



Scrutiny Office

Health and Social Security Scrutiny Panel Quarterly Hearing with the Minister for Social Security

THURSDAY, 2nd JUNE 2016

Panel:

Deputy R.J. Renouf of St. Ouen (Chairman)
Deputy G.P. Southern of St. Helier (Vice-Chairman)
Deputy T.A. McDonald of St. Saviour
Deputy J.A. Hilton of St. Helier

Witnesses:

The Minister for Social Security
Assistant Minister for Social Security
Chief Officer
Policy Director

[10:00]

Deputy R.J. Renouf of St. Ouen (Chairman):

Ladies and gentlemen of the media and members of the public, thank you for coming along. This is a public quarterly hearing with the Minister for Social Security. It is being recorded, as is usual. We will do the same today and if we may introduce ourselves and then, Minister, if I may ask you to introduce yourself and members of the team. So I am Deputy Richard Renouf, Chairman of the panel.

The Deputy of St. Ouen:

Thank you all. Minister, can I go straight in and say that one of the very large items looming on the horizon is the question of the health charge and can I ask what your involvement has been thus far in the formulation of the health charge proposals?

The Minister for Social Security:

I am afraid, Chairman, I shall have to disappoint you again. I did have a long discussion with the Minister for Treasury and Resources and it is still a work in progress. Still being formulated as to even when it might become relevant, i.e. 2017, 2018, 2019, and as to how it is going to be administered and what form it is going to take I am not privy to that knowledge. I knew you would be disappointed, which is why I spoke to the Minister for Treasury and Resources but that is it, really. That was only yesterday.

Deputy G.P. Southern:

So you only saw him yesterday and only because you knew you were coming to this meeting today?

The Minister for Social Security:

No, I have spoken to him several times but it was again yesterday, knowing that I was coming today and knowing that 2 previous occasions I had said I was not aware of how it was progressing or what form it was going to take.

Deputy J.A. Hilton:

What reasons did he give you for the delays?

The Minister for Social Security:

Essentially that there is a huge amount of work to do, and it is a big picture obviously, as we all well know the health charge has to fit in with the everything else to make it acceptable in the round, and I think it is a matter of putting together the whole Medium Term Financial Plan. So that is only just one piece of it, hence not knowing when it would be implemented as such as to whether it would be 2017 or 2018, because it was supposed to be 2018 originally and now there is an idea that maybe there is going to be another charge, a waste charge or something, then they should not all come in at the same time obviously. So it is putting the bigger picture that is the Minister for Treasury and Resources' problem. We will be invited to discuss it all; I think it is 16th June when there is a Council of Ministers' meeting specifically to discuss this and refine what is put before us.

Deputy G.P. Southern:

“Discuss this” meaning the health charge?

The Minister for Social Security:

The whole M.T.F.P. (Medium Term Financial Plan).

Deputy G.P. Southern:

Whole M.T.F.P.?

The Minister for Social Security:

Yes.

The Deputy of St. Ouen:

But until 16th June none of the specific proposals for a health charge will have been discussed in the Council of Ministers?

The Minister for Social Security:

We have got a meeting next Thursday but I have not got the agenda, so I am hoping very much it will be discussed then. But certainly on the 16th it is specifically for the M.T.F.P.

Deputy J.A. Hilton:

So would it be fair to say that the health charge is going to happen but it is going to be introduced at a later stage than was previously planned? Would that be a fair ...?

The Minister for Social Security:

That is what I do not know because it was originally said it was going to be 2018 and now 2017 has been mentioned so ... but further than that I really do not know and I am disappointed on your behalf because, having read the transcripts of the last 2 meetings, I am sort of saying the same thing, but I cannot say anything else.

The Deputy of St. Ouen:

As a member of the Council of Ministers ...

The Minister for Social Security:

Yes, I totally appreciate that.

The Deputy of St. Ouen:

... will the health charge details be released by the end of June?

The Minister for Social Security:

Yes, they will be in the Medium Term Financial Plan when it is published on 30th June.

The Deputy of St. Ouen:

The Council of Ministers are meeting on 16th June so that seems to leave absolutely no time for any discussion. It is just accept or not and there is no option, is there?

The Minister for Social Security:

There is very little time for discussion.

Deputy J.A. Hilton:

It is a very tight timetable.

The Minister for Social Security:

It is a tight timetable. It is a massive piece of work to put together. I sort of use the analogy of the long-term care scheme, which was a huge piece of work, and if you build it like a block of Jenga and you remove one piece from it the entire block falls down and putting it together like that you have to be able to put together the whole plan so that if you remove a block it does not collapse. That is quite a ...

Deputy G.P. Southern:

We are not talking about party games, are we, Minister? We are talking about a major chunk of the provision for balancing the books; £35 million worth, and as Ministers saying: "I have got no idea in what shape or form it is in. I may find out on 16th June. We may find out on 30th June." Is that supposed to be published then? If I said not fit ...

The Minister for Social Security:

There is the option which has already been discussed by the Minister for Health, but that is the only one I know of putting it forward in a similar form to the long-term care scheme that has been done and that is charged, so it is a ring-fenced scheme collected in the same way as long-term care is through taxes. The Minister for Health has already mentioned that that is an option, but further than that I do not have any other options that I ...

The Deputy of St. Ouen:

Has that option put forward by the Minister for Health been discussed by the Council of Ministers?

The Minister for Social Security:

It is still on the table.

The Deputy of St. Ouen:

Was any resolution made following that?

Deputy J.A. Hilton:

Do you feel that you have had a satisfactory level of discussion with your fellow Ministers on this matter to be in a position on 16th June to be having a conversation about something which is a big item, is it not?

The Minister for Social Security:

It is a huge item. At the end of the day, it is the Treasury that have to come up with this so we are involved to the point that making contributions verbally but that is about it really. Also, to be fair, I was not at the last Council of Ministers' meeting; I was away, but I have obviously caught up on what happened with that.

Deputy G.P. Southern:

And yet you are responsible for the Health Insurance Fund and you administer that within your department. Here we have a fresh bond or fresh tax and you have not been involved in any discussions about how we might be involved, whether you would be responsible for administering or collecting that tax or whether it is for the department?

The Minister for Social Security:

It was discussed in the M.T.F.P. the Health Insurance Fund, that some of it may be used to help introduce a new health tax, but that has always been discussed. I mean essentially the Health Insurance Fund is for primary care so there has been no more discussion on it than that.

Deputy G.P. Southern:

It makes me wonder what we are doing here. It makes me wonder especially what is happening in the Council of Ministers, which is supposed to have removed the silos and we still have joined-up government, and here we are forced to question you, who is not responsible yet for this tax, about what is going on and you do not know the first thing about it, and we are going to see it in 29 days' time with some T's crossed and I's dotted or it could be the other way round, could it not?

The Deputy of St. Ouen:

Thank you for your frankness, Minister. I suppose our amazement is with the process and the lack of planning and consultation and engagement. It seems astonishing to all of us, I should think. In the absence of the information we would all love I do not think we can question any further on that.

Deputy G.P. Southern:

We have to get the Minister for Treasury and Resources in. Let us see if he is booked up for the next month.

Deputy T.A. McDonald:

If I could ask a question, which I hope somebody is able to answer, and that is probably the Assistant Minister, I would think. It has been reported that a programme to get locally qualified jobseekers into the hospitality industry has been launched and I wonder if you can give me an update as to how many, and so on.

Assistant Minister for Social Security:

Yes, I would be delighted and I just want to publicly thank the Minister for giving me political responsibility for the Back to Work initiative. So I welcome that and I relish the task in hand ahead for the next 2 years. I have been an employer for the past 30 years and I am well versed to what we are looking for with regards to staff. I think it is important when you are choosing a member of staff you look for enthusiasm, which is good. You are looking for skills, which is important as well. This is what the hospitality programme is providing. We are giving the individual skills before we send them out into the field effectively and then they get work experience with the employers. Now we are paying for a month's worth of salary, which equates to about £1,155, and that will pay 4 weeks' employment with people. Now the skills that we give them beforehand so, as I say, before they go out to work we have 5 or 6 different initiatives. So they are given training how to become a Welcome Host. They are also trained in first aid, food safety, responsible alcohol retailing, which I think is important, personal branding, attitude and motivation and interview skills. So they are given that training before they go. They are given certificates. They are expected to pass these things. Then they are taken on by hotels and restaurants and things, and it has proved quite successful. They are a little bit nervous but I am sure we will overcome it. In 2015 the Back to Work helped 312 people, jobseekers, into hospitality. It is a major industry as well. It employs over 6,000 people locally and there is often a call from that industry to require more registered posts. It is definitely a bit of a pool on our immigration policy as well, so I think it is so important to train up local people, locally entitled people, to go into this industry. That is where the initiative comes from. So far, as I say, last year we put 312 people into the industry. This year so far there have been 167 job starts and I think that is very encouraging. We have had 14 different employees engaged with us as well on this. So all in all it has proved quite successful.

