



Health and Social Security Scrutiny Panel

Quarterly Hearing

Witness: The Minister for Social Security

Tuesday, 8th October 2024

Panel:

Deputy L.M.C. Doublet of St. Saviour (Chair)

Deputy J. Renouf of St. Brelade (Vice Chair)

Witnesses:

Deputy L.V. Feltham of St. Helier Central, the Minister for Social Security

Ms. S. Duhamel, Associate Director, Public Policy

Ms. S. Le Sueur, Interim Chief Officer, Customer and Local Services

[14:00]

Deputy L.M.C. Doublet of St. Saviour (Chair):

Welcome to the quarterly public hearing, which is also our budget review hearing, with the Minister for Social Security. We are the Health and Social Security Scrutiny Panel. My name is Deputy Louise Doublet. I am the Chair of the Panel.

Deputy J. Renouf of St. Brelade (Vice Chair):

I am Deputy Jonathan Renouf, the Vice Chair.

Deputy L.M.C. Doublet:

I would like to give apologies for the other 2 panel members, Deputy Lucy Stephenson and Deputy Sir Philip Bailhache, who cannot be with us today. Minister, could you please introduce yourself and your officers?

The Minister for Social Security:

I am Deputy Lyndsay Feltham. I am the Minister for Social Security.

Interim Chief Officer, Customer and Local Services:

I am Sophie Le Sueur. I am the Interim Chief Officer for Customer and Local Services.

Associate Director, Public Policy:

I am Sue Duhamel, I am Associate Policy Director in the Cabinet Office.

Deputy L.M.C. Doublet:

You are very welcome to our hearing, thank you. Members of the public in the gallery, if you could maintain silence at all times and switch your phones off, you are very familiar with the process now I think. You are very welcome to the hearing today. So, as I mentioned, this is our quarterly public hearing, but we are going to focus initially on questions around the budget, but we will be mixing them up at times because of course it is difficult to separate the finances from the policies. I am going to start with some general questions about the budget allocations. Could you please talk us through how the budget allocations for different expenditure within C.L.S. (Customer and Local Services) was determined?

The Minister for Social Security:

I think perhaps C.L.S. is a lot more straightforward than other departments because of the way that we operate and the funds that we administer as well. So of course there is discussion around the Council of Ministers' table around the efficiencies that we need to deliver across departments and C.L.S. is playing its part, as other departments are, within those efficiencies. I am going to have to ensure that we can meet and do what we need to do and are obliged to do, while doing that. But also taking into consideration the C.S.P. (Common Strategic Policy) priorities and in particular my own priority for the introduction of a higher minimum wage. That is then, within the Government budget, the key point around Social Security would be around the change in the States grants that would be going into the Social Security Fund this year. That is different to what was proposed by the previous Government, on the basis that this is ring-fenced funding and it is the purpose of that funding to be used along the same lines as the purpose for the Social Security Fund itself, because it is around both protecting jobs, protecting employees, and also ensuring that employees are better paid.

Deputy L.M.C. Doublet:

We do have some questions on that a bit later.

Deputy J. Renouf:

We will come to that, will we not?

Deputy L.M.C. Doublet:

Yes, thank you. In terms of business plans for the work that you are going to do, we note that a departmental business plan has been published for C.L.S. and we are grateful for that. Is there a projected business plan for 2025, which has informed your funding proposals?

The Minister for Social Security:

I will now be working with the Interim Chief Officer to do a business plan for the remaining 18 months of the term of office. I think that that will be more useful for me to do than just a business plan for 2025, because then I can be absolutely cognisant of what is deliverable in that term of office. Obviously I have had conversations with the former Chief Officer and the new Interim Chief Officer to ensure that my priorities can be delivered within the budgets, so we will be finalising the departmental business plan to say how we will be doing that within the coming months before the end of the year.

Deputy L.M.C. Doublet:

Why is it being done that way around? Why was there not a forward-looking plan and then the funding following that, the funding bids?

The Minister for Social Security:

I think you always start with strategy and then how much money you have got available and then the business plan follows when you know your budget and how you need to cut your cloth accordingly. The department are very aware of my ministerial priorities and they know where the focus needs to be. I think also C.L.S. is slightly different to other departments as well in terms of its role in administering the Social Security Fund in itself. So that then does not really form part of the Government Plan budgeting process, if that makes sense.

Deputy L.M.C. Doublet:

So you say the strategy came first and that contains your priorities, but how is that communicated to your officers and other States Members?

The Minister for Social Security:

Maybe the officers could also speak to how, because I am quite clear, I think, I know that we did not need to have ministerial plans, but I did have the list of ministerial priorities, which I forwarded on to the Panel in confidence. That is where really I needed to start the conversation then that I had within my weekly ministerial team meetings were around, are we confident that the resources that are within the budget will give the department the level of resources that we need to be able to deliver.

Bearing in mind obviously we have only got so many people to deliver those priorities. So it is about being realistic about what we can achieve in this term of office and within the budgets that we have available.

Deputy L.M.C. Doublet:

Sure. In terms of the strategy, then the money, then the plan, what was in your strategy at that level that perhaps there is not money for that you cannot see through in a plan?

The Minister for Social Security:

For me, it is not necessarily the funding, but the timing and the resource potentially outside of the department as well. So, for example, law drafting time, time for bringing in legislation, but also ensuring that, when we bring in legislation, we are doing it in a really measured manner so that we are not bringing in too many changes, particularly in the area of employment. My area of focus, as in the Common Strategic Policy, is around raising that minimum wage. I think it is no secret that I would like to make lots of changes to the Employment Law, but I cannot do all of that at the same time, because that would have an impact on employers as well as the employees. So it really does need to be a sustainable approach to change. In that case, I am quite happy with where we have got to in respect of what I can programme into this particular term of office, given the resource constraints that I have in the staff, which tend to be about staffing and staff time and expertise.

Deputy L.M.C. Doublet:

Yes. Sure. Was there anything that was borderline, something that you would have liked to do and maybe there might have just about been enough resource, but you have decided, no, that is not the priority?

The Minister for Social Security:

One of the key areas that we will be looking at into the future is we have got obviously the Income Support Budget and how we can best ensure that people on low incomes are supported. I am hopeful that the work that will be done on minimum income standard will inform some of that work. I am also cognisant as well about pensioners and people's expectation of the State pension and what that should give them, but also then how Income Support then supports lower income pensioners as well. So there is a lot of work that needs to be done, but being realistic, it would not be appropriate to bring in a raft of new policy staff because you do need specialisms and expertise to look at that. So one of the key areas I would like to look at in the future, it would be around where pensioners who start paying income tax, there is that cliff-edge of benefits. So you are either eligible for everything or what is seemingly nothing. But that piece of work to enable us to do some work to see what that smoothing out process would be, that is quite a significant piece of work.

Deputy L.M.C. Doublet:

Would it not be worth buying in the policy resource, if you said the funds are not the problem, it is the people resources I am hearing, would it not be worth getting some temporary policy resource to do that?

The Minister for Social Security:

I think what we have got is quite skilled policy officers that know their areas and know the legislation. To bring somebody new in and up to speed might well be a waste of resource because you would spend so much time teaching somebody how everything works, is an incredibly nuanced system, so I think that may be a false economy as well.

Deputy L.M.C. Doublet:

And you mentioned that something you might like to do in the future around the Income Support Budget and how that is spent, and I recall in the Assembly, in response to some questions, you mentioned something about homeowners and maybe looking at how homeowners could be helped by the Income Support system. Is there anything in the current budget that would address that, or do you have any future plans to address that specifically?

The Minister for Social Security:

Not at the moment. When I looked at what we can do with Income Support and I raised the question around what would that look like, unless we have got very, very strict criteria, we may well end up with something that is unaffordable for the Island at this point in time. So that was one of the things that was not prioritised with regard to the Income Support Budget that we have. Of course, to increase the Income Support Budget would be an increase in revenue budget, if we have an increased income as a Government, then that is something that we could look at. But, for me, I think we need to remember that the majority of people on Income Support are working people, so that is really why I wanted to prioritise where we are going with minimum wage as well.

Deputy L.M.C. Doublet:

Yes. Do you think, given the cost of living crisis at the moment, that you might return to that decision, given that so many Islanders are struggling and might need this additional support?

The Minister for Social Security:

Yes. Let us be clear, it was a decision not to prioritise that piece of work. I think again the minimum income standard piece of work will tell us potentially a lot about cost of living and what it costs to live on the Island. Sue, I know you will step in as well because it does look at the benefit system as well, does it not, when you look at the amount of income somebody requires.

Deputy L.M.C. Doublet:

Sure. Thank you.

Associate Director, Public Policy:

If I could just make a point about homeowners, just to clarify for the Panel and for the general public. Obviously homeowners can access Income Support. I think what the Minister is talking about is mortgage payments. So at the minute the only support for mortgage payments would be a very kind of short-term emergency support. We would do that, it is very rarely done, because in effect the banks tend to kind of come up and provide you with mortgage holidays for the short term, following the death or redundancy, or cuts for businesses like that. Yes. But we do have the ability to do some limited mortgage payments but I think you are talking about a big increase. That would be if you were to create a system, as you have in benefits in other countries, whereby you are supporting people with their mortgage payments per se, yes. That is not something that has ever been done either in Income Support or in other systems that Jersey has had before. That would be a big change. But home owners absolutely can access Income Support today.

