



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

FRIDAY, 4th OCTOBER 2013

Panel:

Deputy K.L. Moore of St. Peter (Chairman)
Deputy J.A. Hilton of St. Helier (Vice-Chairman)

Witnesses:

The Minister for Social Security
Assistant Minister for Social Security
Chief Officer
Policy and Strategy Director
Operations Director
Director of Contributions Enforcement and Contributory Benefits

[13:31]

Deputy K.L. Moore of St. Peter (Chairman):

So, if everybody is ready and comfortable and have water and everything, we will make a start. Welcome to our quarterly hearing of the Health, Social Security and Housing Scrutiny Panel. For the record, we will introduce ourselves. Deputy Kristina Moore, Chairman of the panel.

The Deputy of St. Peter:

Thank you very much. I can express apologies for Deputy Reed, who is unable to attend due to illness. Would you like to turn the microphone there towards you? Okay, thank you. So if we could start by talking about unemployment, you recently announced your latest figures and a slight increase once more.

The Minister for Social Security:

Well, the headline figure was 1,820, which was a further small reduction on the July figure but we, of course, anticipate - and I think the news release that went out - that we will see a rise during the late summer, early approach to Christmas traditionally as seasonal jobs fall away. We have been notified of about 100 redundancies across different firms, some of which will emerge as actively seeking work people. So we cannot be too optimistic about it as we go into the winter, but that is why we have launched some new schemes such as the Community Jobs Fund and the JobsFest employer initiative.

The Deputy of St. Peter:

Those are being rolled out right now to pick up seasonal workers as they leave employment?

The Minister for Social Security:

Well, they are really directed at long-term unemployed. The Community Jobs Fund is for people who have not worked at all this year, who have been registered as unemployed, obviously people who have been here 5 years or more. The responses to that have been quite good. We have had, I think, 26 organisations engaged with us with a view to taking some people on for work for up to 6 months. The JobsFest employer initiative is fairly new. We have only just really announced that in the last fortnight. We had our first job match day last week, which was very well attended, and the latest figure I have been given is that we have had 50 job offers. We were hoping to get closer to 100 but it is still early days and there are more applications and job offers being considered.

Deputy J.A. Hilton:

I just wanted to ask you a question around the Community Jobs Fund and the JobsFest. That is particularly aimed at people who have lived in Jersey for 5 years or more, so does that mean to say registered persons who have not been here for 5 years, the invitation is not extended to them, then?

The Minister for Social Security:

That is correct, yes.

Deputy J.A. Hilton:

So is it an invitation-only event as far as the job seekers are concerned?

The Minister for Social Security:

The job match event was by invitation only to people who, as I say, have been unemployed for a considerable length of time but who have 5 years or more residency.

The Deputy of St. Peter:

Which sectors of the community were offering the jobs? You said that 50 jobs were offered. Were they in any particular areas or across the board?

The Minister for Social Security:

I will ask Ian. He knows that very well.

Operations Director:

We have had a good cross section from retail, hospitality, and some construction as well, so a real mix, small and large employers. Yes, we had a good event. One of the advantages we have for the job match event being invitation only, as it were, is that it allows us to also help prepare candidates, some of whom may not have had a job interview for some time and are going to go to an event where they can meet employers face to face. So we try and coach them through that so they can make a good account of themselves on the day and make a good connection with the employers. That is something it allows us to do as opposed to anybody can just turn up because not everybody who just turns up also needs so much help because they have not been out of work for so long.

Deputy J.A. Hilton:

How do you find potential employers to attend these events? Are these employers who have expressed an interest previously?

Operations Director:

Yes. We have our employer engagement team who work with employers throughout the year, but this particularly, we went out via the press and also through eshots to promote this to employers and had a really good response.

The Deputy of St. Peter:

Do you feel that the corner is being turned with regards to the unemployment levels and that there is more positive activity from employers now?

The Minister for Social Security:

That is a very good question. We have managed to stabilise unemployment for the summer months. For approximately 5 months it has been level. As I indicated in my earlier answer, we are expecting the knock-on effect of redundancies announced over the last 6 to 8 weeks to come through in the next set of figures, or certainly some of them. We also have to bear in mind that some school leavers will have joined and registered as unemployed with the start of the new September school period. Perhaps they have not gone on to Highlands or whatever. Have we turned the corner? I think it is still too early to say, but there is an indication perhaps that employers are starting to perhaps feel a bit more confident in some of the surveys that have been released recently about the future. But still we are going to have a difficult winter, I am sure of that.

Deputy J.A. Hilton:

Are you in a position to give us an indication today of how many people are still arriving into the Island and registering for work?

The Minister for Social Security:

I do not know, pass on that one. Jonathan, have you any idea on that one?

Operations Director:

We do have a number of new registrations and that obviously fluctuates each month depending on the seasonal impact. For example, last month there were 575 people - this is for August, actually - who came in to register for the first time or who are revisiting the Island to re-register. They may have needed an update on their card, et cetera. That was about the same roughly as August 2012.

Deputy J.A. Hilton:

So obviously that does not include local people at all, it is just people who are classed as registered because they have been here less than 5 years or, as you have just said, they have had to register because they are changing their employer, or they are new incomers?

Operations Director:

These are very specifically for issuing of new social security cards. There were 467 new people who have not been registered before. So, 467; if you take away the re-registrants, et cetera, 467.

Deputy J.A. Hilton:

467 new incomers into the Island looking for work?

Operations Director:

Well, they may not have been looking for work but they have registered to get a JY number with the department.

