

STATES OF JERSEY



COLD WEATHER PAYMENTS: AMENDMENT TO INCOME SUPPORT (P.4/2011) – COMMENTS

**Presented to the States on 14th February 2011
by the Council of Ministers**

STATES GREFFE

COMMENTS

The Council of Ministers does not support this proposition.

The Council has concerns that this is not the most efficient direction of limited resources to assist those most in need of support in our society. If the group targeted by the proposition was amongst the least well-off, or the most vulnerable, in our society then they would already be in receipt of Income Support.

Significant work has already been undertaken over a number of years to support those in need of assistance in the current economic climate. This has resulted in a number of initiatives which already provide targeted help to specific groups, for example –

- Households with one or more members over 65 have been specifically targeted with the energy efficiency scheme, to provide free household insulation. This is available to any household on the 65 plus health scheme – the qualifying conditions are that the household does not pay income tax and has only limited capital assets, excluding main residence (£20,000 for a single person, £30,000 for a couple). This reduces heating costs for the household and provides long-term benefits to the community.
- Individuals aged over 63 currently benefit from higher tax thresholds. (Single – £14,270 compared to £12,790 for working age; couples – £23,480 compared to £20,510 for working age).
- The Food Costs Bonus (incorporating the GST bonus) is available to households who do not have a tax liability. As the tax threshold is higher for those over 63, a pensioner household with a higher income will qualify for the bonus compared to a working age family.
- Other States funded benefits for pensioners include –
 - 65 plus health scheme – assistance with dental, optical and chiropody costs, subject to income and assets test (funded by the Social Security Department(SSD))
 - Television licence benefit – television licence paid for those aged 75 plus, subject to income test (funded by SSD)
 - Free public transport (funded by TTS)
 - Subsidised sporting and exercise facilities (funded by ESC).

The Council believes the following points are also relevant to consideration of Senator Le Gresley's proposition –

- The cold weather payment is made to a household, rather than an individual and is paid at a standard rate. Pensioner households are, on average, smaller than non pensioner households and so will typically have smaller buildings to heat.
- It is vital that the Social Security Department prioritises the most vulnerable households. Households that have an income above the income support level have less need of assistance compared to the many households that currently rely on income support payments to help meet their basic living costs.

The Council also considers that this is not an appropriate time to be bringing forward such a proposal. Whilst it is commendable that the Senator has proposed a compensating reduction in another department's cash limit, to consider such a change in isolation means that the overall expenditure position of the States is not taken into account. This may not be the most appropriate targeting of assistance, as suggested above.

The 2012 Business Plan would be a more appropriate time to consider this alongside all other proposals, and the Council of Ministers and States Assembly could take an overall view. This would also give the Senator the opportunity to discuss his proposal with the Minister for Social Security if he so wishes, revise his estimate of costs and generate a more well-informed debate. The Council of Ministers has some concerns that the estimated costs included by the Senator in his proposition may be understated. Indeed, the cost of this benefit will no doubt increase over time because of an increasing proportion of the population being over pensionable age.

The Council of Ministers urges States Members to reject this proposition on the basis that it does not represent best targeting of scarce resources and that its timing is inappropriate.