

23.01.17

7 Deputy R.J. Ward of the Minister for Social Security regarding income poverty (OQ.7/2023):

Will the Minister provide details of the advice and assistance available to pensioners who, although they may be homeowners, have an income that is leading to a level of income poverty?

Deputy E. Millar (The Minister for Social Security):

I would like to thank the Deputy for his question and for giving me the opportunity to discuss some of the services we offer to support pensioner households. It is important that pensioner homeowners understand that they can receive help from income support if they are on a low income. We do try to communicate our benefits but some pensioners may still not be aware that there are benefits available to them. Everyone in Jersey who receives an old age pension receives a pension statement at this time of year and the letter always includes a leaflet setting out all of the benefits available to lower-income pensioners. These include help with heating costs, a Christmas bonus, help with dental, optical and chiropody costs through the Pension Plus Scheme, low cost G.P. (general practitioner) visits and the Community Costs Bonus. For those over 75, free T.V. (television) licences are also available. A specialist Pensions and Care team at Customer and Local Services has been established to help pensioners and the team can also give details of other forms of support and signpost to services in the voluntary sector. The Closer to Home team also provides support across the Island through regular services and community events. Most recently the new Older Persons Living Forum has just been set up to make sure that the views and needs of older people are understood by Government. That forum held its first meeting towards the end of last year and will meet, going forward, every 2 months.

4.7.1 Deputy R.J. Ward:

I thank the Minister and just to say that this is a question that came from a constituent, as does the other one from a constituency drop-in, so it is a really important issue. I feel reassured by the Minister that there is information there. Can I ask the Minister, is she certain that those of pensionable age who perhaps do not get a full pension but are homeowners are aware that they may be entitled to more? Because I think sometimes there is a belief that we do not count in that system. I am wondering if there is anything else that can be done in those terms.

Deputy E. Millar:

I agree with the Deputy there may be some, that there may be pensioners who are not aware that they may qualify for income support. I would ask everybody here to make sure that where they have constituents they let them know that there may be help available to them. As I say, we certainly go out once a year with the leaflet and we do have other forms of mechanism. I would urge any pensioner who may be listening in if they are struggling, if they do contact C.L.S. (Customer and Local Services), the Pensions and Care team. For example, an Islander emailed me last week, I think, asking about extension of Pension Plus. I suggested she spoke to the team. They have already established that a free T.V. licence will be available and that they may very well qualify for some form of support through the impairment component. I think everybody just needs to be aware and we are doing everything we can to make sure that is publicised. I think we also do have a slight ... not a slight issue but I think we are talking about a generation who are sometimes very reluctant to ask for help that is available to them. Really everything we can or do to get that message to our constituents and across the Island through all the events we have, then the better.

4.7.2 Deputy M. Tadier:

Notwithstanding the Minister's good words there, I think there is a risk we are talking at cross-purposes here and also that she may be offering false hope. I think what this question is very much about is somebody who is perhaps classically called asset-rich, cash-poor, so they may own their own home but they just do not have any income, so that might include not having a pension. Is it not the case that somebody in that situation, apart from some fringe benefits, which I am sure are important to most pensioners, is in a situation where they cannot get any meaningful benefits because they will be told you have an asset which is worth many hundreds of thousands of pounds?

[11:30]

The advice, presumably, is sell your house so that you can afford to live and rent for as long as you need to. Then if and when that money is exhausted, provided you have spent it in a non-profligate way, we will then consider giving you income support at some distant time in the future? Is that not the current advice in a situation that we are really talking about here?

Deputy E. Millar:

I am disappointed with that question because I do not believe that is the case. I do not believe if a pensioner who has no income but has a home and goes to C.L.S., they will be told to sell their home. There are many things a pensioner can do in terms of developing or generating funds through using the property but I do not believe we push people to that. As I have said, homeowners will be supported by income support if they are on low income and all of those other benefits are available. I have asked my team more recently to look at the disregards. I think the issue that the home is not taken into account as in the asset disregards, that the disregard at the moment is for savings of £30,000 and that is what cuts people out of income support and some of the other benefits. I have already asked my team to bring me proposals regarding increasing the savings disregards, both for Pension Plus and income support. But I certainly do not believe that pensioners with low income are being told to sell their homes if they go to C.L.S.

4.7.3 Deputy M. Tadier:

I would disagree with that and that is not necessarily a criticism. Because I think the current policy is that if you have an asset that is worth a certain amount, if you have a house which is worth £700,000 that is treated the same as if you have £700,000 in the bank account and of course somebody with that kind of money is not going to be given access to income support. It is interesting that the Minister is pursuing a different line of policy to ...

The Bailiff:

Deputy, you know this has to come to a question.

Deputy M. Tadier:

It is a question, Sir.

The Bailiff:

All right.

Deputy M. Tadier:

I thank your indulgence and I know that we are allowing more time for questions. The question is: could she perhaps consult more widely? If it is the intention to take into account somebody's home and disregard that, I think that is a fundamental shift which will be highly controversial in the Assembly and in the wider community.

Deputy E. Millar:

I think the Deputy has just not listened to my answer. What I have just said is that the home is not taken into account with income support. We look at savings, which is cash in the bank. We do not monetise the home; if the Deputy would like to provide me some hard evidence of that. It seems to me that he is speculating and assuming that if someone with a property goes and asks for help when they have no income and no savings, they will not be supported. I do not believe that is the case and the value of the home is not taken into account. I do think we need to look at ways of producing and, again, I have discussed this at very, very ... it came up on this conversation last week, what we do in terms of facilitating benefits to homeowners and perhaps allowing them to draw benefits against the value of the home. That does not happen at the moment and the value of the home, I believe, is not taken into account. If the Deputy can prove otherwise I would be very happy to discuss that with him and to take it up with my team and discuss it further.

