit and condition, should enable the wearer to maintain a reasonably presentable appearance in the community. The wardrobe should contain suitable clothing for summer, winter and wet weather. It should not be so restricted in garments that a lack of comfort results, or a change of attire is impossible.[88]

The paper also considered the needs and allowances for household durables. Although the 1948 scales had excluded them, NA claimants were conventionally told that the scales included all 'normal' needs other than rent. The situation had not been clarified until 1959. In principle, the report argued, it would have been best to include a suitable amount in the scale because 'in this way people on assistance are, as near as may be, put in the same position as others in the community who meet their expenditures, both long- and short-term, regular and irregular, from their income.' But after making assumptions about stock required and replacement periods, it was hard to make allowances on

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[85] WR vol. 2 app 2 para (3)28.

[86] PRO:AST7/2008. J E Goodwin, 'Report on Clothing, Footwear and Household Goods', 22 December 1964, para 10. The telegraphic style is in the original. It reported an estimate of the Council of Clothing Trade Associations that 'before 1939 probably less than 50 per cent of the industrial population was adequately clothed'.

[87] Goodwin op. cit. para 81.

[88] Goodwin op. cit. paras 82-3; WR vol. 2 app 2 para (4)12.

a weekly basis for things which lasted ten years or more (or which were needed when coming onto assistance), and the best way to pay for them was to make grants when needed. Even then, the estimates included would still not be enough to allow long-term recipients 'to purchase labour-saving appliances which have become commonplace among the rest of the community. In this respect the allowance proposed is inadequate'.[89]

Finally, the group considered what to allow for additional miscellaneous items. It seemed an impossible task: 'There is no scientific basis on which to build as there is with food, no technical lead for arriving at an objective standard as there is with fuel, and no way of drawing up a standard pattern of requirements as there is with clothing and household linen'.[90] It was entirely a matter of judgement. Adam Smith was again brought in to justify conventional necessaries.[91] All previous estimates were considered too arbitrary for updating. Evidence of conventional consumption was therefore drawn from the two other sources used by the study, the FES data and the survey of NAB recipients' expenditure. These gave proportions of total expenditure (excluding rent) on miscellaneous items of around 27-30 per cent for single non-householders with low incomes, rising with income level to around 40 per cent for the average single person. As no usable distinction could be drawn between expenditure on essentials and non-essentials, the group decided to use, for a single person, a figure which was similar to both the personal expenses allowance paid to those receiving board and lodging scales, and to the average expenditure by single recipients. The statement of principle on which this decision was taken is particularly pertinent:

> To expect people on national assistance to spend only on an arbitrarily restricted range of goods and services is to expect them to live as a class apart. And today we believe the community at large does not wish or expect those on national assistance to live in such a way. Provision should be made to enable the individual or family to live as a member of the community; it should not be so tight that the person on assistance can spend as social custom and habits virtually dictate only by going short of food, fuel and clothes or similarly approved requirements. People on assistance should be able to make some choice among a wider range of goods than those which have been described as essentials, and it is considered that this can best be done by allowing a margin for miscellaneous expenditure. This is more realistic than extending the meaning of 'essentials' indefinitely or of calculating an allowance for specific luxuries such as entertainment, holidays or cigarettes.[92]

Living as a class apart or living as members of the community – these are by definition the criteria of social exclusion or a participation standard of living. But it is an empirical question to ask if they were accepted by the public at large, or by politicians and administrators, as the criteria on which to base a social security scale. We should need to know more about the civil service culture at the time to establish if these liberal sentiments in the report were a reflection of taken-for-granted or wished-for truths. Whichever they were, the expression of principle by civil servants was a palpable shift from the 'minimum subsistence' standard of social security to the 'participation' standard, and in that sense justifies the use of the expression, a paradigmatic shift in thinking. But thought is not practice.

The question of suitable financial provision for recipients' housing needs was also an issue affected by this principle. The precise treatment of rents by NA had always been complicated; the relevant issues here were not so much the rules as the principles by which rents were not paid in full if officials made the social judgement that the accommodation occupied was too expensive for the class of recipient. The group faced the issue squarely: the problem arose partly because of particular kinds of labour market and housing policies which were beyond its remit or the NAB's control. The complexity of the situation was such that it felt unable to recommend an element for housing costs as

[89] WR vol. 2 app 2 para (5)10; see also Goodwin op. cit. paras 73-5.

