

STATES OF JERSEY



DRAFT INCOME SUPPORT (JERSEY) REGULATIONS 200- (P.90/2007): SECOND AMENDMENTS (P.90/2007 AMD.(2))– COMMENTS

**Presented to the States on 9th October 2007
by the Minister for Social Security**

STATES GREFFE

COMMENTS

1. Page 45, Regulation 1 – Child Day-Care Component

The Income Support scheme includes provision for child-care funding up to the age of 11 for children placed with carers registered under the Day Care of Children (Jersey) Law 2002.

The amendment brought by the Scrutiny Sub-Panel is to include accredited nannies in the child day care component.

The Sub-Panel's report states that "*The Sub-Panel believe that the position of the JCCT will widen the opportunities for appropriate childcare to the many more families that will be required to become job seekers under the new system*".

However, it must be noted that –

- There are only 5 accredited nannies in Jersey at the present time, so quite how many more families would be assisted is unclear.
- Nannies generally care for those below school age: the Income Support Law clearly identifies that parents (with caring responsibilities) of children under 5 years are under no obligation whatsoever to become job seekers in the new system.
- The policy guidelines (section 5.3), state that parents of children between 5 and 11 years will be expected to be making efforts to re-enter the workplace. They will not be expected to be seeking work.

The Minister has already made a commitment to the Jersey Childcare Trust to keep this matter under review.

It should be noted that the rates for childcare range from £2.90 per hour to £5.15 per hour. These rates are below the minimum wage in Jersey and therefore any nanny would have to look after at least 2 children. Contrary to the Sub-Panel's report, the Jersey Childcare Trust have advised that a nanny can only be shared by a maximum of 2 families.

The Minister believes the amendment will not add significantly to the childcare opportunities available to those on Income Support at this time, however supports the principle and on this basis accepts the amendment.

2./3. Page 47, Regulation 2 – Work Requirements

A cornerstone of the Income Support Scheme is that work is good for you, and that therefore those who can work, should.

The entire justification given by the Sub-Panel for reducing the full-time work is the incorrectly perceived burden upon the Department. That does not amount to good policy formation.

The department has worked closely with the Sub-Panel for the last 18 months, sharing documents and policy development on an ongoing basis. It is thus very disappointing that the Sub-Panel has failed to grasp the concept of full-time work with regard to the Income Support Law.

There are numerous exemptions to both full-time and part-time work requirements.

Those over 65 years, those with significant disability and those with the main responsibility for the care of

children under 5 years are completely exempt from any requirement to work. They are free to do so and we will assist them and support them should they wish to, but there is no requirement upon them. For those with caring responsibilities for children at school, for those with medical conditions which restrict their work capabilities, for those undertaking training there will be an automatic exemption from the requirement to work full-time, and their circumstances may even make part-time work impractical. The availability of suitable work will also make it impractical. But wherever possible we should be aiming to bring these people into the working society.

After all these full and partial exemptions are considered, and after taking into account the availability of work for these groups, we are left with typically the fit and healthy of working age. These are the only people who are faced with a requirement to work 35 hours a week or at the least to take all reasonable steps to find such work.

Amendment 2 from the Panel seeks to reduce this requirement to 25 hours a week and Amendment 3 cut it to 20 hours a week for those who have been in a job working for those hours for 12 months or more.

The effect of the Sub-Panel's amendments would be to allow those perfectly fit, healthy and capable people who wanted to, to work only 20 or 25 hours a week and be supported by the taxpayers of the Island, many of whom will be working proper full-time hours.

About a quarter of Income Support households include a full-time employee. If they all cut their hours from full-time (35 hours) to 25 hours a week, the loss in earnings would cost the income support scheme approximately £5 million a year. It would also have a significant impact on the cost of supplementation.

The Minister strongly opposes the amendments.

4. Amendment 4 – Definition of “availability for work”

This is a minor drafting point. The policy guidelines circulated to States Members explain in more detail the requirement for work availability (section 5.15). In practice, it makes no difference to the determination of the claim as to whether the Regulation says “immediately” or “as soon as reasonably practicable”.

The Minister does not oppose this amendment.

5. Page 48, Regulation 5 – Actively Seeking Work – Notice

The Minister sees very little difference between the procedures to be adopted by the Department and those proposed by the amendment and accepts the amendment.

6. Page 48, Regulation 7 – Child Day-Care Component

See page 1 – No. 1.

The Minister accepts the amendment.

7. Page 50, Schedule 1, Paragraph 1 – hospital stays

The basic, personal component is to cover the cost of expenses such as food, clothing and transport for the individual. Each member of the household has their own basic component. Whilst an individual is in hospital, most of these needs are met by the hospital authorities, providing food and accommodation. As long as a hospital patient continues to receive a basic component, the taxpayer is, in effect, meeting the

individual's costs twice – once through the Health and Social Security budget and once through the Income Support budget.

The Income Support Scheme does not withdraw payments of the personal component for the first 4 weeks on the basis that many people will be in hospital for less than 4 weeks and it is accepted that it would be unreasonable to withdraw components immediately. The average length of stay in hospital in Jersey is 6 days. All other components including the housing component and childcare continues to be paid whilst someone is in hospital. These will enable the individual to cover rent and regular bills such as electricity.

The Scrutiny Sub-Panel suggests that there would be “a burden” on the family to re-apply when the patient returns home. A telephone call to the Department would be all that was needed to confirm that the individual had returned home.

As with many of the amendments put forward by the Scrutiny Sub-Panel the amendment would add a small but unnecessary cost. If this amendment is approved, there will be some additional cost to the Income Support system, with the beneficiary being individuals in hospital with money being accumulated into a bank account. The Minister would prefer to ensure that everyone's basic needs were met first, before providing additional funding to individuals whose needs are already being met by another States Department.