The Minister for Social Security:

I think that is a really important clarification that Sue has made because I think that is a common misunderstanding and misconception around the availability of Income Support to people who are home owners. Then I think there is some other work, and again I have asked the communications team to communicate out more broadly to people so that they know that they can apply for Income Support. I think that is really important. People should not be automatically discounting themselves and saying: "Oh, I do not think that I am eligible for that."

Deputy L.M.C. Doublet:

It is a lower level of support though, is it not, if you are a home owner?

The Minister for Social Security:

Yes, and maybe we could provide the Panel with some more information on that.

[14:15]

Deputy L.M.C. Doublet:

I understand it, it is public, I guess. I would like to ask about a letter that the Panel sent to you and we received a response and we were asking about staffing and restructuring within your department. You have stated that, going forward, your plan is going to be 2 rather than 3 Director posts. Could you give some detail on how this restructure will enable savings to be made without impacting on the service delivery of your department.

The Minister for Social Security:

Those savings are obviously at the highest level of the department. I have had conversations with the Chief Executive. We are in total agreement that we need a Chief Officer for this particular area. So it will be at that lower level, there will be a flatter structure. I need to work with whoever takes on the permanent role as Chief Officer to ensure that the department is able to function. But, ultimately as well, it is a States Employment Board matter for staffing. But I am very clear in my role as Minister, with the conversations that I have with senior leaders, that what I want to see within the department is more of a culture change so that what we see is, people that are coming into the department asking for help, they get solutions to their issues whether or not the department can help them through the funds that we support. We always need to be looking at what the solutions are and making the right connections with other Government departments, working across Government departments. So the bulk of the transactions and the work and the delivery is at those lower grades that are not then currently impacted by the plans of the States Employment Board.

Deputy L.M.C. Doublet:

Okay, so no redundancies of frontline staff within your department?

The Minister for Social Security:

That is not currently the intention and I do not know if Sophie wanted to speak to that as well.

Interim Chief Officer, Customer and Local Services:

No, that is it. We obviously know we have to make savings, which is part of that commitment, and we think sometimes there can be appropriate ways we can manage vacancies in the department and look at how we move people around. But, at this stage, we know that our frontline services are really important, having that customer focus is what is really important for us. We are really making sure we prioritise our support in that area, and especially as we move to the new building and things like that. That is an area where we are really making sure we carry on investing in.

The Minister for Social Security:

It might be worth you, Sophie, talking about, I know when Sophie did her last quarterly update to staff, you did some helpful talk about owning the customer, which I think goes around real service and ensuring that people are dealt with well.

Interim Chief Officer, Customer and Local Services:

Yes. That is it, in line with the Minister's priority around almost making sure that we have really good customer satisfaction levels within the department and it is always really good to hear about that individual service, but what we felt like we really want to work on upping to as high a level as we can

is where people need to perhaps benefit from some different services within either the same department, whether that be Income Support and Back to Work or Long-Term Care and Income Support, these sorts of areas, making sure that we are as joined up and proactive as possible in terms of really focusing on resolving first time for a customer. That then also spreads out to the wider Government piece where I think being in one building will really, really help. But that for us is a key objective for the department in terms of looking at that, thinking twice when we have got a customer, whether they are with us in person, on the phone, on email, thinking have we really resolved this for a customer now. What we do not want to be doing is sending someone between different teams. We are not saying that people can be an expert of all complex areas in the department, but we can make sure that we put the customer at the centre and we do the work to make sure we resolve it. That was one of the Minister's priorities, and that has been really well received. Colleagues across the department are very brought into that and we are having really good examples weekly of where that is working well.

Deputy L.M.C. Doublet:

In a previous hearing, you mentioned, Minister, and thank you for that information, you wanted to communicate better with the public about what was available. Have you considered how communicating better might result in more uptake of services and what impact that might have on your budget and do you have a forecast of what that might look like?

The Minister for Social Security:

I have not had a forecast of what that might look like, but I think it is important to say that the Income Support and you can talk through the technicality of the Income Support Budget, but I think Sue explains it better than I can.

Associate Director, Public Policy:

I think the Deputy's point is that, if there is unmet demand and we have a very good communications plan, we will create extra demand, which we will have a statutory requirement to meet and which we will do.

Deputy L.M.C. Doublet:

Yes. So do you know what the unmet demand is?

Associate Director, Public Policy:

It is really hard. The minimum income studies might help. So that is a budget initiative under the Minister for Sustainable Economic Development. But this Minister is very keen to see this work done. So this is where you look at people's household budgets and you work out a kind of a basic budget, if you like, a basic budget and you have to do it for a particular type of household. So it is

quite a complicated piece of work. So you have to do it for a single person or a couple with a child or a pensioner, you do different ones for different types of people. That would give you a feel, which we do not really have at the minute, for what a basic standard of living would look like that people would feel would be okay. Then you could work against the other statistics that we do have about what people's incomes are. Yes. Then compare those 2 together. So, at the minute, we do not really know and I am not sure how anybody could work out what the level of unmet demand was. The technical answer to what would happen if we got a lot of extra demand, the Income Support Budget has got a certain amount of flexibility and it needs to have that sometimes anyway to deal with unseen things. Then the Minister can call on her contingency fund if she needs to. As I said, it is a statutory requirement, so you have to have something to backstop to kind of like maintain your benefit payments in November, December, if you have used your money up in October.

The Minister for Social Security:

I take the point about it being a statutory requirement. I do not think we would want to be in a position as a Government where we think that we should not be communicating out to people on the basis that we are worried that too many people might come through the door. I would be more worried if what we find is that there are lots of people that are currently eligible that are not claiming. That would point to all sorts of problems and issues and I would be worried then about the effect on other Government services as well, because what effect has that had on people if they are living with a low income, lower than what they need to live on.

Deputy L.M.C. Doublet:

So savings overall might still result even if there is an increase in accessing your services, yes.

Interim Chief Officer, Customer and Local Services:

I was just going to also say what I think though is that for us this is really important that we try to make sure there are no gaps. So we are doing quite a lot of outreach work. We work closely with a number of different charities who know about our services and who we partner up with. We do events such as closer to home, going out to the community, so trying to reach those people through different channels to really try to make sure that those people who might not naturally be the ones who are coming forward, we have really strong relationships with partners to try to, where possible, make sure that people are not falling through the cracks and not knowing about something that they are eligible for. So I think we are doing quite a lot of work in that area already, but there is always the risk of people who have not engaged with anything.

Deputy L.M.C. Doublet:

Thank you. Yes. Minister, I am interested in this work you are doing on minimum income. What is the ultimate outcome of that work that you are envisaging? Have you considered things like a

universal basic income for some groups or a basic income for some groups or something that is more universal that might replace the Income Support system in future?

The Minister for Social Security:

I have not considered a universal basic income at the moment. I think that the minimum income standard piece of work will be a key piece of work because it will inform things like Income Support levels and also how we set our minimum wage into the future to ensure that it is suitable for the Island. So I am really keen to see that piece of work come to fruition, so that then we can learn from that and see where there might well be gaps. That is one of the questions that I ask fairly regularly, is where are there gaps in what we are providing. Back again to the uptake of Income Support or people that may not be claiming when they are eligible. Part of that is to do with perception and I really want to break that down. We are a high-cost Island. There is a high cost of living and Income Support is there for a purpose, as the safety net for all Islanders.

Deputy J. Renouf:

Could you just confirm, you have said there will be a new Chief Officer, what timetable are you working to?

The Minister for Social Security:

At the moment, I have got a very capable and confident Interim Chief Officer and I will be liaising with the Chief Executive Officer around the timetable for the recruitment process. Obviously the recruitment process is not something that I am responsible for or manage; that is something that is the States Employment Board's responsibility.

Deputy J. Renouf:

Sure. But you do not have a timetable yet for when that position might be in post?

The Minister for Social Security:

No, but I will indeed be chasing that up.

Deputy J. Renouf:

Okay, good. Thank you. I have got one question just on the points you have made so far, which is about efficiency savings. Obviously there is formula-driven funding, so you are not going to make efficiencies there. You are not going to make people redundant on the frontline. Where are those efficiency savings going to come from?

The Minister for Social Security:

I think Sophie is best place because she is the one that has given me confidence around the departmental budgets.

Interim Chief Officer, Customer and Local Services:

So I suppose, from our perspective, we are going to look at it from a Director level as we have already talked about. We have been managing vacancies almost over the last few months, knowing that we are going to need to make savings for 2025. It would not be fair of me to go into the specific detail of individual areas and roles, but we are confident that we have known now for a little while what our commitment is in terms of what roles we need to save and to what financial value. We have used that opportunity to look at some different roles, but a significant one. We are quite a small department compared to some others, so from the Director level post will be one of the most visible changes.

Deputy J. Renouf:

Do you have a cash savings target?

Interim Chief Officer, Customer and Local Services:

Yes, we have.

