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14 July 1987

*From the Private Secretary*PUBLIC EXPENDITURE

The Prime Minister has seen your Secretary of State's minute of 11 July about possible savings on the health and social security programmes.

As you know, the Prime Minister feels that it would not be right to raise the possibility of abolishing the 25p addition for the over eighties. She understands that an extra £2.25 per week will be payable from April to those aged over eighty in receipt of Income Support. But she believes that to seek to abolish the 25p addition would be highly controversial, with the Government's own supporters among others, and that indeed it could be counter-productive, leading to still greater pressures for increases in the basic pension and in provision for the very old. She would not wish the proposal to be discussed in H committee.

The Prime Minister agrees with your Secretary of State that it would not be acceptable to seek to impose prescription charges on the elderly.

The Prime Minister is otherwise content that the proposals should be discussed with colleagues in H Committee.

I am copying this letter to Jill Rutter (Chief Secretary's Office).

David Norgrove

Geoffrey Podger, Esq.,  
Department of Health and Social Security.