Deputy G.P. Southern:

What is your marker? What shows success? Have you got how many people go from doing this experience to working in the industry, for instance?

Assistant Minister for Social Security:

We have had traction where people end up ... 41 per cent end up in permanent jobs it seems so far, so it has proven quite successful so far this year.

Deputy G.P. Southern:

In that industry?

Assistant Minister for Social Security:

Yes, in that industry. I think it is so important to equip people with skills to ... regardless if initially they only last one season they have at least got the skills for possibly another season or, you know, it is very important.

Deputy G.P. Southern:

Are these positions extra positions? Are they taking on extra bodies when they volunteer these months?

Assistant Minister for Social Security:

I am so pleased to say that the tourist industry in particular and hospitality is enjoying, like a lot of parts of our economy, a very productive busy period. So yes, they are looking to take on more people, which is great because currently we have got 1,350 unemployed, locally entitled, and I think any initiative that can bring those numbers down ...

Deputy G.P. Southern:

The question was: are these extra positions when they do them? Is it: "We have got our bar staff who are doing very good shifts. This is an extra position for somebody to pick up, learn they have to do the job" or is it instead of?

Assistant Minister for Social Security:

When the hotels reopen at the beginning of every season they are looking to take on more staff, are they not, so there is a degree of new positions but I would imagine it is mainly filling jobs that were there from last year as well. So there is a degree of that.

Deputy G.P. Southern:

So it is replacement posts?

Assistant Minister for Social Security:

Replacement and some new ones as well.

Deputy T.A. McDonald:

Can I ask, while we are on this subject, not actually hospitality?

[10:15]

But going back to the demise of Woolworth, for example, that created all sorts of problems, are we - the royal "we" - thinking about places like B.H.S. (British Home Stores), Austin Reed and so on?

Assistant Minister for Social Security:

Absolutely.

Deputy T.A. McDonald:

Which I guessed you would be but obviously there is some preparation and planning being put in place for that.

Assistant Minister for Social Security:

Absolutely. We have had the team in both organisations talking to H.R. (human resources) and the management. We have given them and told them of our full resources. We are there for them. We are hoping, for example, I think British Home Stores, the announcement will be made today, someone is going to take them over and we will not be in a position to be looking for 60 people. But I am a great believer and a realist that one door may close and another may open. There will be another retailer that comes over. It is a prime position for British Home Stores. I hope it stays. I think it is a good brand. It employs 60 people. But our Back to Work team, we are well resourced, we have got the staff. We will do everything we can to get them back to work.

Deputy G.P. Southern:

Who are thinking might come and take that property or come and trade ...

Assistant Minister for Social Security:

Well, there is a number. You could look at just something like possibly another supermarket. There would be an opportunity. Sports Direct may want a bigger presence in town, Primark, somebody like that. It could be any of those.

Deputy G.P. Southern:

Has the Economic Development Department been involved at all about attracting anybody into the Island?

Assistant Minister for Social Security:

I am not aware of that, no.

Chief Officer:

Just to clarify: there is no indication that the store will be closing.

Assistant Minister for Social Security:

No, there is not.

Deputy G.P. Southern:

As yet.

Chief Officer:

Just for clarity. Graham mentioned the decision of the B.H.S. in relation as a whole - I think there is news hopefully today - but there is no suggestion that the Jersey store would be affected, even if there was an announcement one way or the other, so I think we should, before we start suggesting in respect of the individuals working there, we should not start suggesting in a public hearing who might be going there, who is not going there.

Assistant Minister for Social Security:

I think they are hopeful that there will be a buyer for the Group.

The Deputy of St. Ouen:

We would hope those jobs could be retained. Coming back to the hospitality industry. Are the contracts being offered on a zero-hour basis?

Assistant Minister for Social Security:

There will be a mixture. I have not got those details to hand but I will happily provide the panel with that should you require it.

The Deputy of St. Ouen:

So when an employer is working with you, do you check the contract that the employer offers?

Assistant Minister for Social Security:

The contracts will be examined. That would be case.

Chief Officer:

Where we are paying out an incentive there is a level of ... so Graham mentioned last year 312 job starts, this year 167 in hospitality, but not all of those require the paid training incentive to help support somebody into that. That is really focused on people who have not worked in hospitality before, who may have been out of work for a long time, and the employer is more likely to take them on and support them for the first period if that incentive applies to those individuals. So in those cases where we are funding somebody we would of course ensure that the actual money is changing hands, as it were, and there is an agreement that we would sign up with the employer. They would provide evidence that they had paid the individual so we could pay them the incentive. But normally, I think we have covered here before, we would not ask to see people's contracts when we place somebody on a job start.

Deputy G.P. Southern:

You would expect to see?

Chief Officer:

No, if we are working with somebody and they apply for 10 jobs and they get one and then we would not ask to see that contract, as part of the job start activity. Obviously if they were working and on income support then we would want to understand when they were going to get paid, and the dates they were going to get paid and so on, so we can make sure their claim is correct, but we would not expect to see ...

The Deputy of St. Ouen:

Your department has promoted the J.A.C.S. (Jersey Advisory and Conciliation Service) guidelines last year on zero-hour contracts, so if you are advertising jobs within the Back to Work department is it not important to ensure that those employers who are seeking employees through your department comply at least with the guidelines?

Chief Officer:

I think the focus of Back to Work is to get people into employment.

Deputy G.P. Southern:

Will any employment do or is it in any way inspected? What is the quality of these jobs?

Chief Officer:

If you can imagine, there is a very broad range of jobseekers and on the whole any job will do because it will help move somebody from being out of work into employment. If they cannot find paid work then we would look at recommending volunteering work to help add into their work

experience, add to their C.V. (curriculum vitae), to have things to talk about at interview. If they are on income support and they can get 2 weeks' work somewhere they would also be better off financially even after their claim has been adjusted. So why would we not be encouraging someone to take any particular forms of employment?

The Deputy of St. Ouen:

But the point I am trying to make is here you have employers who are using a government initiative to find employees, so they are using government resources, government time, stationery and the like, whatever, they are tapping into a government function and government is also encouraging employers to follow the minimum guidelines set by J.A.C.S., but you are not using that opportunity to ensure that those guidelines are being followed at that stage because we consider those guidelines, do we not, all, whether it is Scrutiny or Ministers, to be best practice.

Chief Officer:

And we do refer new employers to the outplacement service at J.A.C.S. where they are particularly concerned that they want to ensure that they have the ... if they were concerned about employing someone for the first time directly themselves we would refer them to the outplacement service and the outplacement service would provide that guidance and understanding and templates and so on, contractual matters and the like. So that service does exist. The majority of employers are existing employers, they are established, they recruit people, and they have multiple employees and they get on with business. They use a variety of sources to recruit people, not just the online advertisements we carry. We want people to use our advertising system so we can try and encourage those companies to recruit locally unemployed people. They could easily put something on their shop window and get applications from that perspective.

The Deputy of St. Ouen:

Is it different in this initiative where you are funding an employer? Do you check the contracts?

Chief Officer:

Where we pay out an incentive we do need to see evidence of the ... and there is a list of requirements we would expect before we pay out funding. I am not entirely sure for the hospitality incentive but for our other employment incentive that is for permanent jobs. But we have other roles, like there are other functions like the Community Jobs Fund and foundations where those are not necessarily requirements for funding. So it is the Community Jobs Fund because it is meant to be for a period of time.

The Deputy of St. Ouen:

Assistant Minister, can I ask: in facing people within this initiative would you look at the type of contract and see whether it complies with the minimum best practice?