Deputy J.A. Hilton:

It seems like quite a large number, really, considering the economic climate and the Government policy on immigration and population policy.

Operations Director:

That is almost identical to the same figure in August 2012 and August 2011, for example. That is individuals. They are not necessarily looking for work, could be partners of people who have moved here for work, et cetera. So roughly ... the majority of those are British, including Jersey.

Deputy J.A. Hilton:

Okay. Is there any indication that we are seeing an upturn in the number of people coming from European Union countries, for instance, or is that remaining the same as previously?

Operations Director:

That is similar as well, yes.

Deputy J.A. Hilton:

So there has been no increase in ...?

Operations Director:

Based upon that one-month snapshot, clearly it is obviously the trend that would be important, but based upon August 2013 to August 2012 to August 2011, it is hardly different.

The Deputy of St. Peter:

You say that the number of Europeans coming in was similar to previous years. What proportion of those new entrants were British and were European?

Operations Director:

I will just work that out for you. Roughly 70 per cent were British or British-Jersey.

The Deputy of St. Peter:

Thank you.

The Minister for Social Security:

There could be a variety of reasons, as the officer has indicated, why people would be requesting a card at that particular stage. It could be university graduates coming back and obviously perhaps wanting to register for employment having taken perhaps a couple of months off since their degree came through or whatever.

Deputy J.A. Hilton:

Can I just ask you a question in relation to that? I think there has been a slight misunderstanding because when I ... we have registered, licensed and entitled. What I am trying to find out, because one would presume if it is a university graduate that person would be an entitled person because they have been born and brought up here, and that is a little bit different to somebody coming in and registering as registered. Do you understand what I mean?

The Minister for Social Security:

Yes.

Operations Director:

Yes, so we ...

Deputy J.A. Hilton:

So you stand by those figures then of 467?

Operations Director:

These are individuals who have come into the department ...

Deputy J.A. Hilton:

Who have registered status?

Operations Director:

No, not necessarily.

Deputy J.A. Hilton:

Right, that is what I am trying to clarify.

The Minister for Social Security:

That is a point, yes, good point.

Operations Director:

These are people who previously have not registered with Social Security, so the majority will be registered.

Deputy J.A. Hilton:

Okay. I thought there had been a slight misunderstanding there. So what I am trying to find out is how many people have registered at the department and come under the registered status.

Operations Director:

We would need to clarify that for you, but the majority of those people would be registered.

Deputy J.A. Hilton:

All right, registered status, not entitled status?

Operations Director:

The majority of those individuals would be registered, yes.

Deputy J.A. Hilton:

The 467?

Operations Director:

Yes, the vast majority, but we can confirm that figure for you.

Deputy J.A. Hilton:

Okay, that is interesting because that figure is ...

The Deputy of St. Peter:

Quite high.

Deputy J.A. Hilton:

It is way above what I think the Government has set its population target at. I know it is only snapshots. I know it is only a snapshot.

Operations Director:

Well, we can clarify that.

Deputy J.A. Hilton:

Okay, thank you.

The Deputy of St. Peter:

Do you check those figures month on month?

Operations Director:

We can do, yes. We can produce them.

The Deputy of St. Peter:

Do you have the snapshot for July and June perhaps as well?

Operations Director:

Not with me, no, just the latest month.

Deputy J.A. Hilton:

But that is something that you could supply to us?

Operations Director:

Yes. Obviously, since 1st July the new Control of Housing and Work Law came into play, so that may change some of the historic trends.

Chief Officer:

We would not be able to tell you before that because we did not do the registrations for registered, entitled or permanently entitled.

The Deputy of St. Peter:

But the Director was just able to compare the snapshot in August to the previous year.

Operations Director:

For people who registered with Social Security as opposed to registered ...

Deputy J.A. Hilton:

Registered but not as registered, yes.

The Deputy of St. Peter:

Understood.

Deputy J.A. Hilton:

Would it be possible with the new system that you would be able to have a clear indication of how many registered people, registered under the law, were leaving the Island because there was no work in the Island? Would you be able to pull that statistic out of your records?

The Minister for Social Security:

Well, I think that takes time to be calculated because unless they inform, which they are supposed to do, that they are leaving the Island - but, of course, a lot will not - or the employer informs us that they are no longer working for them, we would have to wait for the Social Security returns to come through to see that they are no longer appearing on a return to start to make an assumption they may well have left the Island.

Deputy J.A. Hilton:

So you could make that assumption after maybe 3 or 6 months then where a person is no longer appearing? Is your system ...

Chief Officer:

We have processes. I cannot remember quite the timescale but if we do not hear anything over a period of time we assume. We call it exited, left the Island. What we cannot assume is they have left because there is no work. So your question was how can we tell how many have left because there is no work. No, we cannot.

Deputy J.A. Hilton:

But it would be interesting to hear whether Social Security's statistics could add to the picture about the people coming in and leaving.

Chief Officer:

We will be able to provide much more flavour than we have in the past because of the Control of Housing and Work Law, although strictly speaking it is the Population Office's data.

[13:45]

The Minister for Social Security:

But one thing we do have is the number of class 1 contributors for the year, which has come down by about 850, I think, somewhere in that region. So 2011 to 2012 there has been a significant reduction in class 1 contributors. Well, significant in the fact there is a figure we can put on that. I do not have the exact figure with me because I did not know you were going to ask me that question. **[Laughter]**

Deputy J.A. Hilton:

Sorry.

The Minister for Social Security:

But from memory it is about 850.