The Minister opposes this amendment.

8. Page 51, Schedule 1, Paragraph 3 – Housing Component

The draft copy of policy guidelines issued to the Sub-Panel on 10th August included the following (in the current version this is section 7.3.1).

“The main rule to be able to claim a housing component is that the claimant is aged at least 25 and is the tenant, licensee or owner of the property in which the IS Unit lives.

There are some exceptions to the age limit of 25:-

- *A claimant who has responsibility for a child. This can be the parent of the child or someone else (example an elder brother or sister) that has the main responsibility for the child*
- *A young person referred by Social Services as needing to live away from the family home (e.g. someone leaving care or being removed from an abusive family situation)*
- *A young person that cannot be expected to return to their previous family home because either
 - *Their parents (or the person that had previously looked after them) are unable to help them – for example: the individual is an orphan, their parents are in prison or occupying unsuitable accommodation or*
 - *The young person has been living independently for at least one year and had reasonable prospects of remaining independent – the reason for claiming Income Support is an unexpected change in circumstance (illness, unexpected redundancy etc)”.**

The Scrutiny Report suggests that “young people who have already left home and established their own independence without recourse to Income Support or rent rebate should be eligible for Income Support should they fall on hard times. For example a young person leaves home at 18 because they have a job – then fall unemployed at 21”.

The situation is already covered in the policy guidelines (section shown in bold above).

The only additional people who would be included by the amendment (and excluded under the existing proposal) are individuals who are aged between 21 and 25 years, have no children or special needs and have recently (within the last 12 months) moved out of a stable family home.

The amendment will cost between £230,000 and £300,000 and is not provided for in the Budget available.

Having taken advice, it is noted that these Regulations would meet the requirements of the Human Rights (Jersey) Law 2000.

The Minister opposes this amendment.

9. Page 51, Schedule 1, Paragraph 3 – Housing Component

This amendment would require the Minister to award the Housing Component to any young adult (below 25 years) moving from an entirely appropriate family home, say in the U.K., yet deny similar support to the same young adult with the same family position in Jersey, who could be required to return to the family home.

The Minister considers the amendment unfair, potentially costly and opposes the amendment.

10. Page 52, Schedule 1, Paragraph 4 – Rent Component – Restrictions on Rent Component to Reflect Size of Household

The Minister agrees with this amendment as it is similar to the draft guidelines.

11. Page 54, Schedule 1, Paragraph 7 – Residential Care

On 26th September the Minister issued a Guide to Transition to all States members. That Guide included the following statement –

“Individuals receiving funding for residential care through either the parish welfare system or Health and Social Services immediately before the beginning of Income Support will continue to receive the same level of funding, including any other benefits such as Disabled Transport Allowance. Funding for these benefits will be maintained until standard contracts are agreed with care providers.

The new standard contracts will provide for a number of residential care fee levels, depending on the care needs of the individual. A standardised placement process is being introduced, to ensure that each individual receives the appropriate level of care based on a common assessment of their needs.

It is intended that the standard contract will also require the residential home to provide transport facilities for their residents. These contracts should be achieved by the end of 2008.

Individuals moving into residential care, after the beginning of Income Support, but before the contracts are in place, will be provided with funding on a similar basis to existing residents”.

The effect of the proposed amendment will be to provide all in Residential Care with an amount equal to their existing Disabled Transport Allowance and a Mobility Allowance under the new scheme, i.e. they will get a Mobility Benefit twice.

This would be entirely inappropriate and costly and the Minister opposes the amendment.

12. Page 55, Schedule 1, Paragraph 9 Childcare Component (lifestyle training)

The Income Support Regulations provide for childcare funding for individuals training to improve their job prospects. The Scrutiny amendment seeks to provide childcare funding for all individuals in training regardless of whether or not the training will help the claimant improve their job prospects.

The Scrutiny Sub-Panel provides an example of Jenny who has finance industry skills and wishes to retrain in childcare or catering. The Department would prefer to help Jenny find a flexible part-time job in the finance industry to maintain her existing skills, not retraining to a lower skill base.

This issue has been raised by the JCCT and the Minister has agreed to monitor the situation.

However, the Minister does not see the provision of childcare to students who are making a lifestyle choice, as opposed to furthering their prospects of becoming financially independent, as a priority in the Income Support budget.

However, in the situation in which an individual is unable to maintain their previous occupation for health reasons, then training for an alternative career would be considered. These cases would be taken on individual merit.

The Minister strongly rejects the suggestion that there are no financial implications to this amendment. If individuals are allowed to pursue any training and receive full support with childcare during that training, then the Department could well find itself supporting a large number of individuals choosing to retrain in a variety of careers, which do not increase their opportunity to earn more money.

The Minister opposes this amendment.

13. Childcare Component – Job seekers

This amendment seeks to provide a childcare component to job seekers.

Those with the responsibility for children under 5 years are exempt from being in or seeking full-time work.

Those with prime responsibility for the care of children at Primary School will not be required to gain employment, but would be expected to take steps to prepare themselves for employment.

However, job seekers whether by obligation or voluntarily with children at school should be able to fit their job seeking activities within school hours. Those unable to do so will be able to receive special discretionary payments to cover any such childcare costs.

It must be noted however that it remains to be seen whether such job seekers would be able to obtain the odd hour of childcare here and there from a registered childcare provider.

Given the flexibility available to the Minister to meet such costs and that job seeking can be undertaken during school hours, the Minister cannot support the amendment.