

Health, Social Security and Housing Scrutiny Panel

Income Support Sub-Panel

FRIDAY, 30th MARCH 2007

Panel:

Deputy J.A. Martin of St. Helier (Chairman)

Deputy G.P. Southern of St. Helier

Deputy S. Pitman of St. Helier

Senator B.E. Shenton

Dr. M. Evans (Panel Advisor)

Witnesses:

Senator P. F. Routier (Minister for Social Security)

Deputy P.N. Troy of St. Brelade (Assistant Minister for Social Security)

Mr. R. Bell (Controller of Social Security)

Mrs. S. Duhamel (Strategy Analyst)

Mr. T. Gales (Police and Strategy Director)

Deputy J.A. Martin of St. Helier (Chairman):

Good morning. Thank you for attending this meeting. For the tape this is the Low Income Support Scrutiny Sub-Panel. I am the Chair, Judy Martin, and I have Deputy Southern, Deputy Pitman, Senator Shenton, our advisor, Dr. Martin Evans, and our Scrutiny Clerk, Charlie Ahier. If you would like to introduce yourselves for the tape.

Senator P. Routier (Minister for Social Security):

Yes, certainly. Senator Paul Routier, Minister for Social Security.

Mr. R. Bell (Controller of Social Security):

Richard Bell, Controller of Social Security.

Deputy P.N. Troy of St. Brelade (Assistant Minister for Social Security):

Deputy Peter Troy, Assistant Minister.

Mrs. S. Duhamel:

Sue Duhamel, Strategy Analyst.

Mr. T. Gales:

I am Tom Gales, Policy and Strategy Director.

Deputy J.A. Martin:

Good morning. Thank you for coming. We thought we would have this meeting in public because we have been meeting and we thought we had been working quite well together as policy in formation but we do now have serious problems with the process and the timing. We met a month ago and we gave you about 14 points after that in a letter. Apart from that we had also raised some very serious issues with the Regulations and we have not had any reply. So, we have had our advisor over since yesterday and I am told you are bringing answers to some of those questions today but it would have been very helpful -- because we have had this many, many times. We meet with you, we have given you questions, we get the answers on the day and either we do not have time to study in-depth answers and we have not had time to scrutinise them. So, that is the process. As I say, we have serious concerns now. We are 4 months away from the date you want to go live. We want to know the timing of everything, the lodging, when we will get the money and basically you talk us through your timescale so we know whether we can scrutinise because today I would like you to convince us that you are ready and you have the staff to go live in 4 months to the day.

Senator P.F. Routier:

Well, I am sorry that you feel that we have not been communicating with you because I thought we had been and if you feel that we have not been keeping you informed I can only say that I am disappointed that you feel like that really. We have come today to respond to the questions. Obviously some of the questions that you have had sent to us obviously needed a bit of work. It was quite a lengthy, quite a few questions. I am prepared to answer those questions. I am sorry that you thought that you were going to get them sooner than today. I did not realise that you wanted them sooner than today.

Deputy J.A. Martin:

No, when I got the reply that you could attend, it said in the letter that there were many questions that could be easily answered and we would have the replies as soon as possible before the meeting, but we have had none. Whether there are easy answers I do not know, but we did not get any. So, we asked on Wednesday or Tuesday and I think you knew that our advisor was here. I mean, we could have sat and studied the answers up to last night.

Senator P.F. Routier:

I did not know your advisor was here.

Deputy J.A. Martin:

It is a waste of his time really and it is a waste of your time because we are going to have to spend

longer now going through things that we could have discussed yesterday and maybe just come straight to the point again. But we will go through and we will see where we go.

Senator P.F. Routier:

I honestly did not know your advisor was here yesterday. No one informed me of that. If I had known that I would have made sure that you had the -- I did not even know that he was going to be here today. I am very happy he is here today.

Deputy J.A. Martin:

Whether or not he was here, I asked for the answers yesterday at the latest.

Senator P.F. Routier:

You have not asked me.

Deputy J.A. Martin:

We emailed Sue.

Mrs. S. Duhamel:

Our reply was that we would bring them to the meeting.

Deputy J.A. Martin:

Well, the first reply was I was discussing it with the Minister and see as soon as I could get them and then the second reply was: "We will bring them to the meeting".

Senator P.F. Routier:

I wish you had asked me that because --

Deputy J.A. Martin:

All right. Breakdown in communication. We are where we are.

Senator P.F. Routier:

Because I would have ensured you had received some answers. Nothing worse than wasting your advisor's and your time. I think it is terrible. If you had asked me you would have had it. So, I am really disappointed. So, shall we answer the questions? Very happy to.

Deputy G.P. Southern of St. Helier:

Can we start with the timescale? You have your deadline of end of July. Honestly, looking at that from where we are now we have our doubts that you are going to be able to meet that and allow a proper

depth of scrutiny in what is becoming a relatively short timescale.

Senator P.F. Routier:

Well, the model itself we can let Dr. Evans have that right away. I mean, that is not a problem. He can have that. Perhaps you could describe what the model does, Sue, just so that we are 100 per cent sure what that model does. That would be useful.

Mrs. S. Duhamel:

There are 2 models; the one model takes the existing benefit systems and compares it against different type households, going through a range of incomes and the second model is based on the data that has been collected from the application forms and allows you to put in a variety of parameters against the different components. So, you can model the cost of Income Support. So, the first one gives you a comparison to any existing benefit systems and the new benefit system, the second one gives you the cost of the new benefit system.

Deputy G.P. Southern:

You say that model is available now, or those models are available now.

Senator P.F. Routier:

Within a day or so, yes.

Mrs. S. Duhamel:

On Monday, yes.

Deputy G.P. Southern:

In what format is that available? Easily portable, transferable? Can somebody come and take away a disc and play it?

Mrs. S. Duhamel:

You can stick it on a stick, yes. You need a bit of help but it is all parameter driven so as long as you understand what the parameters are you can work through it.

Deputy J.A. Martin:

So, we can have that on 2nd April?

Senator P.F. Routier:

Yes. The next piece of work that will happen is that I will get the amounts of money which are recommended to go in the components, the actual numbers. I will be doing that next Thursday. I will

be sitting down with our department and my Assistant Minister and going through those numbers and obviously I am not going to make a decision on that day but it is the first day I am going to sit down and physically look at the numbers that are going to be suggested to be put forward. I think I would need a week to consider what all the various options would be. So, I would say that the following weekend --

Deputy J.A. Martin:

Friday the 13th?

Senator P.F. Routier:

Yes, Friday, 13th I will make some decisions. Whether that is a good day or not I do not know.

[Laughter]

Deputy J.A. Martin:

Well, unlucky for some.

Senator P.F. Routier:

But that is the way it works out. So, I will take a week to consider all the various options and I would let you have that.

Deputy G.P. Southern:

So, you will be examining a number of variants of how you might deliver with various weightings and some flexibility on where ceilings occur.

Mrs. S. Duhamel:

From the Regulations that you already have, you are aware of the parameters that existed within the system, so all those parameters are modelled within the model. That is what the model does, it takes each component rate separately, it takes the savings rate, savings amount. There are some numbers in the Regulations which have been put in as actual numbers, for example the deduction rate for earned income has been put in at 90 per cent in the regulation but that is itself also a parameter so that is able to change as well. At the previous meeting you were worried about the impact on very low earners and moving into work so we have also modelled the way in which the parish provides support for low earners at the moment where the first £15 of income is disregarded against welfare and then there is a 50 per cent band and a 25 per cent band. So, we have put that in as another option within the system, so you have 2 ways of modelling marginal deductions rates, one which is a flat one across the board, which is what we have at the moment in the Regulations and the second one which gives you a certain amount of money for everybody and then smaller amounts going up and then it moves into the other one.

Deputy G.P. Southern:

Paul, can you just remind me because my mind has gone blank, where are we with the Regulations? They have not been through the House yet, have they?

Senator P.F. Routier:

No. No. Since our last meeting there are some things which you have suggested to us we have incorporated in the Regulations and we can give you the latest version right here because there were some things in our last meeting which you suggested to us and which we incorporated.

Deputy J.A. Martin:

They are not lodged.

Senator P.F. Routier:

No, no.

Deputy G.P. Southern:

Sorry, just my mind went blank.

Senator P.F. Routier:

We are working with you. We incorporated some of your recommendations in this latest version. Because I have to spend some time looking at the numbers, you need time to look at the numbers and I am sort of making sure I am spending a week doing that and whether you are able to focus on that during that week that is for you to decide but then the intention is 11 days later, after I have said what I think the things are going to be, it will be incorporated into the Regulations for lodging on the 24th.