[90] WR vol. 2 app 2 para (6)1.

[91] WR vol. 2 app 2 para (6)2. However, an early draft (PRO:AST7/2010) which also quoted Alfred Marshall's *Principles of Economics* (1890) (see N. Aronson, 'The Making of the US Bureau of Labor Statistics Family Budget Series: relativism and the rhetoric of subsistence', unpublished paper presented to the American Sociological Association Meetings, San Antonio, 1984) added Smith's exclusion of expenditure on beer and tobacco from the social necessities because 'Nature does not render these necessary for the support of life, and custom nowhere renders it indecent to live without them'.

[92] WR vol. 2 app 2 para (6)27. The data in the preceding paragraph are all from this section (6).

a standard addition in the scale rates, as had been the practice in assistance until 1944 and in Beveridge's insurance scales. It concluded that where officers had to make judgements about paying rents, the social consequences of underpayment for the recipient (removal or even eviction) should be among the first considerations.[93]

The Comparative Approach

The second, 'comparative', approach considered the actual spending patterns of non-poor people. It used the Ministry of Labour's Family Expenditure Survey data for 1956-63. Most relevant here is the table showing the proportion of expenditure on food, the Engel indicator of level of living.[94] For single householders – excluding the lowest income group (mainly retired) and those with incomes over average earnings – the table showed the food percentage of total expenditure in the two lower income categories as 22.6 per cent and 36.4 per cent, compared with 43.1 per cent spent by NA recipients. The group's proposed (traditional) budget would have allowed a food share of 40.4 per cent (of a higher total income than NA claimants received). This seemed to justify the group's observation that its scale 'does not appear over-generous'.[95]

While the group observed that its proposed 24.3 per cent for fuel seemed high when compared with other groups (18 per cent for NA recipients, down to 5.3 per cent for the group at just below average earnings), recipients tended to be more inactive and need more warmth. The group had allowed more than twice as much in cash terms for clothing (10s per week) than it found was actually spent by NA recipients in the FES, leading it to question if it had overestimated needs (though it did not comment that the NA recipients might have received Exceptional Needs Grants for clothes outside the period surveyed by the FES). The group had also allowed less for the miscellaneous expenditures than was actually spent by the recipients, again suggesting that its prescriptive approach gave incomes below empirically-derived poverty lines.

The group also considered the evidence on earnings to see if the proposals were either so generous that there might be an incentive problem, or so low that recipients recently employed would experience a drastic drop in income that 'could be held to impose an undue degree of deprivation'.[96] The surveys of recipients showed that many old people received in real terms almost as much in NA benefits as they had earned years before, but for younger people, who had benefited from the recent substantial wage increases, 'dependence on assistance more commonly means a marked drop in real income'.[97] After making adjustments for rent and deductions for income tax and NI contributions, the group's proposed level of benefit for a single person would have been about two-fifths of average male manual earnings; for a couple, the proportion would have been a bit over half. But the regional and financial spread of earnings was wide, and in some regions the proposed scale might well have come close to low earnings levels. For couples with children, the wage stop problem would loom large, and so the group reported that the proposals of the Beard report for children's scales should be examined further. Beltram later commented that the Windsor group would have been prepared to see an extension of wage stopping if, by raising the scale rates as it proposed, more families with children would have shared the expenditure patterns of those on average incomes more closely. This implied a move away from class to individualised less-eligibility. As the report itself argued, while its proposals might lessen incentives for claimants with low earning potential and large families and/or high rents, 'this should not lead us to suggest a reduction of the standard for the vast majority of recipients.'[98]

The Empirical Surveys.

The third approach used by the group was empirical investigation. Two surveys of NA claimants were carried out. The first, known as the Managers' Survey, was of a sample of 4757

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[93] WR vol. 1 paras 138-148; WR vol. 2 app 3, 'The Problem of Rent and the Bearing of Housing on Requirements'.

[94] WR vol. 1 table 5 p. 18. See the discussion of the meaning of Engel proportions at this time in Veit-Wilson, 'Muddle'.