Deputy J. Renouf:

If it is in the budget then it does not matter.

The Minister for Social Security:

The thing is for me at a Ministerial level, when I have asked the previous Chief Officer and the Interim Chief Officer, do the savings present us with any issues or problems, the answer has been no. So I have been satisfied, from the conversations I have had with the senior officials, that they have things in hand to avoid situations of redundancies, but also ensure that we can make the savings without seeing that reduction in service and in fact continue to improve the service that we are giving as well.

Deputy J. Renouf:

Does that suggest that there is a bit of flab and that there could be bigger savings to be had?

The Minister for Social Security:

That is not what I have been told by officers. But I think that is part and parcel as well of doing business planning and ongoing and long-term business planning. But it is not for me to run the operations of the department. It is for me to give Ministerial direction.

Deputy J. Renouf:

Can I move on to the ...

Deputy L.M.C. Doublet:

I have just got one more that I want to ask, a general one about the previous growth bids that were cut by 20 per cent. I would like to ask about those growth bids, are there any that, even though you have not had the additional 20 per cent, that you have managed to find that funding for within your budget, or any that you are still carrying on with in that way?

The Minister for Social Security:

That would be the Housing Advice Service. Yes, I was just trying to remember if this was a growth bid, the terminology. So one thing I was keen to ensure was protected was the money for the Housing Advice Service. That is not just because they provide incredibly good support for housing, but also part of that service is our Critical Support Team. The Critical Support Team provide such a valuable lifeline, really, to people in really awful situations and are dealing day-to-day with incredibly urgent issues. So for me it was really important to ensure that was protected.

[14:30]

Deputy L.M.C. Doublet:

Something that the Panel received a briefing about recently was the Connect Me project, which, as I understand, was one of the projects that was subject to that 20 per cent cut in their ongoing budget. Can you just give your view on that and on that project, how valuable you think it is and whether you think it should have been cut?

The Minister for Social Security:

I think the grants programme there has seen some really good outcomes. The reason why, I will not say comfortable, but I could accept the cut in relation to that is because what we are talking about there is small grants for projects. They are projects that would have to apply to a grants programme, so the small grants were never guaranteed. It may well mean that some smaller projects do not continue or we cannot fund as many smaller projects but there is nothing there that will not be funded that was ongoing or continuous funding. It would have been added extras.

Deputy J. Renouf:

So obviously there has been a proposed reduction in the grants to the Social Security Fund in order to fund the incentive schemes to compensate for the living wage. It is £10 million a year for 2 years. What is your assessment of the effect that has on the Social Security Fund?

The Minister for Social Security:

So, the advice that I have had is that the long-term impact on the Social Security Fund is not a large kind. It is not an ongoing kind of long-term impact. £10 million is a lot of money but in the whole context of the whole of the Social Security Fund, it is a small amount in that context. So, I think for me, the benefits that we'll derive from being able to deliver a higher minimum wage and support businesses and support our economy in doing that so that we are transitioning to more of a living wage economy, that outweighs the not putting that amount of money into the Fund at this point in time. I think also I am quite careful as a Minister about how we use the Fund for other things and I have asked officials at Revenue Jersey, for example, how much might be owed in debt by unpaid contributions into the Fund as there are other things we also need to be doing to ensure that the Fund is receiving the money that it should be receiving. Likewise, I challenge the department on the administration costs attributed to the Fund from the department, so I am doing the best that I can to look after the Fund and I am assured that the reduction in the States grant to the Fund will not have a long-term effect on the security and the sustainability of the Fund.

Deputy J. Renouf:

Did you fight it?

The Minister for Social Security:

I had a conversation in the Council of Ministers about other things that we might be able to do. I felt comfortable as Minister for Social Security to be able to make this change - it is a change to legislation - to enable me to do that for 2 years. I feel comfortable on the basis that it is being used for the purpose that is aligned to the purposes of the Fund. I also feel comfortable that I have had conversations with the Economic Development Team and they understand that that is what the money is to be used for and also I am comfortable that we have enough safeguarding within the change to the legislation which ensures that if the money is not used for the purpose that we are not putting it into the Fund for that it will then be put into the Fund.

Deputy J. Renouf:

Would you be happy to see further withdrawals from the Social Security Fund to cover budget shortfalls?

The Minister for Social Security:

Not if it did not align with the purposes of the Fund, no.

Deputy J. Renouf:

But the purposes of the Fund are to support benefits in the future not to cover budget shortfalls and the Minister for Sustainable Economic Development wrote a response to a written question from me making clear that the reason for this was a budget shortfall.

The Minister for Social Security:

I would disagree with that terminology. These are not budget shortfalls. This is a specified suite of programmes.

Deputy J. Renouf:

But the reason for using the Social Security Fund was because there was nowhere else that it could be found.

The Minister for Social Security:

Yes, but the reason for using the Social Security Fund was because that is absolutely in line with the intent and purpose of the Social Security Fund, and this is about protecting workers and also protecting jobs.

Deputy J. Renouf:

Do you think there should be a policy going forward to specify what the Social Security Fund can be used for other than the benefits which it is designed in law to do?

The Minister for Social Security:

I think the legislation is there and then it is incumbent on us as States Members that if there is a change to how that is used, it will always go through the Assembly, but at the moment that is my position around that particular reduction in the States grant, but I do not foresee making any further changes at this point in time.

Deputy J. Renouf:

Last year you voted against an equivalent reduction in the grant even though it was going to be repaid in the future. There is no repayment mechanism this time so what has changed in your mind?

The Minister for Social Security:

The previous plan was not aligned with the purposes of the Social Security Fund. This is ringfenced funding. It is going to be used for a purpose that is, I believe, aligned with the Social Security Fund and it should lead to higher wages and higher contributions in the future as well.

Deputy J. Renouf:

Can you identify where in the remit of the Social Security Fund written in law what the benefits are for and how that would apply to this grant?

The Minister for Social Security:

Because the Social Security Fund is there for working-age benefits, pensioner benefits, to ensure that people are looked after financially. At the end of the day, people of working-age and future pensioners will be financially better off as a result of an increase in the minimum wage and us moving towards a living wage economy for the Island.

Deputy L.M.C. Doublet:

I would like to ask how you are going to measure and indeed ensure that the outcomes are there for what you are using this money for?

The Minister for Social Security:

It would be for the Economic Development Team and the Minister for Sustainable Economic Development to measure the outcomes of their programmes.

Deputy L.M.C. Doublet:

Do you not need to have confidence that that is happening though, and do you have confidence?

The Minister for Social Security:

I think my role has been to get regular updates from the team up to us making this decision about how we were going to fund it. I have had several briefings from the Chief Economist. I have asked them challenging questions around what outcomes might be and I think that was my role to have that voice around the Council of Ministers table as well around what that package looks like and what ultimately gets approved by the package. Then the administration of the package and the delivery of the package is absolutely within the remit of the Minister for Sustainable Economic Development.

Deputy L.M.C. Doublet:

So, are you confident that the intended outcomes will be achieved?

The Minister for Social Security:

I had a briefing on the proposed package this morning. I was pleased with that briefing. I am pleased that the officers working on it are looking at the key industries that may be affected but also general productivity as well, so as confident as I can be that the intentions of what it is being used for are correct.

Deputy J. Renouf:

But you are not arguing, surely, that the amount of money that will be delivered in productivity improvements will more than compensate for the amount of money that has not been put into the Fund through the grant?

The Minister for Social Security:

I have not seen that level of modelling. No, not that many years into the future.

Deputy J. Renouf:

So, there is a net loss to the Fund.

The Minister for Social Security:

There is a net loss within this 2 years to the Fund. I am willing to put up with that net loss on the basis of the gains that we will have for the community.

Deputy J. Renouf:

Moving on, the implementation of the living wage and its effect on care homes. Have you thought that through, and will there be support for care homes?

The Minister for Social Security:

The care homes will of course be eligible to apply for that package ...

Deputy J. Renouf:

Which is productivity related.

The Minister for Social Security:

Not all of the package.

Deputy J. Renouf:

No.

The Minister for Social Security:

No, so I think I need to leave it to the Minister for Sustainable Economic Development to talk about what the whole package looks like because it is not my package, it is his package. I am helping to make the money available to enable Economic Development to undertake that work.

Deputy J. Renouf:

It is being marketed as productivity but okay, carry on.

The Minister for Social Security:

But obviously the care sector, as Minister for Social Security, is something that I am very cognisant of. I am also responsible for the Long-Term Care Fund. So, there is other work that we would be doing in line with the Long-Term Care Scheme and also aligned with the work of the Minister for Health and Social Services as well around those kinds of areas.

Deputy J. Renouf:

So, having seen what you have seen, you are happy that the care homes will not be disadvantaged by the living wage proposals?

The Minister for Social Security:

Yes.

Deputy J. Renouf:

Okay. Do you want to do ...

Deputy L.M.C. Doublet:

Yes, can you talk us through any specific changes you are considering in your review of working-age benefits, please, particularly for supporting working parents?

