

This was financed by revenue payable directly into the Fund, comprising the social security charge, registration fee, and miscellaneous, totalling £15,286,000, and by a transfer from the Consolidated Fund of £7,000,000, as set out in the Budget last year. The balance of expenditure over receipts was met by drawing on the moneys in the Fund. It will be necessary to rebuild the working balance in this Fund, and I shall refer to that aspect in a few moments.

The anticipated expenditure out of the Social Security Fund for 1946-47 reflects the increased benefits granted during the latter part of last year and the family benefits which operate from the beginning of the present financial year.

The revenue payable directly into the Fund will now be augmented by the increase in terms of last year's legislation in the social security charge from 1s. to 1s. 6d. in the £1. Notwithstanding this, however, to meet the additional benefits, a substantial increase will be necessary in the contribution from the Consolidated Fund. Moreover, as the contribution from the Consolidated Fund cannot conveniently be made at the full monthly rate in the earlier part of the financial year and the social security charge itself is payable in part at periodical intervals while benefits are mainly payable on a monthly basis, a working balance of slightly over a month's expenditure is considered essential. Provision is accordingly being made this year to strengthen the Fund to this extent, involving a greater contribution from the Consolidated Fund than would otherwise have been required.

Summarizing the receipts and expenditure, we arrive at the following:—

RECEIPTS						£
Social security charge	..	..	..	..	..	19,900,000
Miscellaneous receipts	..	..	..	..	..	138,000
Transfer from Consolidated Fund	..	..	..	..	..	18,000,000
						<u>£38,038,000</u>
EXPENDITURE						£
Monetary benefits other than family benefits	..	..	..	..	..	16,512,000
Family benefits	..	..	..	..	..	12,620,000
Medical benefits	..	..	..	..	..	5,806,000
Administration expenses	..	..	..	..	..	730,000
Emergency benefits	..	..	..	..	..	120,000
						<u>£35,788,000</u>

On the basis I have outlined and taking into account the opening balance of £1,716,000, we should close the year with a carry forward of approximately £3,900,000.