[95] WR vol. 1 para 50(1). Beltram commented that the group did not have a prior view on the correct proportions of expenditure on different items; it simply used the FES data as the basis for making a judgement on the relationship between conventional and low income expenditure patterns and its own proposals, recognising that the stated income of households was not the same as their recorded expenditures in the FES. Beltram, personal communication, 15 December 1987.

[96] WR vol. 1 para 51.

[97] WR vol. 1 paras 63-65.

[98] Beltram, personal communication, 15 December 1987; WR vol. 1 para 60.

recipients around the country who were interviewed by the managers of local NAB offices. Its aims were to illustrate the circumstances of recipients and their spending patterns, and provide 'an evaluation from the recipients themselves and from the Board's Managers as to how they were managing. This Survey was the first of its kind undertaken by the Board'.[99] The other survey was a sample of the case papers of 1.25 per cent of the live load of recipients in December 1964, around 24,000 people. Following a less-detailed survey in 1956, it aimed to examine the degree of regional variation in the award of discretionary additions to scale benefits.

The managers' survey was a rich source of material on the state of the poor in Britain, and the group initially recommended that the findings should be made available for academic study in a suitable form -- they would indeed have welcomed inputs to the survey by academics had there been time.[100] But Sargent felt that the findings of the other survey on the variations in the exercise of discretion might be too politically sensitive for such publication. An unsigned note on file revealed his major anxiety: 'We have shown in some detail variations between Regions as regards the granting of discretionary additions. I hesitated to repeat this as regards exceptional needs because it could bring out forcibly that it all depends on the lead from the top (which was not the object of the exercise)'.[101] The note then referred to one region where it had been pointed out to the Regional Controller that it had had the lowest grant-making rate in the country for several years. 'The news was not received very graciously' but ENGs rose from 4 per cent of live load in 1960 to 21 per cent in 1964, compared with the highest average of 23 per cent.[102] Major variations were revealed between offices in giving ENGs and discretionary additions to different categories of recipient. 'We formed the view that there were marked differences between officers as regards the readiness to make grants' because some assumed that the scale rates covering all 'normal' needs obviated supplementation, while others seemed willing to make discretionary payments in shillings but not pounds.[103]

Another factor in variation was the lack of knowledge of some officials about nutritional needs, leading to decisions being made in terms of social and not physiological values: 'An officer visiting a frail old lady who looks undernourished and complains of difficulty in managing may decide to grant a special addition, yet her requirements, in terms of food, may be much less than those of a young, active widow with growing children to look after'.[104] Similarly, the sums awarded for articles varied from one NAB office to another, even in the same town, suggesting officers differed over 'the standard of article considered appropriate for recipients to buy'.[105] Sir Kenneth Stowe summarised the problematic issue revealed by the managers' survey as follows:

> What purported to be a fair and reasonable system applied with reasonably uniform discretion was in fact an arbitrary, personally motivated system, with wide discrepancies. If one probed into it one found things went very, very differently according to the temper of the local office manager and the local office staff, and it amply justified the criticisms that were made in support of the income guarantee case, that discretion was found not to be discretion but arbitrary judgement, highly personal arbitrary judgement. Which was the Ark of the Covenant knocked over in terms of the Poor Law and Unemployment Assistance.[106]

The survey by managers thus revealed that the administrative tone of NA was inadequate. It lacked the accepted criteria of good tone for benefits for 'members of the community', including consistency and predictability. The growth in the number of discretionary allowances, which had been a cause for concern throughout the 1950s, had been ascribed in 1959 not to the inadequacy of 'the general standard of the scale rates but indicates the increasing skill and assiduity with which, from

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99 WR vol. 1 para 61.
100 PRO:AST7/1997. 1st draft of WR vol. 3 (app. 8) chapter 3.
101 PRO:AST7/1992, Sargent to Stowe, 24 August 1965. PRO:AST7/2012, Note on file, undated and unsigned.
102 WR vol. 2 app 4 para 50.
103 WR vol. 2 appendix 4, Adjusting the Scale Rates by Discretion, especially paras 25-51. PRO:AST7/1998, Draft of WR vol. 1, chapter on discretion, para 115.
104 WR vol. 2 app 4 para 19.
105 WR vol. 2 app 4 para 49.
106 Stowe, recorded interview, 23 February 1988. The income guarantee scheme was a Labour Party policy proposal but was never implemented because of its cost and the administrative complications of trying to coordinate the tax and benefits system.