Deputy J.A. Martin:

24th April?

Senator P.F. Routier:

Of April, yes. Then on 5th June there is the debate. That is the timetable. Trying to work with you to achieve what we need to do.

Deputy J.A. Martin:

You said last time we met if we do not go live on the 30th it is going to put it back to next year.

Senator P.F. Routier:

We have to reassess that. Honestly, I do not want it to go there at all. I mean, whether there is another option in between that I do not know. We have been focusing all of our staff efforts to ensure that we get it for this date. The problem we have is that the up-rating of benefits is in October and all the people

have completed their forms now and the current benefit rates, the nearer it gets to October we then have to redo it all again in October when the new benefit rate comes in, so it becomes a bit labour-intensive really to keep doing these things over and over again. Whether there is a date in between we would have to sit down and think about it but I mean if you are going to say that you need more time, well, it may push it back. We would have to look at that. We want to get this right. I mean, you want to get it right and I want to get it right.

Deputy J.A. Martin:

We know if you bring something that has too many holes in it to the House it will not go through so there is no point in doing that anyway.

Senator P.F. Routier:

We want to get this spot on. That is the timetable, as I say, we have been working to. If you are going to say to us you need more time we are going to have to look at it. I want to make sure we come forward with the right thing.

Deputy J.A. Martin:

So, are you going to answer some of our questions?

Senator P.F. Routier:

Yes, if you wish.

Deputy S. Pitman of St. Helier:

Can I just ask, can you just finish your list of what you have to do before it is lodged? You just mentioned 2 things you had to do there.

Senator P.F. Routier:

I have to look at the numbers. Oh, yes, there is the Law Officers, they obviously have to sign it off as well. We have asked them for their sign-off. We are also asking Data Protection as well to give a view on it but what they will say I do not know. I mean that in the way that they do not comment. They do not see it as their job to comment on that.

Deputy G.P. Southern:

We will return to that later, I think, because I have some issues with --

Deputy J.A. Martin:

You are talking about the lodging and the Regulations and our main concern is the Regulations of the transitional period and the Citizens' Fund, which we have not even had sight of yet.

Senator P.F. Routier:

Well, you have them here.

Deputy J.A. Martin:

You are aiming to lodge them as well on the 24th?

Senator P.F. Routier:

The whole package will be lodged on the 24th, yes. They are not big documents but they are here.

Deputy J.A. Martin:

They are there. Fine.

Deputy G.P. Southern:

In terms of the numbers of forms and making sure that you have everybody who should be on the list on the list with their data, how are you progressing with that? I know you said it in the States, but for the record.

Senator P.F. Routier:

Well, that is the record, is it not, in the States? I cannot remember now, but we have sent out over 6,000 forms and we have had about 3,300 back, I think it was, from memory.

Senator B.E. Shenton:

You did imply in the States that if people do not return the forms their benefits will be stopped.

Senator P.F. Routier:

Well, it is very difficult to pay a benefit if people have not made an application.

Senator B.E. Shenton:

What will you be doing, as a department, to make sure that those people, for one reason or another, cannot return their forms do not drop out of the system?

Senator P.F. Routier:

To use "cannot return a form" I find that a little bit strange because they have already made applications for other things, for their existing benefit. We will help them fill in whatever form they need to fill in. We are there to help them to make sure that they can fill in a form.

Deputy G.P. Southern:

Can I rephrase that? Those who cannot meet the deadline. There will be a number perhaps who may well be partially or completely dependent on their benefit who have not, for whatever reason, done the business by the time of the kick-in date. There will be no source of support for them, other than your department. So, the question is, what arrangements have you made for that, which will be Friday night we still have not received the form from the guy or the person and they have no food in the house and no money in their pocket.

Senator P.F. Routier:

They will come to us and make an application obviously and they will be assessed.

Deputy G.P. Southern:

In the meantime they have no food in the house. They need some support from somewhere. Where is it going to come from?

Senator P.F. Routier:

From our department. They will come and ask us for some money.

Senator B.E. Shenton:

So, your department is not going to reconcile existing records with what has come in. You will leave it up to the people.

Senator P.F. Routier:

Sorry? Can you say?

Mrs. S. Duhamel:

Everything we are doing at the moment is based on existing records. That is exactly how it is working and that is how we will check that everybody on an existing benefit has been contacted. At the moment we are collecting a list of people who have specifically told us they do not want to have Income Support and we will write to them again and say: "You do realise that you have told us you do not want to have Income Support?" The people that we do not have forms from we are sending reminder letters to. We will send second reminder letters. We will phone people up. We will make sure we have made contact with everybody that is collecting an existing benefit before the go live date because we know who they are. That is the whole point. We spent a long time collecting the data of who these people are so there are no people that we do not know about.

Deputy J.A. Martin:

I have to disagree there, Sue. I mean, first point being that it is people without money and the date you are going live, or want to go live, is the second week of the school holidays. We are talking about

people who have children and maybe it is feasible that they are not going to get any money. So, possibly if you do want to go live, as a suggestion, you look quickly at an interim payment scheme that even if they are overpaid for a few weeks they get some money very quickly. I mean, that is a possibility and ...

Mrs. S. Duhamel:

Can I say something? We are talking about families. Our computer system runs the family allowance system now. We have to close all the family allowance claims. We are obviously not going to close a family allowance claim without the corresponding Income Support application or a letter clearly stating that they understand the situation and they do not want to have Income Support. We have that information now.

Deputy J.A. Martin:

You have that information. You do not have the information and you have not gone out - and we have asked you to, and it is quite easy - you have not advertised, you have not gone out and sought -- I think Tom said last time 60 per cent of pensioners who are on a part pension. Now, you do not know whether they are claiming from welfare or whether they will be new claimants under low Income Support. They are not on your system --

Mrs. S. Duhamel:

You are marking up 2 different things. One thing is the transition of existing claimants from an existing benefit which will stop on a certain day to a new benefit which will start the next day. Everybody that is on an existing benefit, so somebody with a part pension, if they are claiming welfare, we have -- sitting at my desk I have got lists of names and addresses of people on welfare to add into our system because obviously we do not hold that information now but we have gone through the data protection route and we have got that all sorted out. So we have got those people. We will check again with parishes right up until the last date, so that anybody that has come in more recently will be collected as well. So everybody that is getting a benefit the week before Income Support starts we will know about. If there is somebody that has come in right at the very last minute obviously we might have to be a bit quick with the forms and things but basically we will know all those people, we are not going to leave people in the lurch. The people you are talking about are a different population; people who might be eligible for Income Support but are not claiming a benefit at the moment. Now those people cannot claim Income Support until Income Support is a legal entity. It is not a legal thing at the moment. So they cannot claim until Income Support starts. When it starts we expect to get, and we have allowed for, additional people to come into the system because they are struggling at the moment and they do not want to go to Parish Welfare System. They are not collecting anything else at all.

Deputy J.A. Martin:

I fully agree they cannot claim it now but I do not understand why there is no big advertising.

Mrs. S. Duhamel:

Because we do not -- no, that is the --

Deputy J.A. Martin:

Well, your policy is to encourage people -- incentive to get people out of poverty.

Senator P.F. Routier:

Can you tell me what we can advertise? What can we advertise now?

Deputy J.A. Martin:

Attention grabbing advert. Are you getting all the benefits under new system? I mean I do not have to write the advert for you, you have got the Communications Unit to do that. I mean, a headline grabbing advert is: "Are you getting -- after 30th July if you are only getting part -- come in now and fill in form." It might not be entitled until then but you know they will be entitled after. You should be promoting this as, sorry: "The poor law is going. This is an entitlement benefit and if you are entitled come in and tell us about it now, fill in the forms." You are not advertising it. This is where we have concerns. You are not reaching the people who are struggling out there. You know about the people you know about and you say they cannot claim it, of course they can, they cannot receive it. No one is going to receive Low Income Support until 1st August but you are asking everyone to fill in forms that you know about. We are concerned about the people you do not know about and people that will soon become an -- we have got 4 months and it is still not advertised fully to the people who need to know.

Deputy P.N. Troy:

Can I say that there has been some good media coverage already about the Income Support Scheme and the way that we are bringing it forward. So I think the media is to be congratulated on that. Of course, we take on board your point and the Minister will be having interviews with the press regarding the schemes as we run up to the scheme.