The Minister for Social Security:

I am currently looking at how the current rules for the parental benefit affects parents. It is quite complicated the way that the parental benefit works because it is reliant on contributions records. So, I am aware that there is an issue for parents who perhaps have their second child fairly shortly after their first child or their third child and they then do not qualify for parental benefits because they have not got the right record of contributions. Currently they are getting Home Responsibility Credits that cover them for pensions, however, it does not cover them for the working-age contributory benefits. So, that is one thing that I have already asked the team to do some work on alongside some kind of broader work around contributions in relevant quarters which is always very complicated but probably archaic now because it looks back a certain number of quarters, I think, from before we had paperless systems and electronic systems. Obviously, I am pleased that I have been able to lodge before the end of the year the support for parents who have children born pre-term as well support for parents who have a still birth as well.

Deputy L.M.C. Doublet:

In terms of the changes around different quarters and the parental leave, what is your timeframe for any legislation that you might need to bring to change that?

The Minister for Social Security:

I am trying to remember where that is in the spreadsheet that we have got.

Deputy J. Renouf:

Ministerial plans are a good idea for that.

The Minister for Social Security:

That is the thing. That is exactly it.

Associate Director, Public Policy:

The Minister has asked to look just at the H.R.P. (Home Responsibility Protection) at the minute which is limited but also so as to have a wider view of the way in which all working-age people sometimes do not qualify for something because of a short gap in their contribution record, yes? Also, the way in which it works for migrant workers who are here for some months of the year and then not here for other months of the year. That is quite a big piece of work. The current set of rules have been in place since 1975. We reckon that they were set up before they had computers, so they had time to do all the paper books. We do not need to have that gap, but you have got to decide what would you do instead? Obviously, the Fund is currently balanced by the idea that a certain number of people will claim working-age benefits each year. If you made the rules much more generous or much less generous, that would affect that balance. So, the question is what do we look at? What do we have which would give us something similar? So there is an idea of you have made contributions, you are not somebody who has not worked here for a long, long time, you base it off contributions recently but perhaps not in such a short specific ... we are looking at a specific 3 months, yes? If you happen to miss those 3 months, you do not get something in that 3-month period going forwards, but it is for next year. It is a question about timetable. It will be next year.

[14:45]

The Minister for Social Security:

There is also, I am aware, for ... there are so many facets of social security, so for parents who have children that have the care component, the level of care - currently home carer's allowance - I know there were plans to legislate so that parents with 2 children, say, at a level 2 would then be able to claim home carer's allowance. I am making ministerial decisions to enable those parents to claim home carer's allowance. The legislation enables me to do that, so it means that I do not necessarily need to bring that piece of legislation in and wait for that to be done. The difference between that

and the parental benefit is I cannot legally ... there is no way that I can make a ministerial decision in order to pay the parental benefit to people in those situations.

Deputy L.M.C. Doublet:

That was going to be my next question because I know that this has happened before. During COVID I campaigned on this for parents who were small business owners and were on parental leave and thus could not access the COVID support and I know that the policy was changed as a result of my campaigning. So, is there not a way that you can change your policy for certain people, for instance, small business owners who have been on maternity leave perhaps?

The Minister for Social Security:

It depends on the legislation and then what I have got the legislative ability to be able to do, so in the case of that home carer's allowance example, I had the ability as Minister to take those ministerial decisions but when it comes to the parental benefit ... because I asked this question the other day because I ... do you find it frustrating when you can see something that needs to change and you know it is going to ...

Deputy L.M.C. Doublet:

I would have thought you had some discretion there though on a case by case, do you not?

The Minister for Social Security:

No, the advice I got given was: "No, I do not have the ministerial discretion to do it." So, that is why I am going forward with those changes but not the home carer's allowance change.

Deputy L.M.C. Doublet:

Okay. Thank you.

Deputy J. Renouf:

Just different tack on the Social Security Fund and a recent actuarial review has shown apparently improved financial projections. Do you know what factors contributed to that and are there risks around that? How certain can we be that that is not going to get changed for the negative again?

The Minister for Social Security:

I have to say that is where I would revert to the investment specialists for advice as well and also the Minister for Treasury and Resources because I think when it comes to investments, everything in the Social Security Fund, we have got a shared responsibility there, so that is not my specialist subject but I am quite happy to arrange a briefing with the specialists about that.

Deputy J. Renouf:

Okay, but do you anticipate as an outcome of that that you could change benefits because there is more money in the pot?

Associate Director, Public Policy:

Can I make a point about the actuarial reviews? So, one thing that is always included are a variety of other scenarios. So, in terms of investment income, there will be a central assumption, then there will be a better assumption and a worse assumption. So, what you are looking at is the range of kind of outcomes you might get. Then you are looking to see what will happen if, you know, your investment income was not quite so good and there were more people than you thought or you did not plan things put together and then you look at the Social Security Fund as a whole and you see it looks pretty strong even with some of the more negative assumptions being brought in so the Minister is quite right, her team do not control the investment strategies. That is done through the Common Investment Fund and specialists in the Treasury, but we can say that the Social Security Fund is in very robust position. Internationally it has a very good ... its reserves are ... we were up to almost 8 years' worth of reserves. There is a fantastic amount of reserves. You could run it for 2 years. We certainly had 8 at one point. I am not sure we have still got 8 but we are around 7 to 8 years' worth of reserves, yes? That is a very, very good position. We can be very confident that we can pay old age pensions. We have got some increases in pension age going through at the minute. We are not quite halfway through a planned increase from 65 to 67 but we are not looking for any further increases beyond that and the contributions and pension rise each year pretty much in line with each other, so it is a robust and stable system.

Deputy J. Renouf:

So, you are not planning any changes basically.

Associate Director, Public Policy:

No. The Minister is looking at some interesting issues around how people get their pensions, so there are some new things to be done but big picture stuff it is pretty stable.

The Minister for Social Security:

So, there is some work around flexibility around contributions and pensions and, as Sue quite rightly said, I am not looking at extending the age any further than what is currently planned.

Deputy L.M.C. Doublet:

Okay. We are on to ...

Deputy J. Renouf:

I think we have done that effectively, so yes, move on to the H.I.F. (Health Insurance Fund).

Deputy L.M.C. Doublet:

Okay. Thank you. Minister, I have some questions about the Health Insurance Fund. Given the Fiscal Policy Panel have projected that the Fund could be exhausted by 2030, what actions or reforms are you considering to ensure the sustainability of this fund?

The Minister for Social Security:

I think at the moment, and as I stated in the Assembly, I do not think that there will be any action within this current term of office. We are very aware of the need to be undertaking action in future years around the sustainability of the fund. I think that needs to be done in conjunction with the Minister for Health and Social Services as well and the work that the Minister for Health and Social Services does around the whole environment around health. I think my role at this point in time is to work in conjunction with other Ministers that are working in that area of health to ensure that what we have got is a fit for purpose and well-funded health sector which includes primary care and the pharmacies that are currently supported by that H.I.F. fund but that needs to work in tandem as well with the bigger health structure.

Deputy L.M.C. Doublet:

So, it will not be addressed during this term?

The Minister for Social Security:

I have no plans at the moment to make any changes.

Deputy L.M.C. Doublet:

Will that not compound the problems given that 2030 is only 6 ...

Associate Director, Public Policy:

Can I just make one point of clarification? The F.P.P. (Fiscal Policy Panel) have misquoted themselves or misquoted the Budget so on one page of their report they talk about 2030 and then later on they quote accurately the Budget which says: "In the early 2030s ..." So, the Fund by 2028 - which is what we have got the figures to - is 67 million. So, it is not going to go from 67 to nought in 2 years.

Deputy L.M.C. Doublet:

Right, so ... but still let us say it will be exhausted within 6 to 10 years. That is still not very far away, and do you not agree, Minister, that urgent action is needed to prevent that happening?

The Minister for Social Security:

I think it needs to be looked at in the round along with all of the pressures that we have on health and that is something that I will be doing in conjunction with the Minister for Health and Social Services.

Deputy L.M.C. Doublet:

Okay. Can you be more specific about what kind of pressures and how you see them being mitigated?

The Minister for Social Security:

Not at that point in time because there is ongoing policy work being done in health as well.

Deputy J. Renouf:

I guess what it looks like from the outside is that you have brought in changes in line with your priorities to reduce the cost of G.P.s (General Practitioners). That has steepened the curve in terms of reducing the money in the Health Insurance Fund, but you are not going to do anything to address it.

The Minister for Social Security:

I would revert back to Sue's advice around where we are with the Fund but also, I need to take a longer-term view that does not just look at the H.I.F. but also looks at where we are with health in general. But that really needs to be done in tandem with the Minister for Health and Social Services and the Minister for Health and Social Services' team as well.

Associate Director, Public Policy:

It is the Minister for Health and Social Services' team that is leading the work. I think that is the point we are making is that the Minister for Health and Social Services' team are acutely aware of this issue and are looking at it and did lots of good work in the last couple of years on understanding the health costing across Jersey as a whole and they are now looking at big picture strategy and then that will kind of roll back into funding, so the Minister for Social Security's role is to support the Minister for Health and Social Services' team in that work.

Deputy J. Renouf:

Does that mean you would be happy to see the H.I.F. move out of your control ultimately?