increasing experience, the Board's staff recognise and provide for the endless variations of human need which must be taken into account in a scheme of nation-wide assistance according to need'.[107]

Its survey led the group to doubt the validity of this claim. It exposed the differences among claimants between those who depended on discretionary additions to increase their scale benefits, and the one-fifth who had disregarded income (which therefore increased their spending power above that given by the scale rate). The latter were considerably more likely to report that they were managing well than those without, both on their own assessments (70 to 51 per cent) and the managers' (82 to 52 per cent). Even the observation that long-term recipients coped by adjusting to low incomes was qualified by 'this probably meant no more than that they had come to accept a restricted way of life', and tended 'to dissociate themselves from the habits of life of the community because they felt unable to keep up with the general standard of living'. A crucial difference in managing was 'the unexpected extent to which help in cash or kind from friends or relatives was found to have helped recipients to balance their budgets'.[108]

By contrast, the survey found that the consequence of discretionary arbitrariness was that claimants were deprived. The managers were therefore required to carry out an assessment of the needs of each surveyed recipient for clothing, bedding and household equipment, and award extra grants as appropriate. These interviews were longer and more intensive than ordinary officers' visits and they exposed much unmet need; 'it is not usual to invite a recipient of assistance to ask for something', but on the other hand managers did not give unjustified grants. Almost half (2,113) of all those surveyed received grants as a result of the managers' interviews, over half (1,226) being for clothing. If grants had been made on the same basis to all recipients in 1964, over 870,000 grants would have been made instead of the 345,000 actually made by lower officials. The group concluded that staff used discretion in a highly variable manner to support inadequate benefits. It expressed the hope that if scales were raised to the level it proposed, the need for grants should become genuinely exceptional.[109]

Conclusions of the Study Group

The evidence which it collected from its various surveys and special reports convinced the group that 'we could not regard as satisfactory the standard of living provided by the scale rates in operation in 1964'.[110] The existing benefit level was too low for the approach to a new participation standard of income, which it had tentatively indicated as its criterion. The chief difference in levels of needs was between short- and long-term dependence on assistance. The old should get more, not because they were old but because they would by definition be long-term recipients. Others should also get more, but because it was not possible to predict the duration of dependence in advance, this should be after two or three years. Dependence on discretionary additions and grants should thereby be diminished.

Although the comparative and empirical approaches illuminated its thinking about the inadequacies of the existing level of benefits, the group had no independent criteria to help it decide on the level of income needed for such minimal participation. New empirical approaches to measuring poverty were only just being developed by sociologists such as Townsend. The prescriptive approach to adequacy was still customary and the only issue was whether to move from quasi-subsistence to relativistic components of needs. In that context, any evaluation of the importance of the groups' recommendations must show them to be a distinct advance on previous, limited studies. We cannot know how the group's proposals for an increase of 22 per cent in the benefit level for a single householder (from 76s per week in March 1965 to 92s 6d) might have compared with empirical poverty measures, but the group made it clear that this relationship was not their concern. The question was the level of benefits, and here other considerations applied: 'Although the assistance rates cannot be considered in isolation, the fact remains that they stand apart from other forms of social security provision in that they have a different job to do: they set a standard which, at the lowest, cannot provide less than the basic requirements for food, fuel, etc'.[111] An earlier draft had put

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[107] Briefing for Minister, April 1959, quoted in WR vol. 2 app 4 para 12.
[108] WR vol. 1 para 97.
[109] WR vol. 2 app 4 paras 51 and 53.
[110] WR vol. 1 para 235.
[111] WR vol. 1 para 227.

it more bluntly: 'they still retain -- and always will retain -- an element of the absolute in them'.[112] In other words, the residual level of state income maintenance had to reflect adequacy for a politically feasible minimum living standard, and this might differ from the popular view of the income needed for a minimum participatory level of living.