Senator P.F. Routier:

The timing of the media is critical. What we need to do is to ensure we know what we are advertising. It is very difficult for us to go out there and give false promises. I do not want to go out there and sort of say you can have this, that and the other when we --

Deputy J.A. Martin:

Paul, can I just read you a line from your P.86: "Real needs have to be tackled effectively to give more immediate support to families on low incomes and specifically to encourage higher take-up among low

income pensioners.” Now there is your line. There is your advertising starting point that you want these people to not be struggling and they need to be in the system. We were promised this a month ago, you were going to have an advertising campaign. Media coverage is okay but media coverage put the spin on what they want. You should be promoting this as it is low Income Support getting people out of poverty. I think we have lost sight of a little bit of that because you have a budget to work to. But it is no good you burying your head and hoping these people do not come along and claim their top-up because we are going to promote that they do come along and -- it is your job to do it as Minister; promote it as a good scheme.

Deputy P.N. Troy:

I think, Deputy Martin, though that it is very difficult at the present time because we do not have the rates that are going forward and I think until we have the scheme set up in our own minds fully, and fully organised, we should not be proceeding as you suggest at the moment.

Deputy J.A. Martin:

Well, we will have to agree to differ because I really want these people to know and I want them on your system so when you go live they are, from day one, they are not still in poverty, they are out of poverty, or at least they are given the opportunity to fill in a form. You go live, that is when their money should kick in - the same week.

Senator P.F. Routier:

I think we both want to achieve that people are getting the support they need. You know that and I know that. What we are having to do is to prioritise the work that we have got. You know we have got to do these Regulations, we have got to get the numbers right, we have got to get ... our priority is making sure we do that basic work, get that spot on, and that is what we are aiming to do. When we have that done we can then go out and talk convincingly and authoritatively about what we are promoting. Otherwise if we just go out with airy fairy comments --

Deputy J.A. Martin:

This is what you are promoting, what was passed in the States' Hall.

Senator P.F. Routier:

Exactly.

Deputy J.A. Martin:

It is not airy fairy. That is exactly what the low income support is.

Senator P.F. Routier:

We will be out there --

Deputy J.A. Martin:

This will compare to timescale. You have priorities and I do appreciate your office is and Sue, especially, is working really, really hard and we are not here to be a pain. I mean if you want us to stand up in the States and say -- you might be under pressure from other Ministers. I know this has got a lot to do with GST (Good and Services Tax). If you want us to stand up and say: "Look, this system has got to be right. It is incorporating lots of other benefit systems and you are pushing them too hard and too far" we will do it. But you have got to tell us this timetable is either feasible and it is going to be the right scheme. It is a computer scheme anyway and you are going to have some hitches on day one. I mean, let us not live in cloud cuckoo land. We all accept that. But if the scheme itself is fundamentally wrong in certain places you are going to have more hitches. So if you need more time or you need more staff we can push for you but we need to know, and we need to know that in the next few weeks.

Deputy G.P. Southern:

I mean, that brings us to the question, have you been properly resourced in this?

Senator P.F. Routier:

Yes.

Deputy G.P. Southern:

You talk about prioritisation and we are focusing on when is the media campaign to make sure you are reaching those who are in need, when does that kick in? You are saying whenever it kicks in it is not now and you are prioritising.

Senator P.F. Routier:

We have been allocated a member of the communications team to our department, and is virtually sitting in the department now all the time. So she is working on a campaign to get that up and running. That is happening.

Deputy J.A. Martin:

When will this start? When will this advertising start?

Senator P.F. Routier:

When we can tell people the right things. It is very difficult to give them half truths, we want to give them the facts. You are interested in knowing what the numbers are, the public are going to want to know what the numbers are. When we know the numbers we will be able to get out there and --

Deputy J.A. Martin:

So by the end of April then you are saying?

Senator P.F. Routier:

You know, as a States' Member, that we have got to have a States' debate about this, about the rates. Do we not? Until that day is done and the States have approved the Regulations and the rates the public cannot be 100 per cent sure about what is going to be promoted.

Deputy G.P. Southern:

Hang on, let us go back to basics. Before we go into the detail of how much you get for what there are some basics. There are pensioners out there living on £100 a week or thereabouts who on a full benefit would be on about £140 or £150, yes? They are struggling by and they get by and they manage, and they are on £100 a week and not £140 they are entitled to because they will not cross that threshold and go and ask for welfare. Now that principle should be being announced loud and clear, that there are a number of pensioners in poverty that will be better off. Make sure you come and put your claim in. Make sure we know about you.

Deputy P.N. Troy:

As the Minister just said, we must have the rates and we must get it through the States before we can be finally certain.

Deputy G.P. Southern:

Are you telling me you cannot guarantee now that that pensioner on £100 a week will not be getting more under your scheme, whatever it looks like? Because if you cannot it is not worth delivering.

Deputy P.N. Troy:

Any States' Member can put in an amendment to what we propose through the States, and as can the Scrutiny Panel. So it is very difficult to say what the final scheme will be. Provided States' Members agree with our proposals that is great. But if States' Members put in amendments that could create difficulties.

Deputy G.P. Southern:

This is a political question. Can you not, now, say that any pensioner in poverty on the order of that sort of figure that we are talking about, will not be better assisted under your new scheme? Of course you can.

Senator P.F. Routier:

Geoff, you know that until that States' debate is held you know that I cannot categorically say that. My

intention would be that. But you know until we have that States' debate I cannot categorically say that. We have to have that debate.

Deputy S. Pitman:

Sue said that you have allowed for these people in your budget. I just would like to know how you have come about that if you have not got your figures yet?

Senator P.F. Routier:

Sorry.

Deputy S. Pitman:

You have said that you have allowed for these people at the moment who are not currently claiming who could possibly claim. You said you cannot make any decisions at the moment, you cannot advertise because you have not got any rates but how have you allowed that in your budget if you have not?

Mrs. S. Duhamel:

That is what the Minister has got to decide next week. We present him with a variety of options which will say some, you know, if we assume that there are this number of people that will come to the scheme extra or this number that has an impact on the rest of -- the whole thing is all very connected and there have to be political decisions to be made as to how we allow for additional claims to come into the scheme, how much you support people who are not entitled to Income Support and therefore need a protected payment and how much you want to set the basic rates out. These are all things which are very complicated and need to be -- that is what we need another week to go through that last stage.

Deputy J.A. Martin:

That is fine. Just going back - and I will finish on the advertising. You admitted earlier, Sue, that you are getting people returning your forms and saying: "Sorry, we do not want Income Support" because they think they have a choice. Now that is why the advertising and the communication to the public is usual States -- it should have been: "Do you know HIE (Health Insurance Exemption) is going? Do you know Family Allowance is going? Do you know Rent Rebate is going?" We have, you know, drip, drip, drip from Christmas. We have been asking you since Christmas to do this. Do not worry about the rates, as you say they have not got a choice after the 30th. People cannot be returning forms. You have to write to them individually and explain all those points I have just told you. It should be drip, drip. You have the Communications Unit at your beckon call and under the Minister's fund and they should have been doing this. It should not be for us to say how it should be done. I know you have the problem: "Well, what will we get?" That is fine. "You should not be any worse off under this, this is what is going and make sure you claim." You have got 3,000 people you have got to get on those books in a very hurry. You are telling me you are not even going to do an advertising campaign until we have

the debate in June.

Senator P.F. Routier:

No, no, that is a 2-stage thing.

Senator B.E. Shenton:

Can I just ask a couple of questions? Firstly, can you confirm that you are 100 per cent certain that the people that write to you and say they do not want Income Support fully understand that all other payments will stop?

Mrs. S. Duhamel:

That is what I am saying. They are going to get another letter. They have already written in officially and will get another letter back explaining very, very clearly.

Senator B.E. Shenton:

You will follow that up?

Mrs. S. Duhamel:

Yes.

Deputy J.A. Martin:

That is what I am saying. Because it is not advertised so much, not being advertised properly, people think they have got a choice. What Sue is saying is people are writing back and saying: "No, sorry, I like the welfare system and I am staying on it." Sue has to then write back basically and say: "No", well that is what I thought you said.

Mrs. S. Duhamel:

What they are saying is, they are saying: "I have got so much money in the bank that I am embarrassed to fill this form in and I am not going to claim" basically that is what most of them say.

Senator B.E. Shenton:

The second question is, as you know I brought the proposition on winter fuel allowance and I looked into means testing and decided to bring the proposition in without means testing because a lot of people drop out of the system with means testing. There is a lot of people you miss on the net. Now the Council of Ministers have indicated their intention to bring in means testing for the Christmas bonus. Are there any plans to drop their whole Christmas bonus into the Income Support system?