The Minister for Social Security:

I think that the H.I.F. needs to sit in the best possible place for it to be managed effectively but also to ensure that our health system is working together in a co-ordinated manner. Now, at the moment,

we are able to do that. I have a good working relationship with the Minister for Health and Social Services. We are both very aware of the importance of the use of the H.I.F. in terms of people accessing primary care and being able to afford to access primary care can save money further down the line in the health system but I think it does need a whole system approach across health. I would not be averse to changing Minister if that was the most appropriate thing to happen.

Deputy L.M.C. Doublet:

We may send some of our questions on in a joint letter in fact then, if the responsibility is between yourself and the Minister for Health and Social Services.

Deputy J. Renouf:

Shall I move on to the social security ...

Deputy L.M.C. Doublet:

I think we should, yes.

Deputy J. Renouf:

So, one of the proposals in the Budget concerns the purchase of the Government's new headquarters. What makes the investment of £91 million in that a good buy for the Government? A good buy for the Fund, in fact?

The Minister for Social Security:

Yes, I think it is really, really important to separate the decision around purchasing as opposed to leasing the site which is not within my area at all. That is a separate Treasury decision. From then the decision around it being a good investment for the Fund, I did challenge that at the time. I think also the important thing to recognise is that we do not have ministerial oversight or public oversight over the remainder of the investment of the Fund, so this one is quite an interesting one because it does get that public oversight that potentially other investments are not getting. At the end of the day, I had to seek advice from our investment managers around this being the correct investment for the Fund. I think it is also important to note that this is not the first time that the Fund has been used to buy property because of course it currently does own Philip Le Feuvre House. So, this is not precedent setting. That is not to say that that is what makes it a good investment. I am not the investment manager, and I do have to rely on the investment advice and again, this is one of those areas where myself and the Minister for Treasury and Resources have dual responsibility to ensure that the funds are being invested correctly and appropriately. So, I did give due challenge when the idea was first mooted to me, but I am also conscious that I am not an investment manager and do not have those skills and qualifications and we do need to make sure that we have suitably qualified people making those decisions and giving the right advice.

Deputy J. Renouf:

One of the issues that it raises potentially, and you mentioned Philip Le Feuvre House as well, is the amount of assets being held in Jersey which obviously could be seen as a good thing but if it became overbalanced in terms of Jersey-held assets then the Fund becomes very vulnerable to the Jersey economy. Is that something that you have considered?

The Minister for Social Security:

I am not responsible for the overall balance of the funds and the investments. We pay people that are much more suitably qualified to do that. My understanding is that it is a good thing to balance those investments across Jersey and overseas, but I think the right people to be asked would be the investment managers. Ultimately Treasury are responsible for those investments.

Deputy J. Renouf:

But are you asking them because we are just a scrutiny panel? You are the Minister with responsibility.

The Minister for Social Security:

That is the level of challenge that I do give those Treasury officials as well and I was very keen to ensure that the decision around purchasing the site as that being the right thing for Government was taken differently to the decision as to whether it was the right investment for the Fund. I think it was really important to separate out those 2 decisions and make sure that there was no conflict of interest in relation to those decisions as well.

Deputy J. Renouf:

Were you aware of any risks being identified around that purchase as a fund investment when you raised this with investment officers?

The Minister for Social Security:

I was told that it was a safer investment because we know who the lessee is, as in the Government of Jersey, which is a very good, safe, sure bet if you are leasing out a property. So, that was the assurance I was given with regard to return for the Fund.

[15:00]

Deputy J. Renouf:

It is obviously going to generate some income and that is presumably one of the purposes. That income, is that going to increase in line with inflation? I mean what is the mechanism by which those rent reviews happen given the relationships here or Government wants.

The Minister for Social Security:

I have not yet had sight of any of that documentation. The building is still under the ownership of Dandara so all of those negotiations are still ongoing, and I do not think it would be appropriate for me to comment on that at the moment.

Deputy J. Renouf:

Okay. We may follow up with some written questions on that if that is okay?

The Minister for Social Security:

Yes.

Deputy L.M.C. Doublet:

Thank you. I am going to ask some questions about the Long-Term Care Fund, which some of it is linked to the questions we have already asked about the Health Insurance Fund. The Budget on page 83 states that: "Action will be needed in the next few years to enable the balance of the Long-Term Care Fund to continue to increase" and you have stated in the Budget that you would keep that under careful review in 2025. What does that look like and what actions will be associated with that?

The Minister for Social Security:

I think it does depend on what we get from actuarial reviews and the advice that we get in relation to the Fund. I am conscious that really how we raise funds for Long-Term Care Fund and also social security is linked. Because it is contributions linked is ultimately a decision for the Government and the States Assembly. The States Assembly during last year's Budget debate rejected an amendment to scrap the cap on social security contributions. That was something that I had supported but the Assembly has rejected, so for me, personally, I would like to see the ... I do not want the percentage going up for ordinary, everyday working people but ultimately that is a broader decision for the whole of Government and the Assembly. So, politically my party has taken action to try and resolve that. I think at the moment we need to look balanced given that Assembly decision not to do that. We need to look at other ways in which we can get more funding into the Fund that is ultimately going to be palatable to the community and the Assembly.

Deputy L.M.C. Doublet:

That was going to be my next question whether you were considering proposing an increase in the contribution rate, but you are not considering that across the board, is that right?

The Minister for Social Security:

That is not being considered at the moment.

Deputy L.M.C. Doublet:

Okay, but in terms of ... Assembly decisions aside, I think that was, yes, this current term of office but different makeup of the Assembly. Raising the cap, is that something that you as Minister are considering bringing to Council of Ministers or to the Assembly?

The Minister for Social Security:

That would be something that I would consider bringing into the future.

Deputy J. Renouf:

You mean after the next election or before?

The Minister for Social Security:

It is not under current consideration. I think we need to see where we go following this Government Budget and then looking at where we are heading with Long-Term Care Fund, but it may well end up being something that is an election issue as to how that is done.

Deputy L.M.C. Doublet:

Would you say there is potential for it to be discussed by C.O.M. (Council of Ministers) in perhaps the final year of this term?

The Minister for Social Security:

I think there is always potential for ideas to be taken to the Council of Ministers.

Deputy L.M.C. Doublet:

So watch this space.

Deputy J. Renouf:

Can I ask a question?

Deputy L.M.C. Doublet:

Yes, go on.

Deputy J. Renouf:

Coming at it slightly from the other angle in terms of the Care Fund, is it performing its function as it should for the customer? Are you aware of any problems in terms of the rates not being high enough, of the complexities around the funding formulas and so on? Are there issues to do with the management today of the Fund that you are aware of and addressing?

The Minister for Social Security:

So, we will be briefing the Panel in private around some work currently being done around the domiciliary care aspect of the Fund but if I take away from the technical aspect and talk about how the Fund is working for individuals, I know that the team has done a lot of work around improving the communication on the website and the booklets that are given to people once they have come into the department. What I have asked the team to do is to look at how we can communicate better in the public realm about what the Fund is for, what it does and what is the entry point to the Fund because I think at the moment it is not well understood within the community.

Deputy J. Renouf:

I think there is a lot of confusion.

The Minister for Social Security:

I would agree with you, there is a lot of confusion, and it is my role as Minister to lead on trying to make it more understandable, so I have asked the Communications Team to undertake that piece of work. I think also the co-payment aspect - the ability to co-pay for care - is not necessarily understood by people. So, of course, Long-Term Care can pay for the basic level of care, but care providers may well provide other types of level. People might want to pay for a sea view if they are in residential care, for example, so it is quite complicated the way that it works, and my email inbox very often contains emails from people that are asking questions about long-term care. So, I am keen to get all of that clarified and of course continue to work with both the domiciliary care sector and the care homes as well to ensure that people are getting what they should be getting from the Fund and that it continues to work for people and it works better in fact.

Deputy J. Renouf:

So, that addresses the point of access to the current funding, but the point I have heard, certainly from some care providers, is that the levels are too low for some situations, and I wondered if that question was under review as part of what you were doing next year?

The Minister for Social Security:

We are currently in the process of finalising a piece of work in relation to the domiciliary care markets, so that is where the focus has been to this point in time. So, once we have resolved that and perhaps that will be the time then to look at the residential care market.

Deputy L.M.C. Doublet:

How does that link with the work on the Income Support system? In the Budget you mentioned that that system could be used to support those who are receiving care at home.

The Minister for Social Security:

Sorry, I am just trying to follow the ...

Deputy L.M.C. Doublet:

So, in the Budget it mentions the additional support within the Income Support system.

The Minister for Social Security:

Oh, is that the care needs at home?

Deputy L.M.C. Doublet:

I think so, yes. I think you may have covered some of this already.

The Minister for Social Security:

Yes, so that was a separate piece of work and that is for people who are on a long-term care package and are also income support claimants. What that does is recognise that there are additional costs to having somebody at home who is on a long-term care package, so I was pleased to be able to bring that and be implementing that as Minister. I know that, as with everything, there is always more work to do, and I think aligned to that I am also really pleased that we managed to deliver the wound dressing scheme because that makes a real difference to people. So, I am always keen to look at where there might be gaps in provision that we should be filling.