Although it was not part of its remit, the group made two further important recommendations. One was on the criteria to be used in future for raising of the levels of the scale rates. The other was on further monitoring of the adequacy of benefit levels.

Existing scales had always been based on a prescriptive subsistence construction, uprated by nothing more than some version of a cost of living index with some slight augmentation in 1959. There was no agreed means by which their calculation could be moved to a relativistic basis. The group considered various possibilities: different cost of living indices, general or low income; movements in the average incomes of wage earners; movements in weekly wage rates; or an index of net income per head (subject to much discussion on what to include or exclude, and what population – total or earners alone – to divide by). It concluded that the scales should not be tied to price indexes, not least because 'the criteria for adjusting the scale rates should not, in our view, be concerned only with the maintenance of their real value'. Finding the 'right relationship between assistance standards and the growth of national prosperity, but without making the cost to the Exchequer of an increase in assistance rates itself contribute to inflation, raises, of course, political issues of great difficulty and complexity'. However, in spite of any problems raised in relation to low earnings, the 'material reference points' of the living standards of the community as a whole 'ought to be kept in mind in the regular evaluation of the rates'. These were indicators such as average earnings or net personal incomes (though the group did not feel it proper to recommend any single national index).[113]

The politics of social security, which necessarily acted as a constant beacon to the group, did not however blind it to the issue of how to monitor the effectiveness of the basic social security provision. To be aware of 'the current difficulties of all the variety of persons receiving assistance':

> is of the very essence of the proper administration of assistance, and therefore we <u>recommend</u> that there should be instituted a small scale continuous survey into the circumstances, patterns of expenditure, and difficulties of recipients, something on the same lines as the Managers' Survey. This, we feel, would be of great value in that it would, at any given time, give indications of whether the shoe was pinching and, if so, where. This information, necessarily to some extent in the form of subjective judgements but considered in conjunction with the statistical evidence on the movement in prices, should give firm pointers both to the timing and to the amounts of any proposed increases in the assistance scale rates.
>
> It is nevertheless necessary that there should be from time to time (perhaps every three of four years) a full review of the scale rates taking account of any improvements in general prosperity measured by the available data and indices. Such a review should, in our judgement, include also a full survey of the actual living conditions of recipients on national assistance so as to reflect in any new standard the changing patterns – and problems – of the recipients' way of life.[114]

The Windsor Report on the Adult Scale Rates was, within the parameters set in conceptual and practical terms, a pioneering model of a departmental review on this topic, and according to Sir Kenneth Stowe it remains unique. Although the term 'adequacy' implies a poverty measure and the group were not searching for this in sociological terms, officials made a serious effort to relate the recommended NA standard to methodologically defensible measures of conventional standards of needs and social deprivations. They also proposed to build regular surveys of deprivation into the administration of a politically credible social security system.

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[112] PRO:AST7/2003, Draft of WR vol. 1, Chapter 12.
[113] WR vol. 1 para 231.
[114] WR vol. 1 paras 230-31; underlining in original.

REACTIONS TO THE WINDSOR REPORT

The Windsor Report was dated August 1965, but the files noted that the study group finally reported in October, and it was not published, nor was any publicity given to it, other than obliquely in the NAB's 1965 Annual Report.[115] The Board considered the report at its meeting on 22 September and the chairman wrote to the Minister (Margaret Herbison) on 8 October about its implications for policy.[116]

The chief issue which repeatedly emerged was that the large number and regular use of discretionary additions and grants showed that the NA benefits were deficient in both level and tone. During the Board's meeting, Sargent recalled that both major political parties had made proposals for schemes which would have better tone by 'conferring an entitlement to a clearly defined minimum income', but that the current scale rates now looked not like 'a norm, as they were intended to be, but ... a minimum, inadequate in themselves for most people's requirements'. Public opinion, which had welcomed more additions, now saw a detailed test of means as oppressively inconsistent with pensioners' rights, and the scheme was expensive to administer and glaringly inconsistent. Regional staff wanted change, too, but as the substantially higher benefit rates recommended by the report were 'pretty clearly unattainable at the present time', the question was whether the Board wanted to move away from a system with a very large number of small discretionary additions, to one concentrating better on genuinely exceptional needs.[117]