The Deputy of St. Peter:

Okay, thank you. Recently, you presented your proposition regarding income support sanctions. What responses have you received so far?

The Minister for Social Security:

I have received no responses from members of the public. Some States Members, as you are aware, Chair, have asked questions about it in the questions without notice and oral questions process. That is about the sum total.

The Deputy of St. Peter:

How will you ensure that receivers of the benefit are fully aware of the changes prior to this being introduced?

The Minister for Social Security:

Well, we obviously need to do a communication campaign with the current claimants of income support. Our website will obviously explain the new processes that we will be using to assess people who are jobseekers, in particular how the sanctions work. Those who fall foul, if you like, and receive the first warning letter will have the whole process explained, and we have drafted letters that explain what the sanctions regime is and how it would work once you have had your one-year warning letter. So there will be a communication exercise carried out with current recipients and also on the website.

Policy and Strategy Director:

I will just check with Ian. I think we are sending a letter to ... yes.

Operations Director:

Yes, we are also writing to all income support claimants after the debate.

Deputy J.A. Hilton:

That covers all income support claimants, but how are you going to get the message out to those people? This is going on to the sanction with regard to not having good cause to leave your employment. How are you going to get that message out to the public that actually, no, you

cannot decide: "I have had enough of getting up at 7.00 a.m. I am going to hand my notice in and just go to Social Security"? How are you going to get the message across to those individuals who might do that?

The Minister for Social Security:

I think it is important to stress, as this is recorded, that the whole process of sanctions for people who walk out of a job, if you like, without good cause is not really targeted at somebody who has been in a job for 5 or 10 years who really has had enough for whatever reason that might be. It is to do with jobseekers who we find work for who do not stick at it for any length of time and leave at the slightest excuse. Those are the people we are primarily targeting with our changes. Insofar as the general public, if you like, as I said, there will be information on the States website. Something that we have been working on for some time is the initial guidelines on income support, which is a document that was originally on the website. I think it was a 2009 document we withdrew because of the changes that had been made over the years to income support. That document is ready to be published again. We were waiting to see if we get our sanctions regime approved. That will be inserted into the document and that will be on the States of Jersey website for people to read and it will give information about the sanctions along with many other things about income support.

The Deputy of St. Peter:

If we turn to the maternity and paternity regulations, you have recently announced some changes or proposed changes to this. Could you remind us of the time periods that you are going to bring forward?

The Minister for Social Security:

In fact, we did discuss this at our last public hearing with you and I am pleased to say that my target then was December 2014, but I am now reasonably confident that we will lodge our proposals for debate in June or July anyway of 2014. Basically, those proposals will be based on the Employment Forum recommendations, which go back to about 2008-2009. What we will be doing is looking at maternity allowance, which is a statutory benefit. That pays maternity allowance; the full payment would be for 18 weeks. Now, we know that some people, unfortunately, do not receive the full 18 weeks because there is a certain period that you have to take it before you have a baby. So we want to make it more flexible in that the 18 weeks can be taken perhaps after the birth rather than some has to be taken before the birth. So, because of those fairly strict rules, some people do not receive the full 18 weeks of payment. Of course, the 18 weeks matches in with the maximum period that we are recommending for maternity leave for those who have been in a job for more than 15 months.

Deputy J.A. Hilton:

Have you given any further consideration to unpaid maternity leave or paternity leave?

The Minister for Social Security:

Well, the proposal, which is the recommendation of the forum to the previous Minister, which the Minister accepted, is that for everybody - well, not everybody but anybody who has a baby, sorry - the first 2 weeks is paid leave and then there are 6 weeks of unpaid leave. Then if you have been in your job more than 15 months you should be entitled to a further 10 weeks of unpaid leave, so that takes you up to 18 weeks in total.

Deputy J.A. Hilton:

So at this present moment in time you are not considering unpaid leave after 18 weeks?

The Minister for Social Security:

That would be for negotiation between the employee and their employer. I have forgotten to mention there we are also looking at paternity leave of unpaid 2 weeks and adoption leave, similar to the mix of the 2 depending on who the recipients might be.

The Deputy of St. Peter:

It is a step forward but these statutory limits are still way below other countries. Why is it that the forum made these recommendations 5 years ago and they have not been reviewed prior to being brought forward?

The Minister for Social Security:

Well, it has a lot to do with workload. As you are aware, we were charged by the States to deliver a Discrimination Law, which we have done. That obviously took the officer who was dealing with family friendly, as we call it, legislation away from that task last year. If we are to achieve anything in the current Assembly before we have the elections, then I have to lodge those recommendations as they are otherwise if we change them in any significant way we would have to go out to consultation, which would take 6 to 9 months, and so they will not happen before the States have elections. The other point is that when the forum did consult it was always recommended that family friendly legislation should be introduced in stages. This was regarded as the first stage, something you could build on, and it would be quite simple for future Ministers to increase the period of leave, paid leave or whatever. That brings us round to thinking in terms of should you have statutory maternity pay and other issues which we have not examined and we have not tested with the public or with employers. We are going with what we have, which has been consulted upon. The feedback we have had talking to employer groups is it is the minimum in the current climate of not a lot of jobs around, et cetera, that would be acceptable. The drafting

has already started. We have made some great progress with that already and we just really want to get something in place before the elections.

The Deputy of St. Peter:

Do you have any other ideas or plans to roll out any other family friendly policies?