Senator P.F. Routier:

No.

Senator B.E. Shenton:

But you are in favour of means testing for the Christmas bonus?

Senator P.F. Routier:

Yes, the States have already decided. I mean they decided that last year, it is just that it has not been implemented. The States have made that decision.

Mr. T. Gales:

2004.

Senator P.F. Routier:

Yes, 2004 the States decided to means test Christmas bonus.

Deputy J.A. Martin:

Before we move on, Dr. Evans would just like to ask Sue Duhamel about the model.

Dr. M. Evans:

Because I mean I think what is going to be needed is a set of iterations of the different models to get to a point where you are able to advise the Minister properly and we are able to scrutinise properly. So can I just check: on the second model, the population based one which produces the costings, is that something that we will have access to or is it something we will have to ask you to run and re-run?

Mrs. S. Duhamel:

No, you can have the whole thing.

Dr. M. Evans:

In terms of costing different versions of what you are presenting, you are saying those are going to have to be with you by the 24th or they will continue into the period between the 24th and the debate on the 5th? Because if we are going to amend the Regulations there is a problem whether they are with you before they get lodged or afterwards because afterwards is going to create a bigger problem.

Senator P.F. Routier:

It would be feasible for you to amend the lodged Regulations. I would have hoped that we could have come to an agreement before that so that we could go forward with a set of Regulations we agreed on but that would have been my hope. If the timescale is, as you are thinking, that is not sufficient time for you, well, I --

Dr. M. Evans:

But you are saying you are going to decide -- sorry. **[Laughter]** Sorry, Paul, you said that you would have a decision by the 13th. We have got to iterate with you a variety of options to see whether we come in agreement by the 24th. That, to me, does not seem a lot of time and we are running a bit late in any case in terms of access to the models and I understand the pressures entirely. Having been there myself, these things take a long time to develop and they are very difficult. But, you know, I am not sure we can do that very well unless, you know, we can have 10 days of intensive doing nothing else.

Senator P.F. Routier:

That is what I am going to be doing for that week.

Dr. M. Evans:

Between the 13th and lodging on the 24th? Because if you are going to lodge a different you have got to redraft and get it into the --

Deputy J.A. Martin:

No, Paul is getting the figures on the 5th.

Senator P.F. Routier:

Yes, I am going to sit down with my officers on the 5th and spend a week --

Deputy J.A. Martin:

We will get them at the latest --

Dr. M. Evans:

So we get them on the 13th. Anything that requires redrafting will have to go through the drafters, I am not getting the sense that this is doable by the 24th.

Senator P.F. Routier:

It depends what you are wanting to -- the wording of the Regulation is there now, which you can -- well, should be working through the 2 other documents over the period. We have been doing that for months. So we know what all that is. I mean I do not know obviously what you will be wanting to amend, if anything. If it is just the numbers which are set in the Regulations, that is probably quite an easy thing to amend.

Dr. M. Evans:

But it may be that we want to introduce a disregard for some forms of income, like pension income, so

we get better equity between capital pensioners and staff that has been annuitised or --

Senator P.F. Routier:

We do have that. We have got a higher disregard for pensioners than other people.

Deputy J.A. Martin:

But only on capital, not income. Pension is treated as income which goes against some of your other policies.

Dr. M. Evans:

I mean I am saying there might be a variety of things we want to look at where some of the cost implications are not exactly clear from the second model because I presume the second model cannot measure behavioural impacts.

Mrs. S. Duhamel:

No.

Dr. M. Evans:

It is just a static model that says what money goes in and what money comes out. But on things like disregards of maintenance where they have an effect on work entry for lone parents, on pension income, on fixed disregards on work. All of those would have significant behavioural effects you are going to have to make some assumptions on. So, I mean, I think even when we agree on what the basic numbers are and how to divvy up the money, there is going to be significant leeway and uncertainty about what the costs of the scheme are right away, both in the first year and then subsequent costs. If we are having access to both, we are going to do different iterations and talk about the structural issues for the first model, which I presume is the issue, and then the costs for the second, I just do not see that receiving that on Friday, the 13th - I do not particularly want to work the weekend - so we are starting basically with a week -- under 10 days of getting to and fro with your officers different versions that we can cast, which may have effect on wording of the Regulations.

Senator P.F. Routier:

Chairman, would you like us to consider allowing you more time to scrutinise?

Deputy J.A. Martin:

Definitely. We need more time to scrutinise. I mean we have waited this long and now we need to get it right. It is not doable. I am not sure it is doable from you to do it.

Senator P.F. Routier:

I thought long and hard and spoken to my officers quite hard about our timescale, and I have been assured that our timescale can be met within the department with all the resources we have but I recognise that you might need more time.

Deputy J.A. Martin:

We will need more time because we do not have the resources.

Senator P.F. Routier:

As far as our implementation, all our plans and our computers and our staff training, although you do not think advertising has been up to scratch, we can do all that on time. We know we can because I have pushed my department to find that out. But if you are now saying to us you need more time, I will have to consider that because I want us to get this right together.

Deputy J.A. Martin:

I am saying we need more time, even if you do not.

Deputy G.P. Southern:

In the context of the new system and in view of the public nature of what we are doing, and the accountability of it, it is not a question of we are saying: "Slow down." It is a new system and if you are going to be open about it then we need that involvement and that means certainly we need a 10 day window to do all the number crunching and then come up with possible differences and agree, if we can, really it is not on.

Deputy J.A. Martin:

We have not yet gone through the list --

Senator P.F. Routier:

It looks as if, you know, if we went back a month to -- because it has got to be a Monday, does it not? It has got to be a Monday, so the last Monday of a month, so that will be 27th August. But that probably would give you another 4 weeks, would that give --

Deputy J.A. Martin:

Yes, that sounds --

Dr. M. Evans:

27th May?

Senator P.F. Routier:

No, I am talking the implementation date.

Deputy J.A. Martin:

If we move any of these dates it affects the live date which is 27th August --

Senator P.F. Routier:

I mean it has knock-on effects for us because we have got negotiations with the St. Helier staff who are due to move. It does create lots of problems but, I mean, if that is what you are needing us to do, well, I am prepared to consider it.

Deputy P.N. Troy:

We would have to consider moving the States' debate as well, of course.

Senator P.F. Routier:

Oh, yes. That would all have to shift back.

Deputy P.N. Troy:

It would all shift.

Senator P.F. Routier:

I mean I am prepared to work with you to do that.

Mr. R. Bell:

If we do not achieve the end of August to go live then we run into the operating problem which then means we basically have to decamp until the beginning of next year. If we can make the end of August then that is doable. What I am saying is end of August basically has to be the last day because of the issues we are creating, the process -- well, you could say December but December would not be a great month to go live, so you are into next year. If we took that 4 weeks wriggle room, for want of a better word, if that will be sufficient then we can go for the end of August live.

Deputy P.N. Troy:

But you do realise of course that scrutiny is delaying the whole implementation.

Deputy J.A. Martin:

No, we are not. We are not.

Deputy G.P. Southern:

We are not. We have got a new system, you are already banging up against deadlines --

Deputy J.A. Martin:

Your Minister has said it is tight. It is tight for him and it may be tight -- whether we need more time it may end up that you might need more time.

Senator P.F. Routier:

What I said was this, you know - you might not like this - if it was not for scrutiny we would be on time. We would meet our deadline. We are working with you. We are not saying we do not want to --

Deputy G.P. Southern:

We want the scheme to come forward with or without holes, not added value to by our experience --

Senator P.F. Routier:

I am saying we do want that.

Deputy G.P. Southern:

-- to the process.

Senator P.F. Routier:

I am saying we do want that.

Deputy G.P. Southern:

You would have a completely different system, the old system whereby you put something up and everybody can have a go at it and we are trying to avoid that.

Senator P.F. Routier:

I am saying we do want that. We are with you.

Deputy J.A. Martin:

Well, that is an offer. Let us see how far we get with the questions we had before and the change to the Regs because we had serious concerns even with them as they were written and you say some of them have changed. If we can go through the questions and we just park the moving of the timetable, it is looking like we would like the extra 4 weeks because it is impossible.

Senator B.E. Shenton:

Can I just add in; originally was not the timetable structure because it had to be in before GST?

Deputy G.P. Southern:

Yes.

Senator P.F. Routier:

No, it was the other way round. Income Support was in existence before GST was even thought about. This was something that was going to happen but there was the commitment that the Treasury gave that Income Support would be in place before GST.