We should note that the Board's long discussion revealed a conventional misapprehension: if scales were raised and additions subsumed, those who had received most of them would benefit least, and as they 'could be said to be those in greatest need', this was unjust. The first statement was true, but the conclusion that the greatest need was among those who had received the most additions (as opposed to those found by Cole in 1959-60 who for various reasons had not received additions, or even any NA at all) was even then arguably unsupportable.[118] The Board's conclusion was, however, that the problem was inherent in any change from the current system, and (as an ironical minute put it) 'the only alternative appeared to be to retain the existing system, with additions for example of about 1s 6d a week for a cup of Horlicks at night, for all time, however high the level of the scale rates may rise in real terms'. Avoidance of major change by attempts to improve the quality of administration of discretion might be vitiated 'having regard to the factor of personal judgement and the different outlooks and temperaments of different officers, Managers, and Regional Controllers'.[119]

The Board members were also concerned that increases in the scales might increase the number of wage stop cases. Sargent reminded them that most recipients were old people; few recipients were unemployed, and few of those wage-stopped; and:

> the country ought [not] to be indifferent to the problem represented by the very much larger number of people who were working and bringing up families with incomes substantially less than those provided by the present levels of assistance. He had had a good deal of discussion with this obvious question [sic] with other Government Departments concerned; and an interdepartmental committee had been set up, on which the NAB were represented, and was already at an advanced stage in its consideration of this problem.

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115 Notes on studies, An Examination of the Adult Scale Rates, Final Report October 1965, PRO:SBC/POF25. NAB *Annual Report* 1965, p. xii.

116 PRO:AST12/76, Minutes of the 227th meeting of the NAB, 22 September 1965, para 16; discussion of the Windsor Report is in an addendum as NAB Memorandum 1333 of same date, *Adult Scale Rates*, PRO:AST12/85. Memorandum by the Chairman of the NAB to the Minister of Pensions and National Insurance, *Possible Modifications of the National Assistance Scheme, Part 1: Financial Assistance*, 8 October 1965, PRO:BN72/115.

117 NAB Memorandum 1333, section 3, Discretionary Additions. PRO:AST12/85.

118 D. Cole with J. Utting, *The Economic Circumstances of Old People*, Welwyn, 1962).

119 NAB Memorandum 1333, op. cit. Beard recalled from his experience and study of local visiting by officers that variation also came from 'the local ethos: what need is here? People in this locality don't normally have a dressing gown, for example, they can use their mac, whereas in the south of England, yes, they'd all have a dressing gown.' Recorded interview, 11 March 1988.

> The view taken by the Board, after discussion of these and other points, was that the objective set out in the Report of the Study Group was right, that the aim should be to have a substantially higher scale-rate level and to get away from the present system under which three-quarters of the old people had the scale rate supplemented by discretionary additions, many of them for relatively trifling needs represented by very small sums.[120]

The record of the meeting reported Sargent's view that there was general public and political support for the proposal to pay a higher rate to pensioners, though the report had recommended this for all long-term recipients (including pensioners simply as prospective long-term recipients). However, the Regional Controllers opposed a differential scale for a variety of reasons 'which were not very easy to summarise'. The minutes then recorded Sargent's personal statement to the Board:

> First he did not believe it was possible to justify in national assistance, a scheme necessarily related to needs, a higher rate for the old as such. Secondly he believed there was a justifiable case for giving more to people who had to live on national assistance for a long-term [sic], and this would of course include the old. But thirdly he felt that there would be real difficulty in convincing public opinion that it was right to draw a line at this point, he felt also that there was difficulty about introducing a relatively small differential, based on no clear criterion, the justification for which might in any case largely disappear with the rising real value of the scale rates. And fourthly he felt it wrong to take no account of the almost unanimous view of the Regional Controllers, and of the repercussions on the National Insurance scheme. On balance he felt, nevertheless, that it was possible to justify a differential, provided the criterion was long-term receipt of national assistance, and accordingly if Ministerial policy favoured it he would be disposed to recommend the Board not to oppose it: but he would himself hesitate to advise the Board to sponsor the proposal and press it on Ministers.[121]