The Minister for Social Security:

Well, the family friendly includes time off for prenatal appointments, the right to change your working conditions when you return to work by discussion with your employer, the right not to be unfairly dismissed for being pregnant. That means that we have to deal with bringing in the Discrimination Law, the characteristics of sex discrimination or gender discrimination, whichever way you want to call it, so again we have to deliver that at the same time as we would deliver the maternity provisions. So that is another piece of work which we need to try and deliver by June because after June/July there will be no more new policies, if you like, coming from Ministers.

Deputy J.A. Hilton:

So you are confirming that you are going to lodge something with regard to sex discrimination at the same time?

The Minister for Social Security:

That is the plan, yes.

Deputy J.A. Hilton:

That is a pretty tight timetable, is it not?

The Minister for Social Security:

It is, yes.

Deputy J.A. Hilton:

Good luck. [Laughter]

The Deputy of St. Peter:

It is interesting, in giving your explanation of the delays you mentioned the pressure on your policy staff, but you have recently recruited and increased the number of the policy staff. Is there not room for or have you (a) not benefited from the increase in staff numbers; or (b) is there not room to further increase the staff if you have the need?

The Minister for Social Security:

I will probably hand over to Sue in a second but I would just say yes, we have increased our team, but you must remember we are working on a lot of other pieces of legislation. Delivering long-term care benefit is taking up a lot of the officers' time. We have 3 officers working on that almost full-time because we have had to work with Tax and we have had to work with Health and Social Services. We are working with the care homes, et cetera. That has taken up a lot of the work. We are looking at some of the other tax-funded benefits: the Jersey dental fitness scheme, the 65-plus health scheme. We have to do something with the regulations next year on cold weather bonus and on the G.S.T. (goods and services tax) food bonus. All that requires a lot of work and working with the Law Draftsman, so yes, we have increased our team but there are so many strands of work going on that we only have one person dealing with employment legislation. Sue, do you want to comment on that?

Policy and Strategy Director:

No, that is fine. Just to say the officer involved is very experienced in this area and it would take considerable time to train up somebody else to be able to share her work equally. Obviously, some of the new team are taking on some of the smaller parts of that work and certainly when we get to age discrimination, which is the next, moving forward a couple more years now, we probably will move that on to somebody else by that time. We did look quite hard to see if we could find somebody who could help but were not able to find anybody and so we have been using consultants where we need to. So we have brought in legal advice, but to a certain extent things need to go in parallel and so it does make sense for one person to be coordinating both parts of that work.

The Deputy of St. Peter:

I completely can understand that, but there is also an element of succession planning that is needed as well to continue the workforce and ...

Policy and Strategy Director:

That is what I am saying. By the time you get to age, which will be the year after next, I suppose, then there will be somebody else. So we are thinking about that and spreading it across more than one person, yes.

Deputy J.A. Hilton:

Can you just remind us how many people you have in your policy department?

Policy and Strategy Director:

Sorry ...

Deputy J.A. Hilton:

I assumed that because you are all so pushed for time that there were only maybe 2 or 3 of you.

Policy and Strategy Director:

There are 5 people in the policy team with me heading it up, who do policy. But as the Minister has pointed out, we are having basically 3 of us almost full-time doing long-term care. One person is doing employment and discrimination legislation. One person is almost full-time on income support, and that leaves one person to do everything else, which is a lot. So although we have increased the capacity we are still absolutely just keeping up with what we want to be able to achieve.

The Deputy of St. Peter:

In fact, just this morning there was some media coverage about staff numbers being employed in your department particularly and an increase of those numbers. Would you like to take this opportunity to respond with regard to the department because you have not had an opportunity, Minister, to do so?

The Minister for Social Security:

Well, the number one priority in the strategic plan was getting people back to work and the main increase in staff in Social Security has been the back to work team. For a while we were running with contract staff or agency staff and because we were able to apply to increase our numbers we were able to firm up some of those into permanent jobs. That is where the main growth has been. We have had, as we have just described, some small growth in our policy area. Richard, there are more people in stats and that sort of thing?

Chief Officer:

As you said, the principal areas are back to work. I believe we came to this Scrutiny Panel with those numbers before the States approved those numbers. The other area of growth or anything near significant growth would be in income support, again responding to the increased numbers receiving income support, or more in particular the variation in those claims. People coming in and out of work create more and more work within the income support team. Those are the big numbers other than the policy ones, a couple around the edges. All of those numbers were approved through the States processes. We have not exceeded the budget that we have been given in terms of headcount, and wherever we have introduced posts - for example, in policy - we have used existing posts that we no longer need to find the headcount for.

The Deputy of St. Peter:

Thank you. Shall we move on to talk about benefits? We believe that invalidity benefits are being reassessed at the moment. What is the procedure for undertaking those reassessments?

[14:00]

The Minister for Social Security:

We need to distinguish between the 2 types of long-term incapacity benefits. You have the old invalidity benefit, which ceased being paid some years ago when we introduced long-term incapacity allowance. Those people were left on that benefit subject to their G.P. (general practitioner) submitting medical certificates every 13 weeks and being what we call medically boarded at regular intervals. Those people are not allowed to work at all and that has been of concern to me when I took office. I have discussed it with officers and we are working our way, if you like, through some of the claimants, particularly the younger ones, to make sure that the claim stands. They are asked to attend a medical board. I think it is something in the region of 133 people so far have been medically boarded in the last 9 months and there is an ongoing programme there. Some people have been assessed as being fit for work or certainly maybe we suggested that they go on to long-term incapacity where they would be receiving perhaps a smaller percentage of the benefit but would be assisted to find work through back to work programmes, et cetera. It is not a purge, it is just that these people have been neglected and we feel that we must. We have built a great team around back to work with coaching and courses, training, and this is an ideal opportunity to assist some of those people, particularly those who are perhaps under 50 who have not had any great attention to their needs other than just to pay them the benefit. L.T.I.A. (long-term incapacity allowance) is an ongoing benefit. People are assessed as to what percentage of disability or incapacity they have, but they are able to work. It does not affect their benefit and, again, if they are on income support and under the age of 65, if they have more than 30 per cent assessment of long-term incapacity we obviously treat them with tender hands, if you like. We do not force them to look for work, although if they wish to engage with back to work, with the Workwise team, then we will certainly try and help them find some employment. But obviously the volumes that we are dealing with at the moment we have to concentrate on people who are fit and able to work through the back to work programmes. Does that help?