Deputy L.M.C. Doublet:

Sure, and going back to the care homes, in terms of commissioning care homes, how is that kind of funding allocated by your department?

The Minister for Social Security:

That is quite a technical question, and I think it is ...

Associate Director, Public Policy:

So, Long-Term Care Fund creates a benefit. Benefit goes to individual people. People absolutely have the choice to choose their own care homes and that is where the Minister talks about co-payments. People often choose to go to a care home which has got a slightly higher fee, and they will pay some extra towards it themselves. The Long-Term Care Fund will support most of the costs and you will pay some extra. So, the Customer and Local Services does not commission with care homes in the way that you might see contracts and support purchases in the U.K. (United Kingdom) through local government but I do know that the Health Department is very keen to look at the way in which services are provided in Jersey as a whole and how Government's money is spent on that but the long-term care benefit is a bit different in the sense it is not directly commissioned. Health does some commissioning directly but only in cases which need the most amount of care, unusual ones.

The Minister for Social Security:

That is one important point of clarification is that the money is there for the person. The person has the choice of where to go. Obviously, the care homes then get the payment directly.

Associate Director, Public Policy:

We quite often pay the care homes directly because that is a straightforward ... that removes bureaucracy by ...

Deputy J. Renouf:

It is the Care Commission that licences care homes and allows them to operate and so on.

The Minister for Social Security:

Yes, it is.

Associate Director, Public Policy:

The Care Commission is the regulator, yes.

Deputy L.M.C. Doublet:

Okay, so you mention different levels of need. Where there is a really high level of need, is that covered just by the Long-Term Care Fund or are grants going also to care homes that are providing that kind of care?

Associate Director, Public Policy:

So, the Long-Term Care Scheme has always operated with a floor and a ceiling. So, there is a level of care which you might need a little bit of care, but it is not enough to get in, it is not the entry level. Then there are 4 levels, one, 2, 3, 4 and there is a top level. So, the Long-Term Care Fund will pay

... is it about £1,500 a week, maybe, maximum. So, quite a lot of money but that is absolutely maximum. There would absolutely be a small number of people whose care needs are such that it is £2,000 to £3,000 a week. So, the Long-Term Care Fund is not set up to do that. Health retained some budget to do that. That goes to a special panel who look at the cases one by one, so it is individual cases, individually looked at, yes? So, you would always have to do that, yes.

Deputy L.M.C. Doublet:

That is with the Minister for Health and Social Services, is it?

The Minister for Social Security:

Yes, and this is where ...

Associate Director, Public Policy:

The money sits with the Minister for Health and Social Services, yes.

The Minister for Social Security:

There is a lot of work to do around aligning services so that it can all work seamlessly.

Deputy L.M.C. Doublet:

Yes, how does that work then between your 2 departments and is it working?

Associate Director, Public Policy:

Oh no, that works fine, yes.

The Minister for Social Security:

They work really closely together, yes.

Associate Director, Public Policy:

They have only just told me, so the maximum fee is we pay ... £1,363.95 is the top level at the minute so just under £1,400 per week.

Deputy L.M.C. Doublet:

Okay. So, the grant funding that goes to care homes that provide that higher level of support, is that on an annual basis that they would receive that money?

Associate Director, Public Policy:

You said grant money, so I am not sure, you need to talk to Health about that. So, that is a placement we made by a placement panel on a case-by-case basis. They will negotiate an individual package

with the care home. The person will still get their long-term care benefit, but it will max out at just under £1,400 a week. So, the first £1,400 will be paid for through the long-term care benefit and then the extra, say if there was £2,800, the other £1,400 would be paid by the Health Department.

Deputy L.M.C. Doublet:

Okay. Sure. Do you want to move on to the ...

Deputy J. Renouf:

Yes, social security benefit overpayments. Are you in a position to provide the annual figure for writing off benefit overpayments?

The Minister for Social Security:

Okay, I am just going to get the right figures for you so that I have got ... I do not want to give you the wrong figure, although I am pretty sure it is in my head. So far in 2024, the policy change that I made which was around writing off administrative errors, that has been a write-off of just under £50,000. Just to put that into context, the expenditure to date has been around £60 million so ...

Deputy L.M.C. Doublet:

From overpayments?

The Minister for Social Security:

No, no, the expenditure to date altogether is £60 million.

Deputy J. Renouf:

On payments. On payments.

Deputy L.M.C. Doublet:

Okay, I am back in the room.

The Minister for Social Security:

The expenditure on the writing off of those administrative error overpayments is just under £50,000. I was just putting that into context. I think the really good, positive thing is that the Scrutiny review and then the subsequent work that I have done with the department has really brought this to focus for the department. I am in constant dialogue and I am really pleased with the work that Sophie has been able to do with the department around trying to reduce overpayments as well through ... so, we are hoping to reduce the overpayments by up to about 50 per cent through writing off very small overpayments that may well have arisen because somebody was a day or so late in notifying the department in a change of circumstance because I can imagine if you are changing your

circumstance, such as moving home or moving job, front of mind might not be: "I have got to tell Social Security Department today." So, dealing with those.

[15:15]

Deputy J. Renouf:

Do you not worry that you are creating an incentive for bad behaviour in a sense? You know, by writing that off you are basically saying to people: "Look, do not worry, in a few days, maybe a week, we will not bother."

The Minister for Social Security:

I do not think so. We are certainly not sending that message out to people. The message out there is loud and clear, but I think a very small bit of leeway which then saves us on admin time chasing up those overpayments and also saves on stress for people. That is worth that and my understanding is that that process is working really well within the department but also, we were chatting about this just yesterday, what it means is that the department are now continuously improving their processes, so now because that focus has been taken to look at the overpayment situation where people are thinking differently I think. But, no, the aim is not to drive change in behaviour of people claiming Income Support.

Deputy J. Renouf:

But it is a different category, you have started off writing off payments that were made by administrative error. This is error in this new case you are talking about. This is error by the applicant, in other words they should have let you know and they did not but you are saying we will forget about it.

The Minister for Social Security:

They may have put something in the post and it may have taken a couple of days.

Deputy J. Renouf:

But Revenue, for example, would not take that view.

The Minister for Social Security:

No.

Deputy J. Renouf:

The Tax Office are very unlikely to say ...

The Minister for Social Security:

They may not but I am dealing with people who are on very low incomes who have received an amount of money and certainly in the case of administrative errors. But when we are talking about very, very small days' worth of overpayment the administration involved in kind of processing and chasing those up would have come at a cost as well. Also, what comes at a cost is the mental health side of the cost to the people. When you are living week to week a few pounds that you have to pay back can make a difference.

Deputy J. Renouf:

In cases of overpayment due to administrative errors, what is the cut-off point and dates? How far back did you go in terms of allowing those or was it from the point when you changed the policy?

The Minister for Social Security:

It is from the point at which I changed the policy. I cannot go back and change the policies of previous Ministers. But of course you have been dealing with some of those cases and looking at those. But of course as we are catching these we are able to fix the root cause of the issues in the first place. I am really pleased with the efforts that the department has made in this area but also the results there as well. Because resolving this situation will enable us to resolve what becomes a very stressful situation for low income earners. Then, like I say, the levels of stress and people having stress costs Government money as well.

Deputy J. Renouf:

Of that £50,000 do you know how many people that involved?

The Minister for Social Security:

I am looking to see if I have got the ...

Interim Chief Officer, Customer and Local Services:

Thirty-nine.

The Minister for Social Security:

We have got 39 errors there.

Deputy J. Renouf:

Okay. Was there one jackpot in there? That is facetious, it was not a jackpot, it was an overpayment but you know what I mean.

The Minister for Social Security:

Yes. No, it was not. I would not consider it a jackpot. I think in those circumstances what has happened is if it was an administration error my understanding is that the person would have received a letter telling them that they were entitled to something. They would have received that money into their account. They would not have known that they had received more than they should have received. I would not want to go into whether there has been any particularly large because I think that that would go into an individual case ...

Deputy J. Renouf:

Right, understood. You say it is driving improved behaviour within the department, has it led to identification of sort of outdated I.T. (information technology) systems or sort of functional systems that are just not working as well as they should?

The Minister for Social Security:

We already know that our I.T. system is outdated and is well overdue replacement. I am pleased that work is well underway to replace that system. No, it is not necessarily the systems. It might well be processes. I want to be careful around this because I think the department staff have always worked incredibly hard to do the right thing. I do want to make that point as well. But it is the moral thing about going back to somebody who is on a low income, is living week to week, has received money that they thought they were due because they may well have received correspondence telling them that they were. They have spent that money in good faith and to give them a bill off the back of that I think is fundamentally wrong and that is what has been stopped.

Deputy J. Renouf:

Was there a cut off in terms of total amount, a point where you would say that was an error? But it is such a big sum of money that we cannot let that go through. Was there some threshold?

The Minister for Social Security:

No, we have not put a threshold in place and I would hope that errors are being identified in a swift enough manner that they are keeping it at a low enough level. But, again, it is around keeping that focus and saying this is where we need it to improve; the department has improved. I think that is a good news story.