3.7.4 Deputy L.V. Feltham:

The Minister has suggested that pensioners call the Pensions and Care hub. So that the Pensions and Care hub perhaps does not get overwhelmed by calls from people who are not eligible, could the Minister give us some more clarity about the circumstances which would make pensioners ineligible for income support?

Deputy E. Millar:

I thank the Deputy for her question. My understanding is that what makes pensioners ineligible is savings of more than £30,000. If a person has limited income and savings of under £30,000 my belief is that they will be eligible for income support and they will also be eligible for the other benefits that I have listed earlier, such as health access, cold weather payments, Community Costs Bonus; they are definitely eligible for Community Costs Bonus. Just in terms of contacting the Pensions and Care team, they can contact them through phone, the drop-in service is now available at La Motte Street. If pensioners want to go in they can talk to someone directly at La Motte Street if they want to wait. They can phone and make an appointment and they can also access some of our services online. There are some pensioners, I know not all but there are pensioners who can access services online. There are very many ways for pensioners to contact the department and take advice about support that is available to them.

3.7.5 Deputy L.V. Feltham:

Again, to provide some clarity to some of those pensioners that may well be thinking that they may be eligible for income support who are homeowners, can the Minister clarify what components those pensioners would be eligible for and what the value of those components is likely to be?

Deputy E. Millar:

I think that is an impossible question for me to answer because I am afraid I do not know the detail. There are numerous payments that are available and, again, the amount of income support that is available. Certainly basic income support would be available if the people I was talking about last week maybe qualify for impairment. Where there is a level of disability or physical and mental illness they may qualify for the impairment component. Those are all driven very much by the individual's own circumstances, so it is simply impossible to pluck a number out of the air and say this is what a pensioner will be entitled to. It depends very much on their own circumstances.

4.7.6 Deputy G.P. Southern:

Does the Minister not agree that her list of benefits for which pensioners might be eligible is a list of one-off payments and not continuous support? Does she not further agree that the savings that she refers to, the rates at which the savings are held is of the order of 20 per cent, so money over £30,000 you are charged as if you are getting 20 per cent of that sum? Is that not the case?

Deputy E. Millar:

I am sorry, I do not fully understand the question about 20 per cent over £30,000. I believe the system works that the way the current rules apply are that if you have savings of more than £30,000 you will not qualify for income support. I do not understand, I am afraid, the Deputy's reference to being treated as if you are 20 per cent more. I agree with him that some of the benefits that I mentioned are one-off payments, such as the Community Costs Bonus, which is a one-off payment of £516. However, the Cold Weather Bonus, I believe, is paid in 2 instalments; that will help some pensioner households. There may be other pensioner households who will get the Cold Weather Bonus; I believe that is paid monthly over the 6 months of the winter between October and March. The Pension Plus scheme deals with optical, dental and chiropody payments on an ongoing basis. T.V. licence is a one-off fee. Health Access Scheme allows regular visits to the G.P. There is a combination of one-off and regular payments which are available to pensioners, as they are available to other low-income families.

4.7.7 Deputy G.P. Southern:

Perhaps I can be more clear so that the Minister might understand my drift this time round. The fact is that if you have savings, and you are a pensioner, over £30,000, that sum is treated as if it is earning a rate of 20 per cent as it sits in the bank and that becomes the pensioner's income and is treated as income. Is that not the case?

Deputy E. Millar:

I cannot imagine a basis on which anybody is treated as earning 20 per cent income on £30,000 capital. We all know interest rates have been so low for such a very long time. I just cannot conceive of a basis where anybody would assume that somebody with £30,000 in the bank is earning £6,000 in interest a year. Nobody is getting that sort of money from the banks. I simply do not agree with the Deputy that that is the case. I think we look entirely at the cash sum, we look at people's income, whatever the income is from their pension. If they do have other investment income I imagine that will be taken into account. But I do not believe and I do not accept that people are treated as having £6,000 of income because they have £30,000 in the bank.

4.7.8 Deputy R.J. Ward:

I thank the Minister for some of the answers there. I will just ask the Minister, does the Minister feel that it is time that we looked at the situation of pensioners and income support again? An example that was given is that some pensioners who have service costs in the homes that they live in on low incomes really struggle at times and it can force them to have to think about moving out of their home because they simply do not have the income to put up. The changing situation of housing over the last 10 or 15 years has led to some different and nuanced situations. Would the Minister be willing to look at some of those situations again and perhaps even take some contact from some of the people that we have been speaking to?

Deputy E. Millar:

Yes, I think the Deputy is quite right that there may very well be pensioners who have moved into a block of flats, they own a flat. Where there are service charges, the service charges are increasing. I

do not know, I am sorry, if service charges are taken into account. As I said, it is difficult, it is always going to be conceptually difficult to support people to live in a block of flats with high service charges where there are other ... the people who are basically funding the benefits, which are younger working-age people, are themselves unable to buy flats like that because of cost. As you know, as everybody knows in the Assembly because I have discussed it several times now, we are conducting a review of their entire benefits this year and I do particularly want to look at pensioner benefits, to look at how we help pensioners more and indeed how we can ... although, as I have said, there are things that people can do. If they have a valuable property they can release equity from the property; that does mean going to the financial services market, which may be difficult. I think it may be we can look at devising benefits that allow people to draw on support from Government perhaps with some degree of security against a house at a later stage. That is an entirely off the top of my head thought that came into my head last year. It may go nowhere but we are certainly looking very closely at pensioner benefits and we are very conscious of the impact of cost of living. As I say, I have also asked my team recently to look at the disregards to see if there are pensioners who can be brought into the income support net and other benefits who are currently missing out because of a relatively small amount of savings.