The Board took Sargent's delicately-phrased advice: it did not favour the differential rate as such but 'did not rule out the possibility of a higher rate for long-term recipients of national assistance coupled with a move in these cases away from the present system of giving very large numbers of very small discretionary additions'.[122]

The Windsor Report was soon put into context by the 1965 findings of the MPNI survey of *The Financial Circumstances of Retirement Pensioners*. Like the managers' survey, it disclosed widespread discrepancies and variations in the use of discretion, and the Board therefore considered proposals to reduce it. Officials advised against any implication that the scales were inadequate, and recommended that 'the scale rates have been regarded since 1948, and should continue to be regarded as adequate for all normal requirements as to food, fuel, clothing and miscellaneous household goods, with a small margin for personal expenditure' because the levels of benefit were higher in real terms than ever before. There was a private admission that the Windsor Report's standards would not be met, 'but it is only realistic to accept' that the existing levels of benefit would have to be treated as adequate for everything except large abnormal expenses. The officials distinguished between those expenses which would remain even if the Windsor standards were met, and those which would be subsumed by proper levels of benefit, but only in terms of level not type of expenditure: food, fuel, laundry and other domestic expenses appeared in both lists. The Board agreed that 'it would not be right ... to attempt to give the staff, or a portion of the public, a financial breakdown of the amount assumed to be available in the scales for particular items or categories of expenditure' such as food, fuel and so on (to admit publicly that the scale was in fact based on calculated components was against policy).[123]

Some Board members expressed anxiety that NA would lose its 'casework' character of being individually 'tailor-made' to the needs of each recipient. Officials had to point out that the original

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[120] NAB Memorandum 1333, op. cit.
[121] NAB Memorandum 1333, op. cit.
[122] NAB Memorandum 1333, op. cit.
[123] Minutes of the 231st meeting of the NAB, 26 January 1966, paras 7-11, PRO:AST12/76.

aim of assistance had been to provide only for average needs, with individual supplementation for abnormal additions. While administration would become easier with larger benefits and less discretion, money would not be saved because so much unmet need had been exposed. The Permanent Secretary of the MPNI, Sir Clifford Jarrett, voiced his reservations to the Minister, Margaret Herbison. It was impossible, he argued, to have both a fine examination of needs and avoid a heavy administrative load; the latter was possible only if one 'deliberately ignored needs but granted rights, in the true legal sense, to a given level of resources.' The Labour Government's income guarantee proposals, which were just being examined by officials, had similar problems (as Donnison has shown[124]). Strategically, at a time of restricted public expenditure, he concluded:

> Will it seem right, so relatively early in a fresh period of Labour administration, to commit ourselves to giving priority in the use of scarce finance to the improvement (not a large improvement at that) of a means-tested scheme for which a good many members of the Labour Party have in the past expressed a good deal of distaste?[125]

CONCLUSION.

This account has illustrated and illuminated thought and action among civil servants in an era of new consciousness of the problems of poverty. The officials responded to the growing awareness and concern about poverty articulated by academics and other commentators outside the policy process, and in the process they too 'rediscovered' the poverty still experienced by a section of the UK population. But at the same time they had their own battles to fight inside the policy process, both with colleagues unwilling to accept the findings of the studies of adequacy and with politicians unable to cope fully with the serious implications of these findings for income maintenance and other social policies.

The only reflection of these studies and events of which the outside world became aware was the introduction of the higher rate of Supplementary Benefit in 1966; indeed, even within the Civil Service the memory that there had ever been an in-house study of social security adequacy was lost, except to those who had taken part in it. Two decades later it was possible for other officials to write as if no study of the adequacy of income maintenance provisions was conceptually feasible, let alone practicable.[126] The reasons for this apparent collective amnesia are of course beyond the scope of this chapter.

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[124] Donnison, *Politics*.
[125] Jarrett to Minister, 21 October 1965, PRO:BN72/115.
[126] For instance in Department of Health and Social Security, *Reform of Social Security* (London: HMSO), 1985, p. 12, or Department of Social Security, 'Benefit Levels and a Minimum Income', in: House of Commons Social Services Committee, *Minimum Income: Memoranda laid before the Committee*, HoC Paper 579 (London: HMSO), 1989, pp. 3-5.