Senator B.E. Shenton:

Of course GST has been moved by 4 months so it does take the pressure off slightly.

Senator P.F. Routier:

Yes. But, I personally, as far as Income Support is concerned, it is a separate piece of work to anything to do with GST. It has always been Income Support is a standalone piece of work.

Senator B.E. Shenton:

I think the Treasury Minister has said that if Income Support is not in then he cannot bring in GST.

Senator P.F. Routier:

He might have said that. But Income Support, we know, is not about GST at all. It is about bringing in a new fair system.

Dr. M. Evans:

There are just some comments on, sort of, scrutiny because it does appear that -- I mean, this is a new system which, as an outsider, it seems essential but it seems that everyone -- we are all making it up as we go along in terms of what is required and what different periods and what the scrutiny process is. So I think you need scrutiny so you benefited from scrutiny from our informal meeting so I mean I think we benefited from our relationship, we need to maintain it as a good one. The question I had was having gone back to some of the aims and some of the new social policy agenda *Everyone Counts* I was wondering in the models whether you were making any updated estimates of the 2002 poverty lines which work from the income distribution survey? I mean I can give you my best guesses for 2007 which are for a sole person, after housing cost, 60 per cent of median would be about £162 a week and that is based on an estimation of 4 per cent growth in median income per annum. Similarly on the same estimation for a couple it would be £293 a week. For a couple with 2 children pre-school it would be £399 and for a lone parent with 2 children, 5 and 11, it would be £299 a week. Just obviously if we are going --

Mrs. S. Duhamel:

Sorry, can you tell me that last figure again?

Dr. M. Evans:

£299. I mean I can put uncertainty intervals, if we can call these £10 either way a week at least, because we are just projecting median income forward on a rough assumption of earnings growth since 2002. But that would be about in the right ballpark, so I thought it was important for you to tell Paul that, Sue, because obviously the scheme is going to make a lot of pensioners worse off who have fairly high incomes and get help with rent but if you are then not protecting pensioners at the bottom in terms of some sort of poverty assurance you may have a political problem. I mean I was just sharing this with you but wondering whether there were those sorts of assumptions in the model given that the assumptions for Income Support in P.86/2005 were about avoiding poverty.

Mrs. S. Duhamel:

I think that is an aim we are moving towards.

Deputy G.P. Southern:

Can I follow that up with: and seeing how that fits with the minimum wage and what is planned for that because obviously that again ties into (a) what is poverty? Where are we, and in terms of work incentives that that must be a balancing that needs to be done from the beginning as to where we are.

Senator P.F. Routier:

I think we all need to recognise that we have an aim to get to where we want to get to and whether we are going to get there in one leap -- we are not going to get there in one leap, it is going to be a stage process. We are going to work to get to where we want to get to and it might take a number of years to achieve what we really want to do.

Dr. M. Evans:

But with the models we can suggest how much you would have to be given in addition by finance.

Senator P.F. Routier:

You can suggest that, yes.

Deputy G.P. Southern:

You mentioned earlier on you have got your sample now on which you are basing your number work. It is a general question really: is anything surprising coming out of that or anything that you were unaware of? Are there any particular issues there that you are lining up?

Mrs. S. Duhamel:

No, the sample is quite robust. We have had the Stats Unit look at it and they are quite happy with it as

well. It seems to be it is more or less what we were expecting.

Deputy G.P. Southern:

Could we have access to what the Stats have said about that and what the sample is saying? I mean is there any documentation on that?

Mrs. S. Duhamel:

Well, I am going to release to you on Monday the data. We have a draft report on the data which when that report is finalised, which will be next week, that will go to the Stats Unit for official confirmation. What we have got so far is an afternoon session where we have gone through it looking at the figures page by page which did not identify any particular issues.

Deputy G.P. Southern:

Are there notes from that meeting?

Mrs. S. Duhamel:

The notes will be incorporated into the final report.

Deputy G.P. Southern:

That report will come to us as soon as possible?

Mrs. S. Duhamel:

Yes. I cannot promise that next week, but yes as soon as possible.

Deputy G.P. Southern:

Does it have to go to anybody else before us?

Senator P.F. Routier:

I would like to see it.

Mrs. S. Duhamel:

The Minister.

Deputy G.P. Southern:

Just the Minister and the Stats Unit? Before we do go on to the questions on the letter we sent, the integration of staffing into the St. Helier staff, into the single unified centre, and I am still not sure I am aware how exactly that is going to happen. I mean we have got people who are working on welfare in one place right up to the moment welfare closes down, the day after - sorry, it is a weekend - they are in

with you and how is the training and how is that transfer going to go? It seems to me that is a difficult thing, a nice little pinch point.

Senator P.F. Routier:

The office is dealing with it.

Mrs. S. Duhamel:

The slotting of staff will take place next week. The senior staff are in place already and the bulk of the staff will be sorted out next week. Then at the same time the first of the training has just been prepared so as soon as people know what their jobs are going to be they will then start to receive training for their particular jobs. It is the kind of chicken and egg thing, you cannot do the training until they know what the jobs are. The job process had to take a certain length of time because there were various promotional opportunities which had to be advertised through the whole range of people and that has now been done, and some people from Housing have got some of the more senior jobs, nobody from the parish have senior jobs.

Senator P.F. Routier:

I mean the HR (Human Resources) Department have been working quite hard and making sure that people are filtered into the appropriate jobs. But I have just clicked with me just now that, you know, we have just come in here and spoken quite openly, and the media are here and all the rest of it, about pushing the date back. We always try and let our staff know first what is going on. They have been working to this date and I have just created myself an internal problem of letting the staff know -- as soon as we leave this room now we are going to have to sort of say that, you know, because we were not prepared for this at all, so we have got an internal communication problem now and especially last time we shifted it a little bit the Constable of St. Helier obviously had his internal problems as well for his staff because he has got to transfer his staff over to us. He has got to keep them on for another period, so I have got to deal with that as soon as I leave the room.

Deputy G.P. Southern:

Finally, before we move on to the letter: you talked about you are processing something like over 3,000 of 6,000 some. In terms of getting through them in the timescale, whether or not it is moved, is that going to be tight? How many are you processing a week? Are the difficult ones waiting to the end?

Mrs. S. Duhamel:

No. We are processing them as they came in. There are additional staff, temporary staff, that are doing the processing and, yes, they can meet the timetable - the usual timetable.

Deputy J.A. Martin:

Right, so you are going to answer our questions that we have got -- we have got a few extras that we still -- maybe you have changed it and you can point out where you have changed the Regs and if that is -- but questions first and then where you have changed the Regs.

Senator P.F. Routier:

I mean we intended just responding by letter to you but if you want, you know, we can do it.

Deputy J.A. Martin:

The point of this meeting is because we have raised certain issues already with the -- we were there 4 and a half hours, I think, informally which is a good starting point but now we have come out with 14 points plus issues with the Regs. Number one, the matter of the guidance and procedure manuals, because the Regs are not user-friendly and it is your officers and the people determining the claims that need to know what your interpretation of the guidance and procedure manuals are so they can tell the people, but we need to know. There needs to be a set rule for everybody which we have promised.

Senator P.F. Routier:

There are going to be manuals obviously. They are going to do 2 things. One is to provide guidance to the staff on how to determine benefits and obviously, secondly, to provide clarity and transparency to the public. That will be my written answer to you.

Deputy J.A. Martin:

When will they be ready?

Senator P.F. Routier:

I have in here, April, but I think we now need to reconsider that after what we have been discussing this morning, if that is going to be pushed back. Does that need to be pushed back?

Mrs. S. Duhamel:

No.

Senator P.F. Routier:

I just had in my mind, as I going through here, any --

Deputy J.A. Martin:

No, we are not trying to push everything back.

Senator P.F. Routier:

So that will be the end of April we will have those available.

Dr. M. Evans:

The point is that they should be available at the same time as the Regulations are lodged so that Members are able to understand what the thinking behind what the interpretations of the Regulations will be.

Senator P.F. Routier:

There is going to be obviously the one set -- there are 2 sets of documents really. There are the ones which are internal to the department as, you know, how do you log on to your computer and how do you deal with this, that and the other. So there is various process manuals which we are obviously developing internally. Then there is the one which will be for assessing, determining claims which will be open to other people. What is happening is that the people who were developing the ones internally will be the people who are doing the testing at the present time, because there is lots of testing going on, testing the computer system, all the various scenarios, all the different types of claims there could be and so they are writing their own manual on how it works.