Assistant Minister for Social Security:

I will undertake to do that, yes.

The Deputy of St. Ouen:

Thank you. That would be helpful.

Deputy G.P. Southern:

You seem to imply that this 312 figure for 2015 was the combination of several schemes, not just this one month's scheme in the hospitality, is that right?

Assistant Minister for Social Security:

That was hospitality in general took up 312 so that was ...

Deputy G.P. Southern:

In general, so that was several schemes which had different terms and different levels of support?

Assistant Minister for Social Security:

Yes.

Deputy G.P. Southern:

So how many people are on this one we are talking about, with a month's experience?

Assistant Minister for Social Security:

I have the figure for this year. Currently we have had 20 roles that have been filled through the scheme so far this year. That is jobs that have turned into fruition. As I say, 14 different major employers locally have taken us up on this initiative as well.

Deputy G.P. Southern:

That is 20 out of how many people that you have placed?

Assistant Minister for Social Security:

The last figure I ... have you got the ...?

Chief Officer:

So far this year we have placed 167 people in hospitality of which 20 received paid training incentive. That is because, as I said earlier on, that is focused at those who are furthest away from the labour market. That is where you expect government perhaps to focus its incentives to encourage employers to take on people who are paying out of work for a period or have other barriers.

Deputy G.P. Southern:

The subsidy is worked out how? What is it based on?

Assistant Minister for Social Security:

It is based on a minimum wage for a 35-hour week.

Deputy G.P. Southern:

That is what the employee gets ...

Assistant Minister for Social Security:

And we pay the contributions as well.

Deputy G.P. Southern:

... and passes on; so they are minimum wages jobs.

Chief Officer:

They can pay them more than that. It is not a requirement. That is how the amount is calculated but it is not a requirement they have to pay the minimum wage. They can pay them more. The example we had, for example in JobsFest, which is our seasonal October/November targeted incentive, the amount is calculated on the same sort of amount and a good proportion - I can get you a number of people - paid more than minimum wage.

Deputy G.P. Southern:

Have you have got the figures there?

Chief Officer:

Not with me, no.

Deputy G.P. Southern:

But you have got them? Okay. Who pays their Social Security?

Assistant Minister for Social Security:

We do.

Chief Officer:

That is included in the calculation.

Deputy J.A. Hilton:

Sorry, can I just ask you a question? Of the people that you placed on the scheme last year in 2015 how many of those people went on into full-time employment?

Chief Officer:

Roughly half those jobs last year were permanent so the 312 people who ...

Deputy J.A. Hilton:

You put 312 people into hospitality ...

Assistant Minister for Social Security:

156.

Chief Officer:

Yes, half of them were permanent.

Deputy J.A. Hilton:

Sorry ...

Chief Officer:

So half were permanent. So particularly in the hospitality industry there are permanent roles obviously but there is also a lot of seasonal activity and temporary positions, as you would expect. So they do ... we tend to have a lower level of permanency in that industry compared to the financial services sector, for example.

Deputy J.A. Hilton:

What is the failure rate like after the one-month trial basically? Do most of the people go in on the scheme who do the month basically, who have financed, do the majority carry on working for the rest of the season?

Chief Officer:

About 71 per cent.

Assistant Minister for Social Security:

71 per cent remain in employment.

Deputy J.A. Hilton:

The ones who do not go back into ...

Assistant Minister for Social Security:

They are recycled into the ... you know.

Deputy J.A. Hilton:

Okay. Can I just ask you a question about special needs individuals and how much support you offer them within the whole Back to Work project?

Chief Officer:

It depends how you want to determine the special needs in terms of ... we obviously work with J.E.T. (Jersey Employment Trust). J.E.T. have access to all the grants and incentives we have on the Back to Work. J.E.T. work very hard and are very successful in placing people in the industries across the Island.

Deputy J.A. Hilton:

Have you any idea at all, for instance, how many young people may have been placed into employment who are on the autistic spectrum?

Chief Officer:

No, not here today.

Deputy J.A. Hilton:

Would it be possible to get that information?

Assistant Minister for Social Security:

Yes, by all means.

Chief Officer:

I think J.E.T. would have that classification, yes. So we can get that information from J.E.T., yes.

Deputy J.A. Hilton:

But are you satisfied enough support is being given to young people with special needs to find employment? Are you satisfied you are doing enough?

Chief Officer:

I think J.E.T. have a very good track record and have a good reputation in the marketplace and provide follow-up support to those candidates.

Deputy G.P. Southern:

What has happened to the grant to J.E.T. over the last 2 years? Has it been frozen at all?

The Minister for Social Security:

Yes, it has.

Deputy G.P. Southern:

At what level?

Chief Officer:

At the 2014 level, yes.

Deputy G.P. Southern:

So there has been no increase between 2015 and 2016. Is there any intention to restore some sort of inflation proofing to their grant?

Chief Officer:

There are several issues here. One is the level of support that J.E.T. are contracted to supply. Are we expecting to see a reduction in that level of support? The answer there would be no. Are we expecting, as any organisation should do, run more efficiently year on year? The answer to that is yes. So why should organisations not be able to find ways to improve the way they work, to make savings in the way they operate but still deliver the same level of service. That is certainly what we are trying to do at Social Security. That is what most commercial organisations do. That is exactly what we are asking our grant bodies to do.

Deputy G.P. Southern:

So it is all right to make them ever more reliant on the collecting?

Assistant Minister for Social Security:

Is that a question?

Deputy G.P. Southern:

Yes. Is that a legitimate approach to assisting people with difficulties finding work?

Chief Officer:

They obviously have, as you highlight, the ability to raise income through donations and other such sources. But that is not what I said. I said that any organisation should be able to run itself more efficiently year on year and make improvements, the way they work, technology exists, to allow us to do that; to reduce administration, to reduce costs, and to make themselves more efficient. That is what we are doing in Social Security, that is what the States as a whole is trying to do over the next few years and that is what the commercial sector does all the time.

Deputy J.A. Hilton:

So are you saying at the moment that you believe J.E.T. is running inefficiently?

Chief Officer:

I am saying that J.E.T. should be able to maintain the services they are contractually obliged to provide today, and they do very well, and continue to do that. We are able to help them if that help is required to find ways to work and remove waste from their processes and administration. Because after all that is what they are good at, is delivering services to people who need it, not necessarily the administration of ...

Deputy G.P. Southern:

As you say, any department, any institution should be doing that all the time.

[10:30]

What plans do you have to contribute to the overall modernisation scheme within your department for the next 2 or 3 years? What plans have you got there?

The Deputy of St. Ouen:

We can do that in the M.T.F.P. review if you want.

Deputy G.P. Southern:

I am asking the question.

The Deputy of St. Ouen:

Do you want to answer that at the moment, Mr. Burns, briefly?

Chief Officer:

Very briefly, the exact level of savings required for the staff and administration costs will be confirmed and revealed on 30th June, but we have already made savings over the last few years

and done so without reduction in service. We have been using Lean as a tool to help us reduce waste and that is what we would intend to do. In the last few years we have invested heavily in Lean and in training our staff up to identify ideas and to make improvements and to get close to the customer and make those improvements and implement them.

Deputy G.P. Southern:

In particular, the Back to Work scheme, are you expecting the number of unemployed to tail off during the coming years or are you maintaining Back to Work at the current level?

Assistant Minister for Social Security:

That is something we will monitor as time goes on. Certainly while the labour market is relatively loose at the moment still, with 1,350 unemployed, then I think we still need to be working at the coalface quite intensively. But I think as the labour market tightens then I think maybe it would possibly ease off slightly from initiatives but that would be as the market tightens.

Deputy G.P. Southern:

What is your expectation and what numbers have you put in your calculations to the M.T.F.P.? Are you talking about reducing your Back to Work schemes? Are you predicting that unemployment will reduce over the coming years?

Assistant Minister for Social Security:

If I only had a crystal ball and just saw how the world economy was going. I really do not know. I mean since 2008 we have been in a very difficult place. I have been employer. It has been tough out there. It continues to be tough. So we just have to see ... we have been reactive. If there is a downturn in the economy then we will have to pool more resources into Back to Work. If there is an upturn in the economy ...

Deputy G.P. Southern:

But what numbers are you putting in your calculations to the M.T.F.P.?