The Deputy of St. Peter:

It does, thank you.

Deputy J.A. Hilton:

Yes. How many people currently claim incapacity benefit?

The Minister for Social Security:

The invalidity benefit?

Deputy J.A. Hilton:

The one that you have been doing the medical boards on?

The Minister for Social Security:

813.

Deputy J.A. Hilton:

That is called incapacity benefit, is it?

The Minister for Social Security:

Invalidity.

Deputy J.A. Hilton:

That is invalidity. I am sorry, I get mixed up with these.

The Minister for Social Security:

That is as at the end of August. The figure is falling all the time because some ...

Deputy J.A. Hilton:

So how many, sorry?

The Minister for Social Security:

813. There are people who are, unfortunately, dying. Some people are going on to the pension because, of course, when they get to pension age they go on to pension. But the numbers are falling all the time because, of course, we are not adding to those numbers anymore.

Deputy J.A. Hilton:

So you have recently seen 133 people and you said that some of those people have been assessed fit for work.

The Minister for Social Security:

Thirteen.

Deputy J.A. Hilton:

Thirteen people have been assessed? Right, okay, thank you.

The Deputy of St. Peter:

Thirteen, okay, yes.

The Minister for Social Security:

Jonathan, do you want to ...? Because you have been leading this, do you want to comment?

Director of Contributions Enforcement and Contributory Benefits:

Just to add a further detail to the process for review, as the Minister said there is a review process automatically set within the benefit cycle and that review process can be differentiated according to the ailment that the individual is suffering from. So it is not a set term, but that means on a regular basis various claimants will come up for review. Also we have some capacity to proactively continue to look at that group and we are undertaking those reactive and proactive reviews on an ongoing basis.

Deputy J.A. Hilton:

Do you know how many claimants you have under, say, the age of 50?

Director of Contributions Enforcement and Contributory Benefits:

About 260.

Deputy J.A. Hilton:

So you have an up to date medical board on 133, so are you working through, say, the under-50s, for instance?

Director of Contributions Enforcement and Contributory Benefits:

There is no particular focus on age group, although the medical board doctors have suggested a sensible place to start is to consider it by different ailment types. So certainly there were those who have a review perhaps imminent where the condition is very clear from either the G.P.'s notes or by conversation with the G.P. that it is a longer-term degenerative disease. That suggests the claimant need not come back in for review, so they can be told and reassured that they will continue to receive their benefit for longer. That is the type of policy we have followed thus far.

Deputy J.A. Hilton:

Okay. Can you confirm that when somebody is on invalidity benefit they do not have to reside in the Island?

Director of Contributions Enforcement and Contributory Benefits:

Correct.

Deputy J.A. Hilton:

Do you know how many people live outside of the Island in receipt of that benefit?

The Minister for Social Security:

Ninety-five.

Deputy J.A. Hilton:

Ninety-five. Is that mainly in the United Kingdom or in Europe as well?

Director of Contributions Enforcement and Contributory Benefits:

I do not have that breakdown, I am afraid. I can certainly find out.

The Minister for Social Security:

They are not obliged to live in the United Kingdom. They could live anywhere.

Deputy J.A. Hilton:

They could live anywhere in the world and Jersey will pay them invalidity benefit. So how are you going to deal with those 95 claimants who do not actually live in the Island to be confident that their medical condition has not improved?

The Minister for Social Security:

Well, we can medically board people in the country in which they live. So by agreement with authorities ...

Policy and Strategy Director:

They still have to submit medical certificates every 13 weeks. The majority of the off-Island people do live in the U.K. (United Kingdom). I cannot give you the exact number but it is going to be well over half are in the U.K. Whatever they do, wherever they live, they have to send in a medical certificate every 13 weeks, so you are getting some ... I appreciate you may not trust it, but they are getting something in writing from a medical practitioner every 13 weeks to maintain their claim.

Deputy J.A. Hilton:

Are you satisfied that that is a robust enough procedure?

The Minister for Social Security:

Well, I think the exercise we are carrying out is really to test the robustness of the current system, yes. What we could do, of course, is those who do not live in Jersey, we could request them to come back to Jersey for a medical board.

Deputy J.A. Hilton:

I was talking about the ones who do not live in the Island, yes.

The Minister for Social Security:

Yes. We could do that. We would obviously have to pay fares or whatever to ask them to come back. That is something that we could do. The other issue with this group is that they are also entitled to claim an adult dependency on top of the invalidity payment, so if they are supporting a spouse or somebody who is dependent on them, they get extra money as well.

Deputy J.A. Hilton:

What is the benefit worth, the invalidity benefit, if somebody is getting full payment?

Director of Contributions Enforcement and Contributory Benefits:

£191.38.