Dr. M. Evans:

And to sort of push this button in this circumstance is not something that needs to be in the public view but in considering whether someone has notional capital, for instance, that is something -- what will be given to officers to consider, that is something that has to be in the public view. I mean those are just 2 examples.

Mrs. S. Duhamel:

The policy guidelines would be used for Tribunal appeals, whereas the procedure ones are not. They are purely an internal matter.

Dr. M. Evans:

We should link that to our other discussion we had in February about the difference between what is an adjudication officer or a determination officer.

Mrs. S. Duhamel:

We have made some small changes to that, yes.

Dr. M. Evans:

So I am not clear when it is going to be available. Is it going to be lodged with the Regulations?

Senator P.F. Routier:

No, the Regulations are going to be pushed back now, are they not, so we are looking at end of April for

the manuals.

Deputy J.A. Martin:

That will give us time to look at the manuals before -- we do not want to push the Regs back any further so anything that backs them up and what we have asked for is fine and Sue says you are on track for that so that is not a problem. The service level agreements.

Senator P.F. Routier:

With the parishes?

Deputy J.A. Martin:

Yes.

Senator P.F. Routier:

We met with them last Monday and I have literally just signed off a letter to them again with the agreements for them to sign and I believe it is in a state where they are ready to sign on the dotted line.

Senator B.E. Shenton:

Is that all 12 parishes?

Senator P.F. Routier:

It will be 11 parishes and 3 would be signing one service level agreement -- level of service and the other 8 would be a level of service.

Senator B.E. Shenton:

So there are only 3 that are going to be --

Senator P.F. Routier:

Three, yes. St. Saviour, St. Clements and St. Brelade are the 3 that will be doing the higher level of ...

Senator B.E. Shenton:

And the lower levels, what will they be doing?

Senator P.F. Routier:

Handing cash out.

Deputy S. Pitman:

Is that the rest of parishes are the lower level?

Senator P.F. Routier:

The 8 parishes will be providing a cash delivery service and answering minor information, but they will not be doing any assessing as such. The others will be doing the lower level of assessment.

Senator B.E. Shenton:

The people in the parishes doing the lower level of assessment and whatever, will they all have to take the oath?

Senator P.F. Routier:

Yes, very much so. They will have all the training. They have got to come in and train. They will be responsible to me.

Senator B.E. Shenton:

Who will pay for the training? The parish or your department?

Senator P.F. Routier:

We are paying for the training.

Senator B.E. Shenton:

So it will come out of Income Support?

Senator P.F. Routier:

Yes. They are being recompensed by the number and the type of thing they do on the computer. We are not paying a staff member's salary as such. It will be per item.

Deputy G.P. Southern:

How will that work in the sense that anyone who is a job seeker is going to have to be basically coming to town to assess their job coach, or whatever the equivalent post is, so that would be, I would have thought, apart from all the pensioners and parents with children under 5, everybody else should be job-seeking in some form or other, should they not?

Deputy J.A. Martin:

They will all have to come to Social Security, do they not? They cannot go to the parish.

Senator P.F. Routier:

Yes, they will come to Social Security for advice on job-seeking.

Deputy J.A. Martin:

So their workload probably would be: “Oh, I know it anyway” in these 3 larger parishes. As many of their welfare claimants do not have children under 5, and they cannot then use that parish.

Senator P.F. Routier:

We will find out how it works out because --

Deputy J.A. Martin:

But they know now. They do know. I mean, they know exactly who they give welfare to. This is information quite easy to gather from them. So it comes back to our original -- if you need to use the parishes transitional and then guiding -- I know the parishes want involvement and mainly these 3 larger parishes because they have staff. Again, I cannot see why their staff are not offered the same security or job opportunities as St. Helier or even, over time, that they may well be.

Senator P.F. Routier:

We have said to those 3 parishes that if the workload eventually worked out that everybody was coming to the centre and there was no work for them that we would obviously consider their staff to come to us.

Senator B.E. Shenton:

Are you insisting that there is a minimum number of people from each parish take the oath and do the training?

Senator P.F. Routier:

There would be identified people.

Senator B.E. Shenton:

No, you insist on a minimum? For example, St. Mary might supply one person which means they cannot do anything if they are on holiday or sick.

Mrs. S. Duhamel:

We assume there will be 2 people in each parish.

Senator B.E. Shenton:

You assume, but you are not insisting that there will be 2 people.

Senator P.F. Routier:

We have got a fairly fluid arrangement whereby we are prepared to even send some of our officers out to float around if need be; if there is sickness in a parish or whatever. Because people like, for instance

St. Mary's, if a resident of St. Mary's, because they are on a low service level agreement, just paying cash, and there was not the availability of somebody in St. Mary's they could go to St. Ouen or whatever to get their cash.

Senator B.E. Shenton:

Are you going to make it quite clear to the Constables that someone that has not taken the oath and has not had the training cannot step in?

Senator P.F. Routier:

Yes. They know that.

Mrs. S. Duhamel:

The computer security is all personal these days so you have got to be identified as you are an individual on the system, so it is quite tight.

Deputy J.A. Martin:

The next point is the special funding. We have got those today -- did you say we have got those? They are there for us so we have got them. I think we have covered the model, have we not?

Senator P.F. Routier:

Yes.

Deputy J.A. Martin:

Transport allowance incorporated into -- that is sort of the transitional period. I think you have sort of explained it but there has been concern out there that people feel that quite a few people are going to not get it.

Deputy G.P. Southern:

For the record, tell us again.

Deputy J.A. Martin:

We are not quite clear so we need to ...

Senator P.F. Routier:

There is a mobility element in Income Support which is attached to people who have an impairment component. So I mean that is already in the law so they will get that mobility component if they are disabled enough. DTA (Disability Transport Allowance) will no longer be paid, that finishes when Income Support comes in as a standalone benefit. Anybody who is currently receiving DTA will be

protected at the same sort of level -- not the same sort of level but they will receive a lower amount of money but it will be protected on a gradual basis.

Senator B.E. Shenton:

Will they have to fill out forms?

Senator P.F. Routier:

Yes.

Senator B.E. Shenton:

And they will have to supply bank statements?

Senator P.F. Routier:

Yes.

Deputy S. Pitman:

On a gradual basis, do you mean after 5 years it is going to be completely phased out?

Senator P.F. Routier:

If their circumstances are such that they --

Deputy S. Pitman:

So there is not going to be element which will compensate for that?

Senator P.F. Routier:

Well, we are compensating them for 5 years -- or whatever number of years it is appropriate to them really, but all their circumstances are going to be different.

Deputy S. Pitman:

But after that there is going to be no element there for transport allowance?

Senator P.F. Routier:

No. For somebody who has disability, yes, on their income.

Deputy J.A. Martin:

Because the ceiling there is £44,000.

Senator P.F. Routier:

£50,000.

Deputy J.A. Martin:

Has it gone up to £50,000, has it? Yes, that is quite high.

Senator B.E. Shenton:

So someone on £45,000, if they fill out the forms for Income Support they will still get a payment during the transitional period?

Mrs. S. Duhamel:

Yes. That is what transition does, protects people who would not be eligible for Income Support.

Senator B.E. Shenton:

It affects people on £45,000 a year.

Deputy P.N. Troy:

It is just rather than taking it away instantly, it is taken away gradually, it is phased out.

Senator B.E. Shenton:

You say it will be on a lower level.

Senator P.F. Routier:

Everybody's circumstances. Just for somebody who has got £45,000 or £50,000 or £36,000, it will vary.

Deputy J.A. Martin:

Just as a confirmation, we are talking about transitional period as 5 years but that was always up for -- I do not think we have --

Senator P.F. Routier:

That is still to be negotiated.

Deputy J.A. Martin:

I think we have talked about it. It sort of was 3, 5 even over 10 but ...

Senator P.F. Routier:

That we will be looking at in the model.

Deputy J.A. Martin:

Okay, it is still not a definite.

Senator P.F. Routier:

We might want to give more money earlier to more people and then reduce the amount of money available for transition.

Senator B.E. Shenton:

One would assume that if you get the system right you would want a shorter transition period. If you get the system wrong you would want a longer one.

Deputy J.A. Martin:

I am not clear then. So we have got transitional and the transition period will work but we have not got what the transitional period is in those Regs?

Mrs. S. Duhamel:

It describes the mechanism with no numbers in it.

Deputy J.A. Martin:

No numbers again, okay. No, it is getting worse, I mean we really do need extra time because we have got no numbers on anything.

Senator P.F. Routier:

Yes, and as Pete was saying, people do need to make an application.