Assistant Minister for Social Security:

We are holding fast at the moment, are we not, clearly?

Deputy G.P. Southern:

Are you reducing or are you expecting ...

Chief Officer:

Yes. I think the F.P.P. (Fiscal Policy Panel) have issued some economic forecasts which are out there which do show a level of growth. I am not sure that they have the unemployment figures in there but there is meant to be some economic growth over the next few years and that would, obviously, have an impact in the level of unemployment. Of course the level of unemployment, which is reported, is the level of those who are registered and actively seeking work and that is slightly different to the level of unemployment. So while the level of actively seeking work reached over 2,000, let us not forget in 2012 or March 2013 that number has come down. We have also been supporting more groups of individuals into employment and by making them actively seeking work and therefore we have added on numbers. It is clearly stated in the report, about 400 or so, so far. The number of 1,350, as it was roughly last month, includes 400 people who, in 2012, would not be expected to be looking for work.

Deputy G.P. Southern:

Because of the change in the rules.

Chief Officer:

We were able to support them and move them into employment. So that leaves an unemployment figure or the A.S.W. (actively seeking work) figure is not like-for-like compared to what it was in 2012. So what the overall level of international labour organisation unemployment would be I think is probably the real question.

Deputy G.P. Southern:

Have you got a prediction for what is the trend for unemployment in the next 2 to 3 years? Is it rising? Is it static? You must have some sort ...

Chief Officer:

The underlying level of unemployment is expected to go down. We would like to be able help more and more people into employment.

Deputy J.A. Hilton:

Can I just ask you a question about your involvement with the Population Office? We have, I think you said, 1,350 unemployed. Is that the number of people who are accessing low income support?

Chief Officer:

No. There is about ...

Deputy J.A. Hilton:

No. That is registered.

Chief Officer:

About 75 per cent of people who are registered as actively seeking work or on income support and the other 25 per cent are not.

Deputy J.A. Hilton:

So how much dialogue is going on between the Social Security Department and the Population Office who are issuing licences for registered employees, so for new immigrants coming into the Island? I am just wondering how much work is going on to help people who are already here. I know you are already helping people into employment but how much dialogue does go on between the 2 departments?

The Minister for Social Security:

A lot of dialogue because the Population Office is now situated within the Social Security Department, which has helped that dialogue. It should not be in the geographical distance of what we have in St. Helier but it does. So the Population Office is housed there now and the dialogue is tremendous and it is only ever the appeals on the licences that come before H.A.W.A.G. (Housing and Work Advisory Group).

Deputy J.A. Hilton:

All right. Thank you. We will move on if we may. We would like to talk to you about the sustainability review and an update on that. I noted from the graph that had been very helpfully supplied to us that public engagement was supposed to be happening in 2016 but I understand there has been some sort of delay. So could you just talk us through why the delay has happened; why the engagement has not started yet?

The Minister for Social Security:

For one, I am very excited about this review. It has not been done for over 10 years and is only done somewhere between 10 and 20 years so it is a major review of all aspects in the Social Security Department, particularly contributions, State pension and the States pension age are related to the sustainability of the Pension Fund. The graph that you describe, or the timeline; the consultation on the principles is due to start towards the end of this year, September or October, which will finish in December. That is timed in, very fortuitously, by the G.A.D. (Government Actuary's Department) report which would be at the end of this year and that is a report from the Government Actuary Department which comes in every 3 years. So that will feed into our information as well. Then it will be the consultation summary of responses and then the next steps

and then another consultation. So the idea very much, at the start of this, is to involve the public because it is a very public issue - obviously it involves everybody - to find out what the public feels, feed that into our system and once we have got and can hone those more general responses we then send another more streamlined consultation paper out based on those responses. So that is the initial start of it.

Deputy J.A. Hilton:

What form is the public engagement going to take from the start? How are you going to start putting that?

The Minister for Social Security:

All sorts of things. It cannot be like a J.A.S.S. (Jersey Annual Social Survey) survey for instance, sort of pertinent to 1,400 households. It will be offering face-to-face meetings. It will be very much updating our website and putting the consultation on the website. As I say, it will be very general to start off with to gather what people's interest areas are and then the second one will be more detailed. So every which way we can with public meetings, if that is what is required in the Town Hall, if people want to come into the department, social media; all sorts of ways of doing it we will explore.

Deputy J.A. Hilton:

As far as the Social Security Fund is concerned can you just briefly outline the difficulties that that fund is facing with a growing demographic of retired persons and ...

The Minister for Social Security:

Yes. At the moment the Reserve Fund or Pension Fund, as it is better known, stands at about £1.35 billion which is invested through the C.I.F. (Common Investment Fund), it is the Common Investment Fund and has done very well as an investment fund. So at the moment there is no reason to panic. We have 3, 4 years of resource to cover ourselves which is why this review is so opportune. So it gives us the time without too much of a deadline, and we want to get it finished obviously, but without a pressure on a deadline because there are the resources within the fund but, as you say, Deputy, with regard the ageing demographics we have to realise that at the present time there are about 4 people working for every pensioner. By 2035 there will be about 2 people working for every pensioner and we have to take that into account with the amount of income in contributions as to what the expenditure has been with people who may have claimed a pension for 10 years who are now claiming it for possibly 30. So that is all part of this review, which is not overdue but it is very timely to start it now.

Deputy J.A. Hilton:

So you are satisfied. I think you mentioned that the Pension Fund currently contains £1.35 billion and that there is enough funding to cover ourselves for 3 to 4 years. I noticed on the timeline you are proposing to take a proposition to the States around 2019. Is that right?

The Minister for Social Security:

Yes. I am hoping that we can lodge something in 2018 but it is ...

Deputy J.A. Hilton:

It just seems to me that that just seems slightly tight if the fund is coming under increasing pressure.

Policy Director:

So when the Minister refers to the Reserve Fund holding 3 to 4 ... well, it has got 5-plus years' worth of money; that is if we had no income at all. So that is like in a disaster, yes? We can keep on running for that time. The situation we face at the minute is that we will move in the next year, or maybe this year, maybe next year, move into a situation where the amount of money we collect in contributions during the year is less than the amount of money we pay out in benefits during the year. So that is what the actuary has called break-even rate.

Deputy J.A. Hilton:

So we move into that situation next year.

Policy Director:

So moving into that situation. This last year we still collected more cash in contributions, including the States grants, employers'/employees' contributions, was more than enough to pay for the amount of benefits being paid out last year. Therefore, we had a small amount of money going into our Reserve Fund so that is how the Reserve Fund has been built up over the years. We started with a very small Reserve Fund and it has built up tremendously and that money is obviously invested. As soon as in the year you have a shortfall in how much cash you have got, as it were, in the current account you have to pull in some of your reserves, your savings, yes, and that is the kind of slippery slope. So, at first it is easy for a few years but after time you will use up all your investment income, then you start to eat into your capital and that is what runs out over time, yes? That running out, if you stayed with the current contribution rate would not happen until sometime in the 2040s. So when we are talking about making decisions for 2020 we have got loads of time, yes? We are being very prudent. We are doing a 20-year review. The last review was done 2 decades ago, the start of 1995. So we are starting this one ...

Deputy J.A. Hilton:

So this is basically a 20-year review that you are stating this year?

Policy Director:

Yes. As we set it up. So the last time, the review, the contribution went up by about 2.5 per cent altogether. We need to decide what ... and lots of other changes were made at the same time. This was a similar kind of thing. You have got to do 2 things. You have got to work out what your fund is really there for. Is it there mainly to provide the pensions? Do you want all the working age benefits to continue? There are choices to be made about policy. The last time round there were lots of issues around of gender. So we had a very old-fashioned system before where you had the husband and wife was an add-on to the husband and we moved in the early-2000s to a gender neutral system whereby people were contributors; men, women, husbands, wives, it did not matter who you were, everybody was seen as an individual contributor. This time round we probably want ... our big choices are probably going to be around how much we can afford to maintain a pension system and all the working-age benefits as well. We can obviously do that but that will cost us quite a lot more money because, as the Minister pointed out, the number of working age people paying into the fund in future is going to be a much smaller proportion paying than people getting money out of it. That is our key issue. That increase in the pensioner population with a flat working age population. That is the pressure you face.