Deputy J. Renouf:

Just a final question, you say it is improved, is that borne out by the data showing that there was more repayments due to administrative error at the beginning of the period and there are now lower repayments due to administrative error, now we are 7 or 8 months in?

The Minister for Social Security:

I think it is from what I am hearing directly from the department about changes that are being made to processes because errors are being spotted. I do not know if you want to add anything to that, Sophie.

Interim Chief Officer, Customer and Local Services:

Yes. Previously this was not something that we measured, so it would have been hard to have given a figure for sort of in historical years about reasons for write-offs. We wrote off but we can easily report on the category of that. It is not so much about the numbers but I think certainly from a cultural perspective in the department whenever there is a ... all write-offs due to administrative error are looked at, at a senior level, but also then it is looking at from a learnings perspective. This is not about a kind of: "Mr White, something has happened" but looking at, right, how could we reduce this risk going forward? Are there elements that we need to bring into our training? We have a really comprehensive training programme within income support and we also have refresher training. It is looking at opportunities to be able say, okay, what has happened has happened but how can we bring things in to reduce that? I think that is something that, as a department, we are very on board with really trying to minimise this, both for the individuals concerned but obviously from a budgetary perspective as well.

Deputy L.M.C. Doublet:

Will you report annually on the total amount of overpayments?

The Minister for Social Security:

I would hope by the time we get our new system as well we will resolve the issue. I am happy to report. Is it important? I think what is also important to clarify is while that is a change in policy, it is not the first time that some overpayments have been written off by the department. They would have written off some overpayments in the past in extenuating circumstances. I just wanted to make that point that it is not an entirely new thing.

Deputy L.M.C. Doublet:

Thank you. Minister, I am going to ask you some questions about the compensation awards scheme. You will be aware of course that in June the Employment Forum presented a report to you with some recommendations and the panel have noted also your report in response where you have accepted all of those recommendations, which I think was in August. I am going to ask some questions about some of those specific recommendations. First of all, the increase in the maximum compensation limit from 4 weeks' pay to, I think, 8 weeks' pay or there is some other flexibility, is there not?

Associate Director, Public Policy:

Eight weeks' pay, yes, yes.

Deputy L.M.C. Doublet:

Could you talk about why you decided to accept that particular recommendation?

The Minister for Social Security:

I think with that and all of the recommendations coming from the Employment Forum, there was a clear rationale. They had done their work to engage with stakeholders from both employer and employee sides. When I met with the Chair of the Employment Forum I was content that they had taken a measured approach. I may well have wanted them to go further in some instances but I think in accepting the recommendations of the Employment Forum I am acknowledging the fact that they have done that piece of work. I was satisfied when I spoke through all of the recommendations with the Chair that the right amount of due diligence and the right balance had been struck at this point in time.

Deputy L.M.C. Doublet:

Do you think that there is a potential in future to increase that or indeed is there anything that would link it to R.P.I (Retail Price Index) or average wage increase any of that?

The Minister for Social Security:

I think the thing is what we cannot get into a situation of is where levels kind of stagnate, that they are not worth ... I think the maximum level for the discrimination breaches was very superficial really. Raising it for me is quite important as a deterrent because you hoped that employers will not be breaching the discrimination legislation. But I think when it comes to what you are saying around further reviews and increasing, I think that it is important to be revisiting that on a regular basis, although that is not a conversation I have had with the officers so far, so I will; that is the important ...

Associate Director, Public Policy:

There will always be drafts in the minute and there are 2 types of payments that we are talking about. One is a payment related to your normal weekly wage. That one is fine, you can say 4 weeks, it is 4 weeks today or 4 weeks in 10 years' time it will still mean 4 weeks' worth of pay. That was a nice easy one and that has gone up from 4 to 8 weeks. A bigger range to work within, lots of times, the award is not 4 weeks, it might be 2 or 3 weeks but now it can go anything from nought up to 8 weeks, so that gives you lots of room for manoeuvre for the tribunal. The second one is where there is monetary limits. We see the law drafting, you will be pleased to know that.

The Minister for Social Security:

Yes. No, that is fine, yes, and I can see it, yes.

Associate Director, Public Policy:

In the law it is going to say, subject to States approval, that the Minister has now an obligation to review the monetary values every 3 years. It does not say putting up on R.P.I., it says review them in 3 years. That gives you room for manoeuvre again, it is what people think at the time is the right thing to do, so that is the current ...

The Minister for Social Security:

In that case I do not need to instigate that discussion because when I say the law drafting ...

Deputy J. Renouf:

Anticipated you ...

Deputy L.M.C. Doublet:

Thank you. There are some legislative amendments required, what is your timeline for implementing those?

The Minister for Social Security:

We are on it right now, so ...

Associate Director, Public Policy:

Yes, yes, the law drafting, the statute, it has been done. I say that there is always little bits and bobs, kind of like the tidy-up bits. It is primary law, so it needs human rights review. But, hopefully, you will be able to lodge it soon, within a matter of weeks.

Deputy L.M.C. Doublet:

Okay, so before the end of the year.

Associate Director, Public Policy:

Yes, yes, yes.

The Minister for Social Security:

That was the aim, yes. Where we can get things done quickly we are.

Deputy L.M.C. Doublet:

Yes, I can see that. Thank you. In terms of assessing the impact of the new compensation limits, what is your plan for ensuring that it is at the right level?

The Minister for Social Security:

I think that is what we going to have to remain in consultation as well with J.A.C.S. (Jersey Advisory and Conciliatory Service) and the Tribunal Service around to see what the effects of these changes are and ...

Deputy L.M.C. Doublet:

Do you consult with unions as well as J.A.C.S.?

The Minister for Social Security:

I do consult with the unions as well. Obviously the Employment Forum itself consults broadly and I did promise when I was a Minister that I would consult directly with the unions and employer representatives as well. There is a good piece of work that the Employment Forum did. They are currently working on the piece of work that needs to be done to inform the whistleblowing legislation that the Assembly passed in principle last year, I think it is now. Yes, they are being kept busy, despite not having to consult on the minimum wage this year.

Deputy L.M.C. Doublet:

The tribunal system, do you agree that it has been under-utilised in the past and what of these new measures do you think will most increase accessibility of the system to people seeking fairness and ...

The Minister for Social Security:

Yes, it is interesting because these measures are not really about accessibility. But I think that there is work to be done to ensure people know their rights and know that they have the right of recourse through tribunals.

Deputy L.M.C. Doublet:

Is there anything about the comms and communicating that in there? I do not think there really was, was there?

The Minister for Social Security:

J.A.C.S. will do a lot of communication outwards to both employers and employees about employee rights and employer obligations. Of course the trade unions will be ... and I would, as a trade unionist, always say you are always better being a member of a trade union.

[15:30]

Deputy L.M.C. Doublet:

I would agree with you there.

The Minister for Social Security:

The tribunal process can be testing and I think it is always useful to have an expert by your side going through that process. But to come back to your point about accessibility, I am quite ...

Deputy L.M.C. Doublet:

Or just awareness I think initially.

The Minister for Social Security:

Yes, an awareness, yes. I am quite happy to take that back and have conversations with J.A.C.S. and the Tribunal Service about how we can ensure that we are doing what we can from a Government level about raising and increasing awareness about the right of recourse through the Tribunal Service. I know one of the areas that one of the unions was not best pleased with me about was not increasing the time limits.

Deputy L.M.C. Doublet:

That is one of my next questions.

The Minister for Social Security:

Yes, and that is in my manifesto as well. I decided in this instance to take the Employment Forum's recommendations and I had a discussion with them about this because on balance they were saying that doing that might have a negative consequence, as well as a positive consequence, in terms of encouraging employers to elongate their processes. I would need to do some more thinking and more work if I was going to make that change. But I do know that some union representatives feel very strongly that they should be extended.

Deputy L.M.C. Doublet:

Yes, I am aware.

The Minister for Social Security:

I am alive to that but obviously it seemed most sensible and quicker to accept the Employment Forum's recommendations, get on with that because I think it is getting good things done.

Deputy L.M.C. Doublet:

Yes, sure. Just going back to the awareness, do you think that enough people who are in employment know about these rights? I know that J.A.C.S. do a wonderful job but do you think

that perhaps Social Security itself has a role to play? Are there touch points where businesses are interacting with your department that you could communicate these rights to them or place an obligation on employers to communicate their rights?

The Minister for Social Security:

Funny enough I was thinking about exactly this the other day but I have not had the conversation with officers yet. I was thinking around what role do we have as Government to put out information and details around employment law rights? We have got lots of social media within Government, so that was the type of thing that I was thinking does need to be done.

Deputy L.M.C. Doublet:

Will you let us know how your plans evolve for that, please?

The Minister for Social Security:

I will do, yes, yes.

Deputy L.M.C. Doublet:

Thank you.

The Minister for Social Security:

I think it is incredibly important that people know what their rights are.

Deputy L.M.C. Doublet:

Yes, okay, thank you. In terms of one of the other recommendations, the tribunal recommended that judgments should be anonymised. How will this be of benefit to potential claimants?

The Minister for Social Security:

I am just trying to get my head space into that. I think because of the course the tribunal judgments, they go online on their website, they are really easy to look up. Potentially that then opens up claimants if they are then looking for other employment. I do not think employers should ...