Deputy J.A. Hilton:

If they are claiming for a dependant as well, how much ...?

Director of Contributions Enforcement and Contributory Benefits:

There is a two-thirds loading on top of that.

Deputy J.A. Hilton:

So about another £120?

Policy and Strategy Director:

The dependant can only be a wife. It does not apply to children or any other form of partnership.

Deputy J.A. Hilton:

It could be a partner?

Policy and Strategy Director:

No, it can only be a wife.

The Minister for Social Security:

A spouse.

Deputy J.A. Hilton:

It can only be a wife, only if somebody is married?

Policy and Strategy Director:

It can only be a wife.

Deputy J.A. Hilton:

Oh, right, okay. Only wife?

Policy and Strategy Director:

Yes, it is very old-fashioned. **[Laughter]**

The Deputy of St. Peter:

Does it need review perhaps?

Policy and Strategy Director:

No, no, it has gone.

The Minister for Social Security:

It has gone.

Deputy J.A. Hilton:

It has gone, yes.

Policy and Strategy Director:

This is the one that is running out.

Deputy J.A. Hilton:

Yes. You say it is running out, but how is it running out? Why, because you ... I know nobody else can qualify to go on invalidity benefit, but those people, the 800 who are already receiving it, how is it running out for them?

The Minister for Social Security:

Well, because either the G.P. does not certify them as unfit any longer on the same condition that they were originally assessed at, in which case they would come off; if they fail a medical board they would probably come off, unless they appealed and then there might be a delay; they reach pension age; they die. Those are the ways they come off.

Deputy J.A. Hilton:

I think I am particularly interested in the 260 who live off-Island. They have to send in a certificate every 13 weeks.

The Minister for Social Security:

Not 260, 95.

Deputy J.A. Hilton:

Sorry, 95, yes. The 95 who live off-Island have to send in a certificate, but other than that there is no other mechanism in place? Or do you conduct a medical board in the ...

The Minister for Social Security:

We can do.

Deputy J.A. Hilton:

You can?

The Minister for Social Security:

We can do and do.

Deputy J.A. Hilton:

How many have you conducted in the last 3 years?

Director of Contributions Enforcement and Contributory Benefits:

Foreign medical boards?

Deputy J.A. Hilton:

Yes.

Director of Contributions Enforcement and Contributory Benefits:

Pass. I can find out for you, of course.

Deputy J.A. Hilton:

We would be really interested to know how many medical boards have been conducted off-Island for those 95 recipients.

Director of Contributions Enforcement and Contributory Benefits:

Certainly.

Deputy J.A. Hilton:

Also, we would be really interested to know how much those 95 are costing the Jersey taxpayer at this present moment in time.

Chief Officer:

They are not costing the taxpayer.

Deputy J.A. Hilton:

Well ...

Chief Officer:

It is coming out of the Social Security Fund.

Deputy J.A. Hilton:

Yes, but it is the taxpayer who puts the money into it.

Chief Officer:

Well, yes, very good point. This number dwarfs the number of pensioners who receive a pension overseas, of course.

Deputy J.A. Hilton:

Yes, but some of those pensioners who are living overseas probably paid into the system for a very, very long time so ...

Chief Officer:

Nothing to say some of these have not paid in as well. There is no difference between the length of time they pay in, whether they carry on living in Jersey or whether they carry on living overseas.

Deputy J.A. Hilton:

No, but your pension is based on the number of years you have worked in the Island.

Chief Officer:

It is, yes.

Deputy J.A. Hilton:

Invalidity benefit, if you are on invalidity benefit, it does not matter whether you have lived here a year or 10 years, you all get the same amount of money. So there is a big difference.

Chief Officer:

Yes.

The Minister for Social Security:

As long as they paid in the relevant quarter they will have gone on to this benefit when that benefit was the only one available, yes.

Deputy J.A. Hilton:

Okay.

The Deputy of St. Peter:

It is interesting that you mention that this long-term incapacity allowance is valid until the age of 65. What happens post-65?

The Minister for Social Security:

If it was a younger person who was still entitled to a pension at 60, a lady at 60, she would come off it at 60. Or quite simply they are informed that they are coming up to pension age. They would be advised of what their likely pension is going to be and they would switch over on reaching pension age.

The Deputy of St. Peter:

Would it be agreed that some people end up worse off once they start to receive a pension after being on other benefits?

The Minister for Social Security:

Well, we must remember that invalidity benefit is running off, finished, and no new claimants. Long-term incapacity does not prevent somebody working if they have a low percentage of payment, or even if they have a high one if they feel they can do some work. The rule within the Social Security Fund benefits is that nobody can receive more than the maximum weekly rate no matter what combination that might be. So basically you can have somebody, for example, who has an L.T.I.A. payment of perhaps 50 per cent and then falls ill. They can have a claim for short-term incapacity as well, but the 2 in total must never exceed the maximum weekly benefit rate. That is the rules within the Social Security Fund. Sue, do I have that right?

Policy and Strategy Director:

Yes, that is absolutely right, yes. Obviously, since our changes to the way that old-age pensions are updated, the old-age pension rate is slightly higher. This is October so it is the first time it has happened. It is rated at a different rate and it is now a couple of pounds a week more than the full rate working age benefit.

The Deputy of St. Peter:

What is the full rate working age benefit?

Policy and Strategy Director:

That is the number that Jonathan just quoted, but I do not know, I do not have the old-age pension one.

Director of Contributions Enforcement and Contributory Benefits:

£191.38.

The Deputy of St. Peter:

Thank you. Would that have the same rule as for people who are receiving a pension but are also carers? We have discussed this in the past.