Deputy J.A. Hilton:

What inward population figure have you worked on? You spoke about 4 working people supporting each pensioner now but only 2 in 2035 based on what population?

Policy Director:

Right. So the actuary does these sums for us, yes, and they use the population models that are currently being prepared by the Stats Unit. So in the past we have looked at the plus 325 net immigration, which is the kind of working assumption that most departments are using at the minute, or most of them are. You also model a nil net migration. We sometimes model to kind of a plus bigger number as well. So you get the rate. The actuary will give you kind of a possible range out like that and you can see that a nil net; the situation is much worse basically because nil net means that the pensioners are all still here but the impact of nil net means that your working age population goes down, yes? Plus 325 roughly keeps the working age population about level.

Deputy G.P. Southern:

Can I just come in there because the Minister talked about very general consultation and yet in describing what the situation is, you have already almost prejudged ... you have got to decide what working age benefits you want. So how are you going to conduct this consultation? Most people I

know, when I speak to them and talk about pensions, they are asleep; head hits the table in 2 minutes. How are you going to consult? Who are you going to use? How are you going to approach it? Can it really be general or does it need to be focused?

[10:45]

The Minister for Social Security:

It needs to be in more or less 3 different areas, age related, because, as you say, the younger generation do not quite sort of see discussion of pensions as viable at their stage. There is the sort of middle people who are possibly now starting to save up for their own pension or realising that it is coming and then the people who are on pensions at the moment. So it will be those 3 stages.

The Deputy of St. Ouen:

This is all to be done within and by your department or are you going to employ external consultants?

The Minister for Social Security:

We have got to ...

Policy Director:

Can I just refer to something else because the Deputy is absolutely right? There are big questions to be asked. So the Social Security Department, the Minister, is running the review of the Social Security Fund; that has to be our main focus, but at the same time there will be work on the long-term vision so this is a much more general piece of work which will address the views of the public on the long-term future for Jersey, yes? So that piece of work is going to go out to the different parties. So this month, next month, there is going to be an engagement process that is going to be run through the Chief Minister's Department on what long-term vision looks like and then that will follow through with some more detailed research and then some proposals for next year. So we are going to work very closely ... we are already working very closely with the Chief Minister's Department to make sure that the kind of engagement we are talking about is co-ordinated between the bigger picture and our more slightly kind of tighter questions. You do have to ask both together and you do also have ... and the other third strand to it is kind of the income ... well, I call it income in old age kind of strand. So you have got the fund. To be flippant I can make the fund sustainable just by halving all the benefits, yes, but that is not a very sensible situation because it would ...

Deputy G.P. Southern:

Not recommended, to use irony, Jersey. You will find it happens next week.

Policy Director:

No. We have definitely not got plans to do that but that is what ... so the sustainability of the fund also needs to take into account the provision of income in old age of which the Social Security Fund is one important part of it but then occupational pension is another part of it, people's personal savings are part of it, the way your income is taxed during your working life forms part of it. So is that, again, a bigger piece of work. So we have different things going on and they will have to be joined together. Inevitably they will not be quite perfectly aligned but we will work with the Chief Minister's Department, with the Treasury Department because people will be paying taxes, future taxes policy, and within our own department as to making these events better or whatever. So all those things need to come together. So it is a big piece of work and 2016 is about engagement. You said about people are not interested in pensions. We need to get people understanding more about how a pension system works and the choices they face, particularly the younger generation where the prospects of paying a higher contribution is a real issue for them. You have to work out what the fairness is, what the inter-generational balance should be going forward. These are big questions.

Deputy J.A. Hilton:

I think it is probably fair to say the younger generations are going to be working longer and paying a lot more. Sad.

The Deputy of St. Ouen:

To come back to my question: are external consultants going to be involved or are you doing it all within the department?

Policy Director:

So we have already got the Government Actuary, the U.K. (United Kingdom) Government Actuary, is already working on the review as at 31st December 2015. So we are aiming to get that published before the end of 2016 which will be unheard of in terms of the turnaround of that ... very quickly. That will be really helpful for the next year. It will give us a good foundation. So there are the specialists who do that work on our behalf as well. We are also working with the British Irish Council because they are ...

The Deputy of St. Ouen:

Sorry, with the?

Policy Director:

British Irish Council. So the British Irish Council has various work streams from time to time and they have currently got a work stream called demography but it is basically government's response to the ageing population. So we will be sharing information. We are feeding statistics in and we will be sharing information and good practice with all the other 8 jurisdictions. There is going to be a political meeting, I think in Scotland, towards the end of this year. So that will be another interesting place to share information. On the specific point about how we will market things and communicate things we have got some internal resources. We also use external resources. We will develop that as we go to see what the most appropriate way of doing it is. In the past we have we just gone and talked to you in schools, we have got good relationships with the Education Department, with other departments and with lots of organisations. So it will be a mixture of things that we do ourselves and things, when we need some professional advice on the design of something, we will get that. We will buy in that resource as and when we need it but it is a little bit early to say exactly who is going to be doing which piece of work ...

Deputy G.P. Southern:

Is it an exercise like Imagine Jersey 2015, whatever that was?

Assistant Minister for Social Security:

Yes, it is similar.

Deputy G.P. Southern:

I cannot remember when that was.

Policy Director:

2035, was it not?

Deputy G.P. Southern:

2035.

Policy Director:

We have still got a similar end date for our view. It is like trying to plan the next 20 years. So 1995, you know, we planned through and it was quite accurate in what it foresaw of the funding peaking at 5 times income; that is more or less where we have got to. It was interesting it kind of came out as expected. So I think our mission is to plan the fund within the context of this bigger piece of work for the next 20 years.

Deputy G.P. Southern:

I am sure the bigger piece of work frightens me. I know we can adjust for pensions but it comes down basically to either spend less or pay more fundamentally and I think I know when it comes to spend less or pay more where the Council of Ministers' mind-set is and what their vision might be because we have got evidence from the M.T.F.P. that it is definitely reduce government and pay less. What do you see as the vision for Jersey, Minister?

The Minister for Social Security:

This is why we are doing the review. We will have to realise that we have ... I am not quite sure of the phrase ... had it too good for too long but it is appropriate. We have had a very stable and relatively wealthy last 40 to 50 years or so and obviously got used to it and I think the expectations are very high and I think we will have to, with this vision, alert people to the fact that the expectations have got to be adapted to what we can afford to do as an island.

Deputy G.P. Southern:

Expectation management, is that what you see as ...

The Minister for Social Security:

No. Well, expectation. I think it is more sort of a culture change. I think a fundamental culture change in what people expect and how they are to achieve it and I think that is across the board that is needed in everything from education to just general living, to commerce, to pension age. I think the pensioners that we have at the moment are probably the most well-off that there have been for a very long time and potentially in the future. So there is a management of expectation, as you say.

Policy Director:

Jersey is obviously not alone in facing these problems. That is one of the things; it seems like a great big change for us to make but it is a change that we will be making alongside everybody else in Europe and the western world making similar kind of changes. So some of these pills will be quite hard to swallow but I think there will be an acceptance that it is just what is happening. The Isle of Man published a report saying the pension age should go to 74. So that is the first. Lots of people thought that in private but they not gone out and said it. They are not going to obviously do it yet but Guernsey have gone up to 70. We are currently 67 but obviously we need to ... these things are happening in lots of countries and we need to make the appropriate changes to make sure that we are well aligned for the future challenges.

The Deputy of St. Ouen:

Minister, do you believe our taxation system is fit for purpose to meet those challenges for the future?

The Minister for Social Security:

Sort of a leading question.

The Deputy of St. Ouen:

Do you wish to answer it? Look at the structure. It is an open question. Do you have a position on that?

The Minister for Social Security:

I do believe that the taxation system is going to have to change to accommodate the changes that we are going to see. If the demand of the public is for the welfare system, the standard of living that we have now, the health system that we have now; in the future I do not see that that can be achieved with the way the tax system is at the moment.

The Deputy of St. Ouen:

Thank you, Minister. Can I ask you a specific question? You told us that you were going to focus engagement with the self-employed. Has that started? I have not heard of anything yet.

