

STATEMENT ON A MATTER OF OFFICIAL RESPONSIBILITY

The Bailiff:

The first matter for the Assembly I think is a statement which was deferred from yesterday to be made by the Minister for Social Security regarding the costs of long-term care, so I invite the Minister to make the statement.

1. The Minister for Social Security - statement regarding meeting the costs of long-term care

1.1 Senator F. du H. Le Gresley (The Minister for Social Security):

In July 2011 I was one of 49 States Members who unanimously approved a new long-term care law. The debate on the law was a culmination of a comprehensive consultation programme, including the publication of Green and White Papers, considerable public support, and pressure from the Health, Social Security, and Housing Scrutiny Panel of the day. The principles of the law were clear: to collect money from both working age and pensioner contributors to be paid into a new ring-fenced fund and to use that money to help adults of all ages to pay for long-term care. In particular, to encourage the growth of care services in the community, the new benefit will be available to people receiving care in their own homes, as well as those living in a care home. Experts predict that between 2010 and 2040 there will be a 95 per cent increase in the number of residents aged over 65. The costs of long-term care will continue to rise over the next 40 years. As politicians we have a duty to put in place long-term policies that will benefit not just the current generation but will also stand up to scrutiny by the next generation. Towards the end of November 2011 I became the Minister responsible for this new law. I asked my officers to thoroughly review all aspects of the law and its proposed implementation. In particular I believe that it is vital that any new scheme that requires contributions from members of the public should be based on firm financial principles and be sustainable into the future. This point was raised by a number of Members in the States debate and the plan was always that further analysis was to be carried out on the financial aspects of the scheme. Over the last few months my understanding of the detail surrounding the provision of long-term care has deepened. I have been a member of the Ministerial oversight group looking at the Health and Social Services White Paper, *Caring For Each Other, Caring For Ourselves*. I remain a firm believer in the aims of the proposed law, however, it is vital that when this new law is implemented the benefit it provides for older people is balanced against the costs it imposes on younger people. The impact must be fair both across generations and between rich and poorer Islanders. In order to ensure that we have the best scheme for Jersey and that we work out all the details in advance, I have asked my officers to aim for implementation during 2014 rather than 2013. This timescale will also allow my department to work closely with the Income Tax Department to fully explore the possibility of contributions being collected using existing income tax methods in order to streamline administration and to allow contributions to be collected from both earned and unearned income. While the detail of the new long-term care scheme is being finalised the existing arrangements for funding long-term care will continue. At the end of March this year my department was supporting 547 individuals with their care costs. I would urge anyone worried about meeting the cost of care fees to contact the Income Support Residential Care Team at the department. Thank you.

1.1.1 Senator A. Breckon:

The Minister has said in his statement, final paragraph: “While the detail of the new long-term care scheme is being finalised the existing arrangements for funding long-term care will continue. At the end of March this year my department was supporting 547 individuals with their costs.” Can he tell this Assembly how much money it will cost the department by delaying this nearly 2 years.

Senator F. du H. Le Gresley:

The budget for residential care under income support for 2012 is £17.7 million.

1.1.2 Connétable P.J. Rondel of St. John:

Given that the Minister is mentioning ring-fenced funds, are they going to be ring-fenced as well as those which recently have been raided by £12 million over the last 2 years? Will the Minister confirm that these will be properly ring-fenced and that the Treasury or Health or any other department will not be able to get their hands on the money at any time in the future?

Senator F. du H. Le Gresley:

A ring-fenced fund means a ring-fenced fund in my opinion and this money will be available for payments for long-term care, both in care homes and people who need care in their own homes.

The Connétable of St. John:

A supplementary on that?

The Bailiff:

Well I think we only have 10 minutes and a number ...

The Connétable of St. John:

Well it does follow straight on to that.

The Bailiff:

I think we will move on. You can come back if we have time.

1.1.3 Deputy G.P. Southern of St. Helier:

Whereas most people in the Island trust the Social Security Department to maintain the ring-fence around contributions, mixing up with the tax collecting system would seem to suggest to many that this money may end up in general taxation reserves. Will the Minister consider carefully the advantages of using the social security system and not joining in with general tax collection?

Senator F. du H. Le Gresley:

The answer to the Deputy's question - and this is something I am sure he would support - is that by using the tax system the collection of the contributions will be far more progressive than using the Social Security method of collecting contributions because it will be based on all income and there is a strong possibility that we will use the current income tax thresholds to exempt certain groups, low income groups and pensioners, from paying the contribution. But the contribution will be kept completely separately and the money paid across to the Social Security Department for the new long-term care fund.

1.1.4 Deputy M.R. Higgins of St. Helier:

The Minister in his statement mentions: "In the last few months my understanding of the details surrounding the provision of long-term care has deepened." I would ask the Minister, will he allow the background papers - not policy papers but the background papers - giving the information that is increasing his understanding? Will he release it to States Members so we can increase our understanding of it?