The Minister for Social Security:

Yes, we have.

The Deputy of St. Peter:

The inability of people to receive the 2 in tandem.

The Minister for Social Security:

Yes.

The Deputy of St. Peter:

What is the maximum rate for somebody of pensionable age to receive every week?

The Minister for Social Security:

It is about £2 higher, is it not, £193?

Director of Contributions Enforcement and Contributory Benefits:

£193.25.

The Deputy of St. Peter:

Right.

The Minister for Social Security:

That is the first time this year that the pension is higher than the standard benefit rate because of the new calculation system.

The Deputy of St. Peter:

I see. Therefore, if somebody is in receipt of full pension that is the absolute maximum that they can receive, but if they are in a caring role and one that they received payment for in the past, is there any consideration of an additional sum to assist?

The Minister for Social Security:

You are right, we have discussed this before. What I would say to that is we only last year put the home carer's allowance into the Social Security Fund to replace the tax-funded invalid care allowance. So we did do a review of the benefit at that time. What I would say is that if somebody is a full-time carer and who is of pensionable age and loses their home carer's allowance, long-term care is designed to offer domiciliary care. If the person needing the care has care needs which have been assessed as level 1, level 2, whichever levels may be appropriate, then they would be entitled to some money so they would be able to buy in some care, which will give the person who has perhaps been doing all the care some respite they do not currently have. Long-term care is going to help people who are carers for others in their own homes.

The Deputy of St. Peter:

That takes us neatly on to long-term care. Have you received any further reaction to the proposed scheme since we last met?

The Minister for Social Security:

Since we last met, we have obviously a website where we invite people to comment. We have had about I think 25 comments, some of which have come in the form of emails to myself.

[14:15]

We have done presentations to the Jersey Alzheimer's Association, to the Comité des Connétables, to the trustees of Les Amis. We have a States Members presentation coming up in November. Since we announced that the charge will be no charge in 2014 and the half a per cent in 2015, 1 per cent 2016, that has allayed perhaps some concerns about the effect on the economy of introducing the charge. Some of the earlier correspondence was about is this a good time to be taking more money out of the economy, so we have addressed that to a certain extent by using our underspends, which we hope the States will approve, in order to start the benefit on 1st July as originally promised. Generally, I think some of the media have been very positive about what we are doing on long-term care. It is long overdue and generally quite favourable, I would say.

The Deputy of St. Peter:

Have the Fiscal Policy Panel been involved in your deliberations?

The Minister for Social Security:

No. We have had an economic impact assessment done by the Economic Adviser, which was a piece of work which I think we have shared with you in view of your scrutiny of our proposals. The Fiscal Policy Panel work with the Treasury rather than with Social Security, and bearing in mind we are building or will be building with the contributions ring-fenced fund, which will be held by Social Security, that will be subject to the same process of audit ... I am struggling for the word here ... what do we have done with our funds?

Chief Officer:

Actuarial reviews.

The Minister for Social Security:

Actuarial reviews, sorry, that is the word I was struggling for. So the fund will be done by the same process that we have an actuarial review, which we are doing at the moment for both the Social Security Fund and Health Insurance Fund as it happens. So that level of scrutiny will go forward but, in answer to your direct question, no, we did not consult with the F.P.P. (Fiscal Policy Panel).

Deputy J.A. Hilton:

I understand that the States will continue to put into the fund the same level that it is costing at the moment, which I think is about £30 million.

The Minister for Social Security:

Correct, yes.

Deputy J.A. Hilton:

Is that figure going to be frozen or will it be increased by the cost of living or some other mechanism?

The Minister for Social Security:

R.P.I. (Retail Price Index), yes.

Deputy J.A. Hilton:

It is going to be increased each year by R.P.I., okay. There was something else I wanted to ask you about older people. There was an article recently in the paper about somebody who does not qualify for fuel allowance.

The Minister for Social Security:

Yes.

Deputy J.A. Hilton:

You know the case?

The Minister for Social Security:

Yes.

Deputy J.A. Hilton:

Because he moved to the Island when he was 65, I believe, so had no record of social security contributions. I wanted to ask you a question about the over-65s and people retiring to the Island. Under the proposals, an individual has to have lived here for 10 years and one year before the claim is submitted. So with regard to people who move to the Island and who have not contributed to this fund or to the tax system because they are retired, they are being dealt with in exactly the same way?

The Minister for Social Security:

The 10 years has to be as an adult, i.e. over the age of 18, 10 continuous years, in order to be eligible for long-term care. The scenario that you paint is that somebody could come to the Island after the age of 65, live here continuously for 10 years, which would meet the criteria for receiving long-term care. They would, of course, with our £50,000 cap have to find the first £50,000 of their care costs themselves, so there is that element to it as well. However, if they had no assets or very few assets or below our threshold, they could get means-tested payments from the long-term care fund. The argument we would use, I suppose, is it is a much longer period than Guernsey have. Guernsey have 5 years at any time continuous residence, one year back, so it is a longer period. During that, if perhaps a grandparent comes over, they would contribute to the economy perhaps by letting their son or daughter go out to work, to look after the grandchildren, so they are contributing and they may still be paying tax even if they are not paying social security. But do not forget, if they are taxpayers, they will be making a contribution to the fund during the 10 years that they are waiting for their eligibility.