The Minister for Social Security:

It has, yes. I am delighted to say it has because it is one of the things that I have said from the word go that I really felt needed to be reviewed and tested because I have always said - it is nothing new - that I feel that it is very difficult to encourage in the current circumstances, people to become self-employed if they are made redundant or even if they just wish to start their own business, to be initially tasked to pay quite a considerable amount in contributions and to look at that and find ways around it and that work, I am delighted to say, has started. There is also the difficulty ... I mean it is not just self-employed people, it is other people paying class 2 contributions so that is more the heading of it because it involves people like fireman and policemen, for instance, who have to retire at an age earlier than what we call the State pensionable age of 65. So it would involve their contributions as well as volunteers perhaps who may leave their jobs to become a volunteer but still are required to pay the contributions. It is a large piece of work.

The Deputy of St. Ouen:

So what has started? How has it started?

The Minister for Social Security:

It has only started in the last few weeks but in breaking down there is somebody specifically in the contribution system who is getting the feedback from people within Social Security, the team of contributions. We are also going to start asking self-employed people plus their agents, so their accountants as well, a list of what their view would be. So that is the sort of early stages of it but, yes, it has started so I am very pleased to say that it has. So that will be the first part of this review to do which, hopefully, will be finished. That will not take the 4 years to come out.

The Deputy of St. Ouen:

How are you going to do the asking? Is it a public appeal to self-employed or ...

The Minister for Social Security:

Yes, asking self-employed people, the ones that we target initially, and possibly people who come into the Back to Work scheme. So within the department to start with and then branching out from there.

Deputy G.P. Southern:

If you only ask people who are self-employed already I think I know what sort of answer you will get. It will be ...

The Minister for Social Security:

Well, it is not just people who are self-employed already but people who may become self-employed who may already be in a job and think that they would like to start their own business but not quite sure how to go about it, what the effects are going to be. So it will be a broad consultation and, as I say, with the agents as well; the accountants who have to do all the work on the self-employed contributions.

Deputy G.P. Southern:

Are you basically looking to have more categories of classifications? Is it about changing the system and if so is anything ruled in or anything ruled out?

The Minister for Social Security:

We have been asked whether there should be more classes like a class 3. There is already what is called a deferred rate, if somebody starts their own business and cannot afford those contributions. So there is already that in place so that will be reviewed as well and also, possibly, another class of contributions. It is all going to be part of this whole review of class 2 contributions.

Policy Director:

Just to say we have done some internal work on the way in which classification to class 1 and class 2 is done now because there is some quite old-fashioned rules in there, job type that we used to see and all that kind of thing. So we will make sure that is neat and tidy so it is easier for people to understand which class they are in. Extra classes is probably part of the broader review which will make more sense when you have got a better feel for people's ambitions for the fund as a whole because there may not be any point in creating extra classes if there is not much point if that is what they will get out of it. You are right, we will obviously, as the Minister is saying, be looking to the existing class 2 people to get their views on how things have worked, particularly the people starting up businesses and how it has affected them and we feel that we can simplify the deferred rate system with the ... and working better than the current system although what we have got now is much better than what we had 5 years ago but we would also talk to the Chamber of Commerce and it's the Institute of directors. It will be a technical consultation. It will not be a kind of come to a public meeting type. It will be more likely to be one where you are talking to people who know the rules and understand some of the anomalies that the current rules create.

Deputy G.P. Southern:

You say you have got a paper worked up internally could we, because we do not have a life on this side of the table ...

Policy Director:

You would like to move the classification ...

Deputy G.P. Southern:

Can we have a look at it please?

Policy Director:

I will see what state it is in but I will see what we can give you.

Deputy G.P. Southern:

If it is on the back of an envelope you just have to stick a stamp on it and post it to us.

[11:00]

Deputy T.A. McDonald:

Let us talk about another major thing that is looming large: disability regulations. Has the department started work on them?

The Minister for Social Security:

No.

Deputy G.P. Southern:

Was there a question there?

Deputy T.A. McDonald:

There was.

The Minister for Social Security:

No, we have not because we have only just seen the acceptance by the Assembly of the age discrimination regulations. So those regulations now need to be put into force so that is the first step. Then in September, when the Employment Forum have finished conducting their review of the minimum wage, their next job on the itinerary is to do, which we promised we would, a review of the family-friendly rights because they will have been in effect for a year by then. So they will be doing that for the last quarter of this year and then we will start on disability next year.

Deputy T.A. McDonald:

So there will be, obviously, a delay.

The Minister for Social Security:

It was always going to be thus because it will start in 2017.

The Deputy of St. Ouen:

When do you hope to bring the disability discrimination regulations to the States?

The Minister for Social Security:

It is going to be a long process. I will answer that. It is going to be a long process because everything we have done so far with race, sex discrimination and age has been a year to a year to a year to be in effect on 1st September each year. Disability discrimination is a much bigger task. We have to take into effect a vast range of things, the effect on commerce, on business, on buildings, obviously on people and it probably will end up being a phased approach because I do not think you can bring in that sort of discrimination quickly. It has got to be tried and tested. Business will have a big say in it. So it may be that we do it in a phased approach but the legislation we would not anticipate before 2019, but we hope we would have something by the end of 2018 but I doubt it would come for debate before the States before 2019 but again it may be phased. Until we start we do not know.

The Deputy of St. Ouen:

Yes, this is the reason for our questioning really because we recognise it is such a vast subject to consult on and then collate all those responses and decide how to proceed. So work to begin January next year, good.

The Minister for Social Security:

Yes.

Policy Director:

Again, can I say that we are working closely with the Chief Minister's Department so the Chief Minister's Department has already done some work on a disability strategy and obviously the kind of information they have collated that will feed into the discrimination work as well so you do not pass anything twice.

Deputy G.P. Southern:

Have they published a strategy yet?

The Minister for Social Security:

No, they have not.

Deputy G.P. Southern:

No, they have not. It is just that you have read that one.

The Minister for Social Security:

So I think that will be next year as well.

Policy Director:

No, sorry. They have ... so they did ... there was an extensive household survey last year, yes? So that has collated a lot of information about disability affecting people locally and the kind of specific challenges that they face and so that is the quantitative work that is feeding into some quantitative work around focus groups of people who responded to the household survey were asked if they wanted to take part in a focus group so they could leave their name and address if they wanted to, and some of those people are being followed up now so there are ... the Chief Minister's Department is working with some focus groups. So that work is progressing, feeding into the development of the strategy for probably sometime next year and then we will feed into that, so we will again work with the Chief Minister so that as we start to develop the discrimination parts of it we are working with them and we are using the information they have already got. So lots of work is ongoing. We are not going to start work ourselves until we ... to a certain extent we

need to make sure we have got sufficient resources to do things well. So having the review of Family-Friendly, which is really important, we will make sure that has got the right resources for it and then we will work on disability. That will become the bigger kind of piece of work during 2018.

Deputy G.P. Southern:

Part of Family-Friendly is maternity leave which you have recently pronounced some. Would you like to clarify what your opinions are and what initiatives you see taking place?

The Minister for Social Security:

Yes. I have to say that I was somewhat misquoted. Surprise, surprise.

Deputy G.P. Southern:

It happens.

The Minister for Social Security:

It happens, yes. It will be part of the Family-Friendly Review to start in September not, as the article said, that the Employment Forum have already been directed to do this. It would just be part of that review. They have not. So I am afraid that misquote rather upset the Employment Forum.

Deputy G.P. Southern:

I thought you had a dancing conversion. I thought I was going to hear my policy coming back to me, 26 weeks.

The Minister for Social Security:

It may do, Deputy. Certainly what the Family-Friend Review will contain is really rather how people, businesses, have found it to work or not in the last year. So those will be the questions and as to whether and/or what should go forward, improved/removed, in the future.

Deputy G.P. Southern:

So they are surveying businesses? Are they surveying employees? Presumably they are.

The Minister for Social Security:

Both, yes, and the stakeholders, of course, as they did in the first place. So the Chamber of Commerce and the other stakeholders that they did when they suggested the rights in the first place. So I think it was a question of Deputy Doublet's to the Chief Minister that brought up the shared parental leave which, of course, is something that will be looked at but it will have to be

reviewed as to whether it is feasible because it puts a huge emphasis on the small businesses and of course 80 per cent of our businesses in Jersey are small businesses.

Deputy G.P. Southern:

There's the rub.

