

PRIME MINISTER

In May H Committee commissioned work on financial support for 16-18 year olds - despite the Chief Secretary's objections with which you sympathised.

Here is the report, with a useful summary paper.

The key proposal is for a new young persons benefit (YB). It would replace both child benefit and supplementary benefit for those aged 16 and 17 who remained in full-time education or are out of work, and for those aged 18 in full-time education. This would normally be payable to parents except in the case of those who had already held a job. It would do much to eliminate the problem that the present system offers more financial incentive to be unemployed than to remain at school.

If YB was introduced, the relationship to Youth Opportunities Programme Allowance would have to be considered. The suggestion is that there should be a flat rate differential of £8, regardless of the level at which YB was payable in any particular case.

These proposals would need legislation, and this could not be earlier than next session. It would also take time after legislation to implement them. One possibility is to start with a consultation paper.

Do you want us to pass on any thoughts to the Home Secretary before the report is discussed in his committee next week?

Comments by  
Home Sec - flag A  
CPRS - flag B  
now attached.

MAF

Please consider the paper for the  
Parliamentary viewpoint, i.e. the  
- Help towards effect. I find it  
difficult to judge for a while but  
the rest - more of which would  
is in very complex. But  
have spent some time with S.B.  
my own committee  
with some who  
P.F.O.

5 December, 1980.

Spoke Cabinet Office ✓  
BF with H minutes  
on 9/11 when received  
MAF 9/11

are just done that level - I have the  
very sharp impression that to be on S.B.  
opens the door to every possible benefit  
+ distribution any help which to be  
monthly but needs independent is to  
be work off, and full  
of resentment  
not.