Senator F. du H. Le Gresley:

In answer to the Deputy's question there are no papers other than the research that was done for the Health and Social Services White Paper by KPMG. Those are the documents I am referring to when I talk in terms of my understanding of the fact that we will be rolling-out more care in

the community, and particularly end-of-life care which has been trialled by the family nursing and home care. This is another service that would be able to be funded through the new long-term care benefit.

1.1.5 Deputy M.R. Higgins:

Will the Minister give us the specific references in those documents that concerned him and provide us with the information?

Senator F. du H. Le Gresley:

I am always happy to refer Members to stuff that I have read but I will have to read the whole document again to comply with that request.

1.1.6 Deputy J.G. Reed of St. Ouen:

First of all I am extremely disappointed that the Minister informs that there will be a delay in the implementation of the new law that was agreed last year. Furthermore, I am equally concerned that the Minister is now choosing to look at a different sort of fund to support the delivery of the law when decisions were already made and large consultations took place which identified that the contributions through the social security mechanism would be the most appropriate way forward to cover all areas, including pensioners. Can the Minister explain whether or not he is proposing to review the current law as it stands which identifies the source of funding and how long-term care should be provided?

Senator F. du H. Le Gresley:

The law made it quite clear that it was an enabling law in that regulations would have to be brought back to the States as to how the collections of contributions would be made, *et cetera*, so all of these things were to come back to the States and will come back to the States in regulations. I would just express surprise that the Deputy, who is very quick to pick up on Minister's not planning for the future and looking at costs, this is exactly what I am doing and I would have thought he would welcome that.

[9:45]

1.1.7 Deputy R.G. Le Hérissier of St. Saviour:

Would the Minister explain whether this new principle he has introduced of moving away from a simple insurance system to one of differential contributions is going to be applied across the social security system, and how did Guernsey introduce this in such a simple, quick way several years ago and we have stalled it for nearly 10 years?

Senator F. du H. Le Gresley:

There are a lot of questions there. As I know you wish me to be, I will be brief. Yes, the Deputy is correct, Guernsey started their scheme in 2003. I have to point out that Guernsey's scheme does not cover care provided by the States of Guernsey in their own homes, nor does it cover care in your own private home. Our scheme will be far more comprehensive and I still maintain that it is correct that we should look at how we collect this money because - in reference to the previous speaker's question - how would we collect a contribution from a pensioner when we have no idea of their income. We would have to use the tax system and, therefore, that is why this is the way forward.

1.1.8 Deputy T.M. Pitman of St. Helier:

My concern is much as the last speaker. I think what the danger is here is we forget underneath this all is people and with the huge difference in suffering in people who have maybe sacrificed all their lives and some people who have not sacrificed. We thought this was going to come in

and my real concern is with what the Senator said about “aim for 2014”. What assurances can he give that we are going to have a firm date?

Senator F. du H. Le Gresley:

I do not like delay and I would have liked to have achieved this next year but it is important - as I keep stressing - that we get this right and I am sure the Deputy would not want to place a burden on low income people at the current time when their hours and their rates of pay are reducing to impose effectively a new contribution to pay for long-term care at a time when they are struggling. Now, that is not the only reason but because I want to, if possible, exempt those on low incomes - this is the right way forward. This is the best way to make sure we have a fair system and that the first recipients also pay significant amounts towards the care which they will be the first beneficiaries of.

1.1.9 Deputy J.A. Martin of St. Helier:

It is really along the same lines, Guernsey have been doing it for 10 years. We did a Scrutiny Report with Professor Forder, who I know has been advising the department, in 2006 and the line that this must balance against the cost of those imposed on younger people and older people and rich and poor; what we have not got at the moment is a pot of any sort and this was promised last year, this year and next year, now again it is due in 2014. If anybody thinks the problem is not already out there, I cannot understand. There is only about 3 or 4 ways to skin this cat and the Minister has been advised by a very, very high professional how to do it. Now, why are they still stalling? I am Assistant Minister, I sit on the oversight group and I ...

The Bailiff:

Ask your question, Deputy.

Deputy J.A. Martin:

Okay, and I did not know about this.

Senator F. du H. Le Gresley:

At the risk of repeating myself, we are not stalling. We are making sure that we create a system that will stand up to scrutiny from not just people who will be the first beneficiaries but our future generations who will look back and say this Assembly did not make the right decisions because we did not look into it carefully. I should also remind Members that we now have an upper earnings limit of £150,000 and it would be my intention that these contributions would be collected up to the upper earnings limit. This is something new that came in this year and so, therefore, we have to take all these things into consideration.

Deputy J.A. Martin:

A supplementary ...

The Bailiff:

I am sorry, Deputy, time has run out.

The Connétable of St. John:

Could I ask the review committee of Government to look at question time so it is meaningful because if we cannot get supplementaries on something like this it is absolutely ludicrous. We are all wasting our time.

The Bailiff:

Just to be clear, Deputy, the difficulty is with 10 minutes one has to strike a balance between supplementaries and Members who wish to ask questions