Policy Director:

But we have most of the processes to go through before we get to that technical consultation phase. As you were saying, there are lots of ways in which other countries look at parental leave and, having made that first step last year, we now need to look to see what kinds of things would be the next step and then to work out ... so that none of this has happened yet so what the review will cover has yet to be determined and then the consultation, when it starts will be the ... usual consultation work we are going to look for employees and employers and to correct the balance that sits well within the Jersey economy. So all the things in the article are things that might be looked at but the details, we are not quite there yet.

Deputy G.P. Southern:

Okay. The enthusiasm was misplaced.

The Deputy of St. Ouen:

Not necessarily misplaced.

Deputy G.P. Southern:

But I have just heard "some more consultation". It seems to me that the entire population, the entire Island, is going to be consulted obviously in the next 3 years. Is that your feeling too?

The Minister for Social Security:

Well, following on from the M.T.F.P., which is 4 years' worth practically of consultation and then, of course, our Social Security Review there is going to be a lot of consultation; yes, there is a lot but then if you want ...

Deputy G.P. Southern:

I did not notice much consultation around the M.T.F.P. It happened on very short notice, just cobbled together. What are you going to do in 4 years but you can only do one and then ...

The Deputy of St. Ouen:

Minister, the long-term care scheme, has there been improvement in the times taken to process applications under the scheme?

The Minister for Social Security:

Yes.

The Deputy of St. Ouen:

Well, that is good to hear. How are you monitoring that and what are the results?

The Minister for Social Security:

I think it is all very positive. I think there are acknowledged several delays to start off with with getting the assessments, both the health assessments and then from our point of view the more financial aspects of assessments and one was waiting on the other and it did take quite a long time but then it was a new and very complicated scheme. I think most of the hiccups have been addressed and we are now down to a claimant payments time of between 6 and 7 weeks, which is a vast improvement on previous waiting times.

The Deputy of St. Ouen:

It is. Are Social Services and the staff within your department fully staffed to keep the scheme going?

The Minister for Social Security:

Yes. We have included quite a few more staff, I do not know how many offhand, but quite a few more in order to address that waiting system but now claims are usually processed within 6 weeks of being received which is quite quick considering they are usually very complicated. The income support ones are easy because people have already been assessed and so it is not required. We know the situation so it is quite simple to implement those. It is ones where you are getting to the sort of cap, and the financial situation of the claimants is not always easy to arrive at a conclusion. So that might hold things up.

The Deputy of St. Ouen:

So someone making their application to join the long-term care scheme for support under the long-term care scheme, could reasonably expect 6 or 7 weeks to know what their entitlement is?

The Minister for Social Security:

Yes.

The Deputy of St. Ouen:

Okay. That is an improvement.

The Minister for Social Security:

I think there were to date about 25.

Chief Officer:

Yes. Roughly about 25 claims outstanding. So to put it in context, it is not a high volume level of claims we are seeing so it should enable us to continue the improvement we need to make and then keep it at quite a tight level of turnaround. The claims are very complicated and financial ... compared to income support payments where they are perhaps not very sophisticated financial arrangements, long-term care claimants are more sophisticated and it therefore involves more effort with proofs and bank statements and proving whether or not the level of assets the individual may have. So that some of it is going backwards and forwards, perhaps more than we anticipated originally.

The Deputy of St. Ouen:

Is there room to reduce still further the 6 to 7 weeks?

Chief Officer:

I think there is, yes.

Deputy J.A. Hilton:

Did the long delays come about mainly because of the situation with social workers at the Health Department?

Chief Officer:

Initially there were perhaps longer delays than we would have all wanted in getting the health systems completed but that appears to have been addressed by Social Services now. I do not know if that is due to resources or to the level of staff they had or just prioritisation, I do not know, but they are now situated just behind our building in Eagle House. So our teams are able to meet face-to-face and discuss cases and so on.

Deputy G.P. Southern:

And your computers talk to each other.

Policy Director:

Yes. Some of the set-up difficulties have been resolved. So you had a system which people believed would do all the right things and when it came down to it did not quite do all the right things in quite the right order. That has been addressed now and that applied to both health systems so they bought a new assessment system which is great because you have got a

consistent place to record people's care assessments, that is really good, but it has taken a couple of iterations to get exactly the right kind of bits just to work well. On our side we have now got a much better administration system; those 2 systems can talk to each other. The staff are now right next door as opposed to having to go to Overdale which would take you half an hour to walk up to Overdale. You know, all sorts of things which were difficult to start with have now become very straightforward and much more efficient.

Deputy G.P. Southern:

At the Living on Low Income review we talked extensively at one stage about G.P. (general practitioner) costs for those on low income. Can you tell me what the situation is with Household Medical Accounts? Are they being closed down, as I suggested last time?

The Minister for Social Security:

No, there is no change and there is no change in the funding but what we are intending to do ...

Deputy G.P. Southern:

There is no change in the funding? Could you just ...

The Minister for Social Security:

Not at the moment.

Deputy G.P. Southern:

Could you just tell us what the funding is?

The Minister for Social Security:

For the ...?

Deputy G.P. Southern:

H.M.A. (Household Medical Accounts). Yes, for the ...

The Minister for Social Security:

For the G.P.s?

Deputy G.P. Southern:

Yes.

The Minister for Social Security:

The funding; I think it is G.P. costs which can be, depending on the requirement of the household involved, can range from 4 to 12 and the whole idea, as you well know, Deputy, is the H.M.A. took over from the H.I.E. (Health Insurance Exemption) to help families who were not, necessarily, able to budget for their own G.P. visits to encourage them to put aside some of their clinical care costs, or whatever costs they receive per week, from the income support benefits into an H.M.A. in order to fund their G.P. visits, which has worked very well in some cases. Some people have gone out of the scheme; either they did not require income support any more or, sadly, they have died and also people have come into the scheme, which is still open to people coming in. There is no intention to change the scheme at the moment but what we are going to do is to bring in a health economist, which is going to look at the scheme, talk to G.P.s and pharmacists and then advise us as to where it does not work, it is too old-fashioned, it could be improved, it could be extended, perhaps the clinical components changed or increased or whatever which again will feed into our overall review. So that is the sort of status at the moment.

[11:15]

Deputy G.P. Southern:

Has this health economist been appointed?

The Minister for Social Security:

No, not yet.

Deputy G.P. Southern:

So we do not know who it is?

The Minister for Social Security:

No.

Deputy G.P. Southern:

Okay. My worry is that we were promised by previous Ministers that no one on income support should have to worry about their G.P. costs and increasingly I am hearing people worrying about their G.P. costs. Either they have had H.M.A. and they stopped because they have been particularly healthy but now as they age they are getting ill with all the illnesses that older people have and therefore are having to pay their H.M.A. and are worried about it and that worry should not be there. Secondly, it was said that anyone requiring more than 12 visits a year could apply for a special payment and that payment would be met, so if they ran up some G.P. bills because they were seriously ill or had a doctor out to them then that would be covered.

The Minister for Social Security:

That is still in place.

Deputy G.P. Southern:

That is still in place. So I can confidently say to anybody who comes to me, if you run up expensive G.P. bills, go into the department, ask for a special payment and you would probably get it.

The Minister for Social Security:

Well, I would not say that at all because it is all individual cases and each case will have to be assessed. A special payment is really for somebody who is in very serious difficulties; it is not just given out. You mentioned lesser G.P. costs. In some places the G.P. services are completely free and it does leave the service to be overused or abused in some cases and if the costs are too high then, as we know in some cases here, it is ...

Deputy G.P. Southern:

No, I am not talking about comparisons with other places. I am talking about worried people, elderly people often, worried about the cost of their doctor and we were promised by previous Ministers that that should not be happening. It is happening. In particular one of the changes has been that instead of having extra payments to cover H.M.A., to cover G.P.'s costs, we have now got bits of the living components being used to put in the H.M.A. quite significant sums. Now, you say that that only comes from impairment components, after impairments components, 2 of them, about £20 a week extra, taken from your components. Is that the case? Is that what is happening?

Policy Director:

Yes. That is the guideline that was set up by the previous Minister.

Deputy G.P. Southern:

Right. That guideline is being missed and avoided by some of your workers on the shop floor because I came across last week, only last week, an elderly couple in their 80s, one who is on impairment level 2, one is on impairment level 1 paying £70 a week towards their H.M.A. How do you explain that?