Deputy J.A. Martin:

You say you have changed some of the Regs, which goes into the next one where the decisions remit is the Minister as opposed to determining officer and what is open to appeal and what is not.

Senator P.F. Routier:

I mean since our last meeting you pointed out that we needed to have some consistency of where it was and the orders have been amended to show that. I cannot remember what we have done but I know we have taken out the bits about Ministers and the Minister having -- it is down to determining officers to decide things.

Deputy J.A. Martin:

Have we got an update of those Regs?

Senator P.F. Routier:

Yes.

Deputy J.A. Martin:

They are all there as well, thanks. The next one, the tapering of work, I would like Dr. Evans to explain because he has got it down to a fine art.

Dr. M. Evans:

In the original Regulations that we were discussing a month ago, the proposed taper on my understanding was 90 per cent on gross only.

Mrs. S. Duhamel:

Net of social security.

Dr. M. Evans:

Net of social security. Which leads to an effective marginal tax rate of 91p in the pound, I think, roughly.

Mrs. S. Duhamel:

No, it is 90p.

Dr. M. Evans:

Okay, let me discuss that. Now you were mentioning that you have looked at fixed disregards on earnings as well. Has that been operated on the side of the taper? Because there are 2 things you have to balance. One of which is the reward for any work, so what is technically known as a replacement ratio, what you get from working versus what you get from not working. If you have a 90 per cent taper it means that the gains from work or moving into work are quite small so you have very low replacement rates. Now there are obvious arguments for some sort of fixed costs because there are costs of travel and other things on entering work. People could be worse off on a 90 per cent taper rate for high interim work if their costs are not greater than 10 per cent of their net earnings. The other real problem with the 90 per cent taper is it has incentives to work issues for second earners where the gains from a partner entering work are going to be minimal and it has effects on people in work where they can work fewer hours with very little affect on their net income and also does not promote job advancement or wage progression. These are all well-known problems that operate on a steep taper. So I think this is something we are going to have a very close look at because the issue of work incentives is central, not only to the original aims of the Income Support Scheme but also to the *Everyone Counts* agenda, you know, of making sure that people have incentives to lift themselves out of poverty otherwise you are going to create very severe poverty traps where people have an income out of work

and are in poverty but their ability to cross over the line and escape poverty is hampered because you are tapering away their benefits so steeply. You said the model can do different things but you have not changed the Regulations, is that my understanding?

Mrs. S. Duhamel:

Yes, but it will be a small matter to change the Regulations.

Dr. M. Evans:

So in Regulations we could amend them to put in some fixed disregard and to change the taper?

Mrs. S. Duhamel:

Yes. That is what you will see in the model. That you can do a combination of the 2 together.

Senator P.F. Routier:

I am with you on the principle. It can be a costly thing which we have got to look at and see how it balances with the rest of the package really.

Dr. M. Evans:

But we do not know what the behavioural consequences are. If you can move more people into work by increasing their gains from work you spend less on out of work income but you spend more on supporting people in work. Now I would think one of your big aims at having read *Everyone Counts* and the 2005 P.86 document is that is what you are aiming for?

Senator P.F. Routier:

Yes.

Dr. M. Evans:

So it is a combination of carrots and sticks, of making sure that people are doing their best to find work or to improve their work positions but also rewarding them for doing so. There are other elements on income disregards which can also promote work. I mean the one that we have not discussed with you is on the issue of maintenance because maintenance, if it is paid, helps lone parents enter work, it is another source of income that they can rely on. Its treatment both out of work to encourage it to happen and then in work to encourage it to continue is quite important for that group.

Deputy G.P. Southern:

Have you given any further thought to addressing these issues?

Mr. R. Bell:

Are you suggesting enforcement of maintenance?

Dr. M. Evans:

There are 2 issues, one of which is enforcement and the other one is what happens with the money once it is enforced. If you do not disregard anything it is a net gain to your budget but you can be a bit more creative in policy terms and encourage fathers and other people who are maintaining, who do not live in the household, to pay both by disregarding payments out from their income and from disregarding elements of income to the receiver of maintenance. It is a balancing issue that has to be carefully considered but something that I think we will consider when we are looking at the Regulations.

Mrs. S. Duhamel:

You have already seen the Regulations that the maintenance out is disregarded.

Dr. M. Evans:

Good. But that is one element. You have to look at what happens in.

Mrs. S. Duhamel:

Yes, maintenance in is regarded too.

Dr. M. Evans:

So you will not penalise people who pay maintenance but you are not giving anyone any gain from receiving maintenance.

Deputy G.P. Southern:

You are just saving money for the department effectively. Money comes from there, therefore you do not have to pay it.

Senator P.F. Routier:

We have worked on the principle that money coming in is income. If people want to get a discount to that ...

Dr. M. Evans:

Just in terms of the policy agenda, you know, encouraging people to be more responsible. It is a balancing act.

Senator B.E. Shenton:

Encouraging people to push for maintenance.

Dr. M. Evans:

If I am someone who could receive maintenance who is not receiving maintenance I have no incentive to go through the hassle of provoking my partner perhaps by asking for it, going through the court, whatever the transaction costs are at getting that maintenance paid to me if it is entirely taken from my income and does not give me any better ...

Senator P.F. Routier:

Yes, I will take that point.

Deputy G.P. Southern:

It is an issue that needs to be addressed. For all sorts of reason people choose not to pursue maintenance for all sorts of individual circumstances. But going back to the incentive to work stuff, I mean it goes wider. If you are saying that can work out very expensive you need to press that case, then you can do, I think, not only in terms of strategic plan, it fits nicely in with several quite big bullet points in there but also on migration policy because, again, this return to work thing we still are literally trawling everybody who is warm and breathing back into work, otherwise we have got a migration problem. So it links in with there as well. So I think while it might be expensive it is something you can sell to your fellow Ministers, I think, on lot of grounds.

Dr. M. Evans:

We made the point if you are balancing poverty and work incentives one of the ways out, but you did not distinguish on age on adult rates, would be to raise the rates for people over working age, to be more approximate to poverty levels and to have people of working age crossing the poverty line through combining Income Support and earnings or through earnings alone. Obviously that is a really important consideration and we will be looking at that.

Mrs. S. Duhamel:

The model allows you to put in a pensioner component separately and although it is not in Regulations we do not foresee any legal problems in putting one in if you wanted to.

Dr. M. Evans:

Thank you.

Deputy J.A. Martin:

Then we come to the third party. We have still got concerns about the third party payments.

Senator P.F. Routier:

We just mainly see that to be the Housing Department's; rents would be the main thing that would come

out, you know, would be considered in that. What we would be doing is bulk payments to the Housing Department for their rent. Sure, in the law itself you will have seen that there is an appeal process whereby an adult member of the household can appeal against that so they have the -- it is not a forgone conclusion. There is an appeal system.

Dr. M. Evans:

But it is an a priori assumption on your part that then anyone who lives in a States' rented house would have their rent deducted and paid directly.

Senator P.F. Routier:

That is what we are working to.

Dr. M. Evans:

So in terms of equity they would be treated differently from a private tenant?

Senator P.F. Routier:

Yes.

Dr. M. Evans:

A priori.

Senator P.F. Routier:

Yes.

Dr. M. Evans:

So there is no equity in treatment of tenants.

Deputy G.P. Southern:

Which is one of your fundamental aims set down in 2005; equity.

Senator P.F. Routier:

There is equity in various parts of it.

Deputy G.P. Southern:

The curious egg that is equity but this is unequal. There is a fundamental principle underlying that. It also is one of your aims to have people more in control of their lives and here you are saying, and in this big area, which we know is sometimes problematical, we are just taking away your autonomy from a whole raft of people.

Senator P.F. Routier:

There is an appeal mechanism.

Deputy G.P. Southern:

You are approaching this the wrong way round. We have got a relatively small problem that you are saying because we have some who we find problematical we make the rule for everybody that takes away their autonomy and treats them unequally. Now I do not think that is fundamentally thought through.

Deputy P.N. Troy:

But then every citizen has a duty to pay their rent.

Deputy G.P. Southern:

Which is between the Housing Authority, or the landlord, and that -- not the State. It is not a contractual duty between the tenant, the Housing Authority and the State - the other State departments. That is an interference. It possibly could be interpreted as a States --

Senator P.F. Routier:

Perhaps I have been looking at it the wrong way around because I imagined it to be of help to be able to pay third party to people who have claimed a benefit. I just felt it was a mechanism there which would support people to help them to pay their way. I mean that is they way I am looking at it. If you are telling me it is different to that, well ...