Deputy J.A. Hilton:

I think I was really focusing more on people who did not have assets and were coming to the Island to retire to live with their family. Under the current rules, I believe if you have lived here for 5 years but less than 10 years you can be subsidised with your care at the moment. My point is that somebody could retire here at 65 with no assets, not pay any income tax, and could actually benefit from the scheme having paid not a single penny into that.

The Minister for Social Security:

If they have been here 5 years continuously, they would be entitled to income support, so it is no different. Any funding of their care - until they have got to the 10 years and then we can look to the long-term care fund - would come out of income support, which is a tax-funded benefit. That is no different to somebody arriving at any age and after 5 years being eligible for income support to help them with their rent or whatever.

Deputy J.A. Hilton:

But had you considered that an adult after age 18 had to be a taxpayer for 10 years before they qualified rather than just have lived here for 10 years?

The Minister for Social Security:

Well ...

Deputy J.A. Hilton:

Or had to have worked in the Island for 10 years.

The Minister for Social Security:

Yes. I think the guidelines we have drawn up are very much based on the old rules in parish welfare where if you came to the Island over the age of 55 you had to be here 10 years continuously before you are entitled to parish welfare. That 10-year period has been around for some time for the more elderly because, of course, if we look back the parishes were providing money for residential care in those days. That is why they had that 10-year ruling. So we were aware of the 10-year rule because you have 10 years for housing, entitlement to rent or buy. So the 10-year period seemed a reasonable period with the one year back if you have been away. We have to start somewhere. It is double the period in Guernsey.

Deputy J.A. Hilton:

I think the point I am trying to make is I do not think the 10 years is unreasonable but I think it should be 10 years working in the Island, not just living here, so that we are going to avoid the situation of somebody moving to the Island aged 65 and not contributing a penny but qualifying.

The Minister for Social Security:

Yes, but we would have to help them in any event once they have been here 5 years through tax-funded benefit. We pay somehow. It is going to have to be paid for.

Deputy J.A. Hilton:

Maybe it is time that we need to look at that. We have an ageing population. Things are getting tighter. The taxpayer is being asked to pay more in taxes and it is only fair. If you are paying into a system, fine, then you expect to be helped when you need the help, but I think the days of when you can move anywhere - I do not know whether it happens anywhere else - and take advantage of a system having not contributed to it have surely got to be numbered. It is just a point.

The Minister for Social Security:

Yes. I think it is a valid point. I think it is one we have thought about in coming up with our scheme, if you like, but, of course, with experience we will be able to address issues as you have just described. If we find that there are, as it happens, a lot of people coming back to take advantage of the scheme, we can change the qualifying period. But we are starting with 10 years. We think it is a reasonable period of time. It falls in with other policies, past and current, to do with periods of residence and the £50,000 cap for people who have some money is another target they have to achieve before they receive the benefit.

The Deputy of St. Peter:

Could we move on to the sustainable funding mechanism for primary care in our last 5 minutes, please? It is a year almost since the States agreed to move forward on this piece of work, so what has your involvement been, Minister, in this process to date?

The Minister for Social Security:

Well, I sit on the Ministerial Oversight Group which is to do the delivery of the White Paper that was approved by the States Assembly for healthcare in the Island generally. Much of our deliberations have been around the hospital project when we have had meetings because that has obviously been high focus of attention on that. As far as the sustainable model of primary healthcare, Jonathan, the Director, sits on the project group that has been looking at the tenders, if you like, for a partner to help work with the groups to deliver a model. More recently, since the summer break, we have talked in terms of the Ministerial Oversight Group having a subgroup, having the overall Ministerial Oversight Group but having subgroups with one looking at the primary healthcare model and the other one looking at the hospital project, developing it beyond the phase where we have reached now. I have offered to be more involved with the primary healthcare subgroup. We have our first meeting next week so I cannot really tell you much more than that. That is it at the moment.

The Deputy of St. Peter:

Okay, thank you. Can you understand why there has been slippage in the timeline? Because the States were supposed to receive the plan by September 2014, yet we have been told that this is not going to happen. Do you understand why this has taken such a long time to reach this point?

The Minister for Social Security:

I think it is difficult to bring all the relevant people together because you are dealing with a lot of private companies or individuals and, therefore, that is a big challenge to the task that lies ahead to come up with a sustainable model. I think there have been some tensions. I am not au fait with the details of those, unfortunately, but I think a way forward is being discussed to try and move this on quicker than it has been. My Chief Officer is also going to be more involved, I believe. I am not sure he is that happy about it. **[Laughter]** So we are the smaller partner in this. It is a Health-driven project.

The Deputy of St. Peter:

But you do pay for primary healthcare at the moment?

The Minister for Social Security:

Yes. Now, I keep saying this to people. We must not confuse what we deliver through the Health Insurance Fund. We deliver benefits, which is different from delivering a service across the Island. The G.P.s, which is the biggest group, receive an assigned benefit from the person who has had a private consultation or a home visit. It is an assigned benefit and we reimburse the G.P. because they ask people to assign their benefit to them. We do not actually pay G.P.s direct other than for those who perhaps have a household medical account through income support. So the relationship with the G.P.s is slightly different, say, for example, to that with the pharmacists where we pay a dispensing fee direct to the pharmacies. But, of course, we are doing a lot of work with G.P.s with the central server for G.P.s and with validation and all the other things that we have been working with G.P.s. So yes, we at Social Security have been building relationships but we perhaps need to take a more proactive role in the delivery of the sustainable primary care model.

The Deputy of St. Peter:

Okay, we will welcome that involvement and look forward to hearing about your progress at our next meeting. Thank you all very much for your time. I will close the meeting.

[14:28]