The Minister for Social Security:

If you could send us details I will see what I ...

Deputy G.P. Southern:

I am already in touch with the family. I will deal with it on an individual ... my worry here is not about the individual, because we do not deal with individuals here across this table, it is about the principle. You say it is half of 2 components, about £20 a week. I am meeting people, time and time again, where they are paying - this is quite extreme - £70 a week towards their G.P. Now, that is obviously causing problems for them balancing their budget. What you say is happening is not happening. I do not know why the message is not getting there but people are having their personal components, their living components, taken to pay their G.P. bills and that makes it difficult to survive.

The Minister for Social Security:

It is very difficult to discuss individual cases but a lot of them --

Deputy G.P. Southern:

I have half a dozen of them.

The Minister for Social Security:

A lot of people in this situation deliberately put a lot of their income benefit into the H.M.A. They want to be able to save it up. Not necessarily because they need the doctor there and then but that is the way they budget. They have a choice and they want to do it that way. I am not saying that applies with your cases but it does happen.

Chief Officer:

What you have described, that example case, does not sound right at all and while you are working perhaps to address that issue, the guidelines exist. If that feedback is such then we will be able to look at that in more detail and see if we can identify anybody else that has slipped through perhaps, but the guidelines are clear and there is no disagreement with the guidelines that have been published.

Policy Director:

So we are doing 2 pieces of work at the minute. The piece of work which is a similar piece of work to bring in an expert to help us design, perhaps, a different system which would be more effective and carrying wider into the future. The second piece of work is work in the case of the G.P.s with the Primary Care Body to make sure that we have got better information flowing around the system about each so we can understand better how they work and both G.P.s and patients.

Deputy G.P. Southern:

It would be useful to us to be able to contact whoever you appoint as your health economist because certainly we have been doing a lot of research on living on low income. This is one of the issues that it would be nice to have a chat ...

The Minister for Social Security:

That is the whole idea of bringing somebody in.

Policy Director:

Getting close to the portal.

Deputy G.P. Southern:

Was that, close to the portal?

Policy Director:

Yes.

Deputy G.P. Southern:

Really, it is not human. That is science fiction.

Policy Director:

There are a variety of universities. It will probably be an academic.

Deputy G.P. Southern:

I love talking to academics. Can we look at my other one and then we will deal with the last one. When we last spoke to you in March you mentioned the Dental Action Group will be identifying recommendations in relation to it. The Dental Fitness Scheme, I remember that as my favourite. Could you give us an update, Minister?

The Minister for Social Security:

Yes. The Dental Action Group was formed following a review of the dental services and benefits. That was 2014/2015 and it has met on 2 occasions already and is meeting again in July. It comprises a very comprehensive and competent board from the Dental Department with the Health and Social Services Department lead, Public Health, Education, 2 from Social Security, Jersey Dental Association and the Sustainable Primary Care Review, 1,001 Days and Governance so it is quite a comprehensive board of very experienced people. So we will wait to see what they come up with with their July meeting.

Deputy G.P. Southern:

I see you are reading from a paper there, would that be of any interest to us or is that just some ...

The Minister for Social Security:

This is just essentially, the enablers, the initiatives and the outcomes. I am sure we can ...

Policy Director:

It is the back page of the review.

Deputy G.P. Southern:

Okay.

Policy Director:

So that is the kind of diagram that encapsulates the actions that we are going to take and put in the results in review. The Minister has just explained the people who are working to those actions. Yes, there are actions, there are draft actions to be taken; they are quite broad. As the review itself mentioned there was some significant ... one of the findings of the review was that it was quite difficult to kind of move forward because some of the basic building blocks were not in place, around governance, around data, around needs assessment. So that what the Dental Action Group is working really hard on, getting the right governance for dentists across ... there is basically no local governance of dentists at the minute at all. Getting better data in place. In particular getting a report from the community dental clinic as to the amount of what work they provide at the minute. But you need to do that and if you think about it you need to do ... you are spending public money now you need to know why you are spending it. You need to know where the needs are and how to spend the money better.

Deputy G.P. Southern:

I heard what you said. You are saying that you need some governances, you need some accountability but nonetheless that means we have got a badly funded dental fitness scheme in place which has still not been updated for the past, I do not know what it is, 20 years or something like that. When can we expect to see something that we can expect it to deliver some sort of dental fitness and dental health particularly among our young people coming up?

Policy Director:

I appreciate what you said but that kind of the point is that it is very hard to know how to run it better if you don't have a base starter to start with. So getting the base starter right is a really important part. One of the things, for example, to do is to gather better ... so the schools do a very good health survey to children. So getting better information from that survey about dental health

will be a real important step towards kind of improving the system as a whole, working out where your areas of need are. We have done quite a detailed survey of 5 year-olds which suggested that the 5 year-old dental health was very good but there is a bit of a gap so we do 5 year-olds then we do some kind of survey of teenagers, so doing other things. So we do kind of need to look at the bigger picture. Jumping into this and assuming we have got a problem we know how to solve it is a bit premature. I appreciate it has taken a long time but we are working carefully at working very well bringing together that group of people, bringing together education and health and community dentists all into one room; it has not been done before, but these are real steps in the right direction. People are taking this seriously. It will take time to come out with a result that makes a difference to the man in the street. When that comes out it would be a good cost effective use of public money.

The Minister for Social Security:

In the meantime we have all the ages covered on a more positive note. The nought to 12 year-olds are covered by the hospital. The 12 to 21 year-olds are under the Dental Fitness Scheme. It is the one scheme ...

Deputy G.P. Southern:

But that is sitting there in its sad, sorry state. It does not work.

The Minister for Social Security:

It is one of the main factors that are being looked at and then you have got the adults which do have some dental requirements covered by Social Security and then the 65-plus Health Scheme which, you will be aware, we have just reviewed and produced regulations for that which will go to the States in July, which is something we have said we would do with the extra finance that was incorporated in the first year of the financial plan. So that has had a complete overhaul so that is not under review.

Deputy J.A. Hilton:

Which leads us very nicely into your last question.

The Deputy of St. Ouen:

Yes, the last question. Very quickly, Minister. Will you be bringing forward proposals for a Christmas bonus within the M.T.F.P.?

The Minister for Social Security:

Yes.

The Deputy of St. Ouen:

Excellent. Pleased to hear that.

The Minister for Social Security:

The States Assembly asked us to look at it again to bring forward targeted propositions, proposals, and we have to have those agreed by the Council of Ministers and then they will go into the Medium Term Financial Plan. But it has to be reiterated, once again, that there is no money within the Social Security Department. So anything, any proposal that is accepted by the Council of Ministers, put into the Medium Term Financial Plan and agreed or disagreed by the States Assembly has to be paid for, sorry.

Deputy G.P. Southern:

We are going to have a session of shroud waving again, shall we?

The Minister for Social Security:

No, it is just there is no money within Social Security to do it, as I said in the first proposition.

The Deputy of St. Ouen:

So you are looking for the Treasury to provide a solution and have you had discussions with the Minister for Treasury and Resources over that?

The Minister for Social Security:

We have already taken one set of ... just a very broad-based set of propositions and from that discussion we have gone back and tightened the rein, if you like, because there were too many options. So those will go before the Council of Ministers next week, I think.

Deputy G.P. Southern:

So it is policy still in production?

The Minister for Social Security:

Well, options to be chosen.

The Deputy of St. Ouen:

So if the M.T.F.P. and those proposals are approved at the end of September will it need to be primary legislation?

The Minister for Social Security:

No. It fits under the Social Security (Bonus) Law so it would have to be regulations but not primary legislation. So there will be time, if agreed, in the M.T.F.P. debate to bring them in for Christmas 2016.

Deputy G.P. Southern:

So some people might get some bonus this Christmas?

The Minister for Social Security:

Possibly.

Deputy G.P. Southern:

Possibly, depending on the whim of the House ... sorry, will of the House.

The Minister for Social Security:

Will of the House.

The Deputy of St. Ouen:

Well, I think we better wait with baited breath and see where the funding is coming from. No other questions, panel? So, Minister, Assistant Minister, team; thank you very much for helping us today and that brings our hearing to an end.

The Minister for Social Security:

Thank you, Chairman.

[11:28]