Deputy L.M.C. Doublet:

Disincentive, is it not? Yes.

The Minister for Social Security:

Yes. Jersey is a small community as well, so the anonymization was seen as a really important thing to be able to do so that it protects people who are bringing claims into the future.

Deputy L.M.C. Doublet:

Yes, and as a ...

Associate Director, Public Policy:

Sorry, just to be very clear, the law drafting at the minute is around the monetary awards and one other small thing. Then the work on anonymization and some other things and tribunal rules is going to go next year.

The Minister for Social Security:

That is more complicated.

Deputy L.M.C. Doublet:

I see, okay.

Associate Director, Public Policy:

We did not want to hold up the increase in the money because that is a more straightforward thing to do. But the other things will be linked with - probably depending on resources and everything - a more thorough review of the tribunal rules. They talk about access to the tribunal and stuff like that. Jersey will pass another project next year, subject to everything being ... they have to fit into the plan.

The Minister for Social Security:

Would you like a brief ...

Deputy L.M.C. Doublet:

Thank you. Could we have it in writing for each of these items?

The Minister for Social Security:

Yes.

Deputy L.M.C. Doublet:

Your timeframe for implementing them; that would help us to keep track. Thank you. What kind of increase are you anticipating in terms of people accessing the service as a result of these changes?

The Minister for Social Security:

I think this comes down to that communication piece because I do not think the changes themselves lead to an increase. I think that there is other work that then needs to be done to ensure that people understand. Once that anonymization is complete, yes, that is the case now. But also that piece on communicating rights and working with all of the relevant stakeholders around that I think is really key to that increase. I have not got it in my head what the increase might look like because I think that is linked to other pieces of work.

Deputy L.M.C. Doublet:

Yes, okay. Okay, thank you. Do you have any ...

The Minister for Social Security:

Of course I would hope that employers are doing their best to be good employers in an ideal world.

Deputy L.M.C. Doublet:

Yes, we would all hope that I think.

Deputy J. Renouf:

It was suggested that tribunal fees be introduced, are you worried that that might reduce access?

The Minister for Social Security:

I am just trying to remember, that was in a case of where there might have been a vexatious ...

Deputy L.M.C. Doublet:

Covering their costs, yes.

The Minister for Social Security:

Yes, a vexatious ...

Deputy J. Renouf:

Okay, so we just have a limited ...

The Minister for Social Security:

Yes, and I think the bar for the tribunal deciding that something was a vexatious claim would be ...

Deputy J. Renouf:

Okay, understood.

Deputy L.M.C. Doublet:

Yes, yes, okay.

Deputy J. Renouf:

Discrimination Law, I think from what we have considered from previous course of the hearings, has been paused due to work on other legislative work streams. Can you update us on where you are with that and when, if at all, you expect it to restart?

The Minister for Social Security:

At the moment the employment legislation is taking kind of the priority piece of work. There was not any plans at the moment to have those changes to Discrimination Law. I think at the last hearing I said that I would undertake to find out from J.A.C.S. because we were talking about religious belief. J.A.C.S. have come back and said that they are not getting any inquiries related to religious belief. At the moment there does not appear to be a compelling reason to bring that forward before all of the changes to the Employment Law that we have just discussed. But of course as I said in the last hearing, if an issue becomes apparent I am always happy to kind of look at what we need to shift priorities wise.

Deputy L.M.C. Doublet:

Yes, just picking up on the potential for religion and belief to be a protected characteristic, we see the Discrimination Law also covers provision of goods and services. How would you establish whether there was a problem in that area, as opposed to employment?

The Minister for Social Security:

I think this is why that a change to the Discrimination Law would be a significant piece of work that would then require significant consultation as well. That is why at the moment that focus is on that work that we need to do with regard to the Employment Law. Getting that done, not taking too much on at the same time, that we then do not deliver anything, so that is the reason. I have been quite realistic around where we are and the workloads. Going back to our conversation earlier around J.A.C.S. and resources, I have to be realistic about what we can do but also the budgetary constraints within Government as a whole and not implementing too much too quickly all at the same time.

Deputy J. Renouf:

Do you have any sense of whether you will get this done in this term of office?

The Minister for Social Security:

At the moment it is not on the Ministerial Plan. Obviously once we put out the business plan as well, I do not think it will be on there because we are not saying it is an issue. There are other

things that are issues that need to be resolved, that need to take precedence at the moment. But, as I said to the panel last time, if you are aware of reasons why it should be brought forward, I am more than happy to hear that.

Deputy L.M.C. Doublet:

I wanted to ask about another characteristic that I am not sure if you were considering it or not but other jurisdictions have it and that is carer status. You mentioned that J.A.C.S. were not aware of any problems in employment in terms of religion and belief. But when I looked at the J.A.C.S. statistics I think it is fair to say that carer status is something that leads people to experience considerable discrimination in the workplace and especially given that we have the equal parental rights. Can you comment on that and whether that is something you could address?

The Minister for Social Security:

I think there is lots of work that we need to do around carers in terms of parents and informal carers as well; that does need to be across Government work. I did bump into Deputy Barbara Ward, who is the Assistant Minister for Health and Social Services who I know this is one of her key areas of interest, this morning. I did say to her this morning I will get together with her to discuss how we can better support informal carers into the future as well. I am happy with the employment legislation in terms of flexible working but I know that there is other things that could be done within employment legislation that may provide greater protection and flexibility to carers. But it is around getting that into the work programme and work stream and the realistic nature of being able to implement it. Because I am always conscious that we do not have statutory sick leave in the legislation. To my mind it would seem appropriate that when that is handled we look at whether there is carers' leave at the same time. At the moment we are in the middle of raising the minimum wage by working with employers to ensure that we are able to do that in a sustainable way. I think it would be difficult for employers if I started then implementing statutory leave at the same or a similar time. I do need to take care in balancing how we approach that. But there may well be softer things that we can do within Government that do not require legislative change that also provide more support to carers as well.

Deputy J. Renouf:

I am interested, you have said very clearly that the Discrimination Law is on the backburner for reasons which you have clearly put out there. But the things that have moved into the priority phase, are there things there that we have not talked about here that are moving into viewers' priorities in the next year?

The Minister for Social Security:

We have covered quite a lot of ground, so I am trying to remember what some ... I should have printed out the spreadsheets. One that comes to mind immediately, we are currently looking at income support, so some of the policies around our implementation of income support. Once the officer has kind of completed that work then we will be picking up on the Long-Term Incapacity Allowance at the moment. The way of being assessed for that is quite complex, it is out of date and it needs updating. That is the kind of next key area to pick up as well but we have not discussed as yet today. I think that is really important because it does affect a lot of people. That also aligns with some of the work that we are doing with the disability strategy as well. I am also chairing the Disability Strategy Advisory Group [sic]¹. I think it is really important that me, as Minister, is chairing that group and the sector seems to be responding well to that. We have been in the process of basically prioritising work that needs to be undertaken. The team there, they have been working really, really closely with the team at I.H.E. (Infrastructure, Housing and Environment) on the accessibility of disabled parking spaces. They are also going to be doing some work around inclusion, I think it is inclusion champions in all schools. Some really important work that is happening in that area as well, which would be great to brief the Scrutiny Panel on in more detail at another time. Just the free G.P. visits for students is in the middle of implementation at the moment. That is really important for me to be able to implement because that was a States decision as well. I am just trying to think what else I may have missed. Can you think of anything, Sue or Sophie?

Deputy J. Renouf:

It sounds like a fairly full programme.

[15:45]

Deputy L.M.C. Doublet:

Something that you mentioned about flexible working earlier, I know that there are campaigns in other jurisdictions to make all employment contracts flexible by default rather than employees having to apply for that flexibility. Can you give your views on that as a policy?

The Minister for Social Security:

That is not something I have given any thought to. Because I think there would be risks and benefits to that, so I would need to go through that. What I would want to avoid is risking putting people into more precarious work situations by taking steps that are too far within the Employment Law. I think there is always a balance with the Employment Law to ensure that we have got the right protections in place but also we do not go so far that we run the risk of putting people into insecure employment. Yes, but I am always open to new ideas.

¹ Disability and Inclusion Advisory Group

Deputy L.M.C. Doublet:

Yes, okay, well we are a little bit early, which is unusual. Thank you for being succinct and clear with your answers and all the information that you have shared with us today. It sounds like you do have a very packed agenda and there are lots of things being delivered and being planned to be delivered. We will send a few questions that we would prefer to have in writing, so we will send that on.

The Minister for Social Security:

That is great.

Deputy J. Renouf:

Technical sort of nature.

Deputy L.M.C. Doublet:

Yes, and follow up on some of the things that we have asked for as well in the hearing. Yes, thank you for your time.

The Minister for Social Security:

Thank you.

Deputy L.M.C. Doublet:

We wish you luck with your policies.

The Minister for Social Security:

Thank you.

Deputy L.M.C. Doublet:

Is there anything you would like to add before ...

The Minister for Social Security:

No, I think we have covered quite a lot today.

Deputy L.M.C. Doublet:

Okay. We will close the hearing. Thank you very much everyone.

[15:46]