Deputy G.P. Southern:

It smacks of patronage, it smacks of a nanny state.

Senator P.F. Routier:

If that ability was not in the law to do it we would not be able to do it. If somebody comes to us and says: "I would like you to pay my rent." "I am sorry we cannot." That is the way I see it.

Deputy J.A. Martin:

No, well, it was interpreted like that at the beginning but now we were told last time that you would have the presumption that you will pay the rent for them and if they did not want that to happen then they would have to appeal against it, and you have just said that. Are you saying that every States' tenant now who pays a minimum rent are going - and that is an aside - to pay a minimum rent if they have no income at all or are they going to be zero-rented? They will be zero-rented. So you are not paying their rent, there is no rent. It is just not moving.

Dr. M. Evans:

They have 100 per cent rebate on Income Support.

Deputy J.A. Martin:

But no money changes hands.

Dr. M. Evans:

The thing I have difficulty with, I mean, the 100 per cent case, it is obvious what is rent and what can be paid direct if and when it comes to paying an amount direct. But for anyone whose income is over the margins of the Income Support component rates, and you are paying an element of their total income package of rent, what are you going to pay direct?

Senator P.F. Routier:

I am leaving it for these guys to resolve.

Dr. M. Evans:

Also, if you also contribute to their childcare costs, I mean this is why it has to be quite carefully thought through and I think the a priori assumption is inequitable because you are not treating private tenants equally with State tenants. But the bigger problem is once you do that -- I mean there are some instances where you need to and where you need to where the person does not consent. I mean for their own well-being if there is someone with an alcohol or substance abuse problem who will be evicted if their rent is not paid then obviously, you know, you have to have the power under very special circumstances which are prescribed, to step in and say: "In these circumstances we do not think this person is responsible and we will make the payment." But that is a very small instance. You then have where people would prefer it or where they are in arrears and they would like that to happen as a way of their debt management, another circumstance, but otherwise your starting point I think should be that people are able to manage their own financial affairs. We are trying to promote independence. Trying to promote social responsibility. Trying to encourage people to be more responsible for avoiding the adverse conditions that can make them dependent on Social Services. It is one of the promoting independence principles from the *Everyone Counts*.

Senator P.F. Routier:

As I said, I was looking at it the other way around but you have a good point. Whether it is something we need to look at or if there is anything we need to adjust on it, but you make a valid point.

Deputy G.P. Southern:

I think you are going to have to make a very strong case to persuade some of us that the way you have

been looking at it is the appropriate way to look at it and not the opposite way. It should be the exception rather than the rule.

Dr. M. Evans:

Obviously the rent account people in Housing would much prefer to have the cash in their account through bulk transfer because it reduces their collection costs and everything else but, you know, those are organisation incentives that are driving that rather than your incentives about how you want individuals to behave and how you want them to be socially responsible.

Senator P.F. Routier:

Okay, I take your point.

Deputy J.A. Martin:

Duties: the place in the Regulation to apply to you, the Minister, and the department in terms of encouraging take-up benefits. I think we have probably covered this. Promoting the welfare and the best interests of claimants and reporting on the progress of the scheme. That is something that we think you should be -- like, the taking up, it is down to you. I think we have had quite a good conversation on this earlier, but then, you know, over the reviewing over the first year that you have got a plan and when it needs to be done and what -- like you are with the LTIA (long term incapacity allowance). I mean it did not appear to be working so you have asked for a report. This may be great and whatever, but you need to obviously have thought this through and when it is going to be done.

Senator P.F. Routier:

Obviously monitoring it is, I mean, the first phase of it -- it will probably be in the accounts, we will know that. At the end of the year we will have to obviously monitor what the Income Support is costing and then we will have to put in place a review. I mean that will happen. It is at what stage you think it is appropriate to review it because sometimes you have got to let it bed in and settle down and it is at what period -- I mean perhaps your advisor could sort of say how soon should you ...

Dr. M. Evans:

There are several things, are there not? You are saying we are going in with our hands tied because we cannot afford to do everything we would like to do in a perfect situation. So at the end of the year you could say: "Well, we recognise this is a problem on the amount of debt, it is still a problem, we need more money to solve it." There is that sort of thing. Then there is the linking, what is happening with Income Support to the *Everyone Counts* and the bigger aims of policy, where I think it has to be more joined up and more transparent and more thought through. One way of doing that is to have some duty in the Regulations for you to report to that agenda. What have we put in Regulations? How does our practice in the past year promote the independence objectives of *Everyone Counts*? Then there is the

third issue about any bureaucracy in a perfect world has its own organisation objectives which clash with individual's interests. We have just talked about the third parties issue. Someone, somewhere, and it may be there is the commission, the CAB (Citizen Advice Bureau), there are other people who are always on the individual's case. I mean it is a balancing act. There is sometimes the necessity to putting a law that a Minister has to balance those aims rather than just be the person driving the bureaucratic objective. So those were the sorts of headings we were thinking of in the larger term. You know, you seem very amenable to that sort of agenda so we will discuss what we think is appropriate. Now presumably it is okay to put it in the Regulations rather than having to amend the law?

Mrs. S. Duhamel:

You cannot. You cannot put something in the Regulations. The Regulations only act as a subsidiary to the main law. You would have to change the main law.

Dr. M. Evans:

But, I mean, once we have an agreement on principle then it may --

Senator P.F. Routier:

Whether this is a new phase for States generally because I cannot think of any other legislation or any other thing that the States provide where there is written in law that there is a timetable for a review or whatever. It would be a new departure for the States.

Mr. T. Gales:

The Social Security law.

Senator P.F. Routier:

The Actuarial Review, yes. We have to do that every 3 years.

Dr. M. Evans:

But then next year you could be replaced by a Minister who is less friendly than you are.

Senator P.F. Routier:

Well, I know that.

Dr. M. Evans:

I mean, you know, the law is a useful tool in terms of that.

Deputy G.P. Southern:

It is building in some of your principles outlined in 2005 into the system so that there is a check being

made. You know, are we promoting work? Have we promoted work in the last year? Are there other ways in which we can move towards a greater promotion of work? Are we encouraging self-reliance? So there is a checklist built into the system that says: "And these will be monitored. These will be targeted." Apart from, yes, we are delivering X million pounds to X thousand people.

Senator P.F. Routier:

We have got to do that work, I agree with you entirely. But it is a matter of how you go about it and how you measure these things. These things can be so difficult to measure. You create a bureaucracy just to measure all these things. You have got to know what you are doing is worthwhile and you are headed in the right direction but if you put in a labour intensive -- you know, every year you have got to do this, it is --

Deputy G.P. Southern:

But somebody has got to be doing it. For example, if in 2010 we find that we have imported 650 workers as migrant labour in that year and we have not managed to improve, ratchet up, our take-up of work from locals then somebody should be saying: "Look what happens if you do not do that. Why have women in work -- why has it gone down in the last year?" Bingo, that is going to come your way. "Why have you not promoted that because it tied into migration?" So competing or not competing aims -- aims that can be joined up together can be done and we have got an opportunity here, because this is our mechanism for in work benefits, supporting people out of poverty in work. We can build that in a system somehow. Whether it is a Reg or whether it is a law. Who is monitoring it? Where is the additional -- who monitors you?

Senator P.F. Routier:

You do. The States do. The public does.

Deputy G.P. Southern:

Yes, we will follow up, but our job is not that. Our job will be doing something else. We have got wide enough remit.

Senator P.F. Routier:

I know, I mean, it is generally. It is not necessarily this group but, I mean, as States' Members.

Deputy G.P. Southern:

Oh, you mean me personally as usual?

Deputy J.A. Martin:

Then we have the non-related persons in the household which was a problem that we had in the Regs.

Senator P.F. Routier:

We think that Article 5 of the order sort of sets that out.

Deputy G.P. Southern:

Is that the one that says somebody you cannot marry?

Senator P.F. Routier:

Yes, and also flat sharers and lodgers are not financially dependent.

Dr. M. Evans:

After our discussion it was something that was still batting around. But if it was saying (a) unless you are a dependent child or a partner, or someone who could be your partner, you are basically defining that as your income support benefit. Dependent children, their adult carers and the partner of their adult carer, or someone who could be your partner. You have just done it in a way which is not immediately transparent by reasons of the law about marriage.

Senator P.F. Routier:

The law draftsperson came up with that one. The next one is about the application forms. What would you like to know about the application forms?

Deputy J.A. Martin:

Well, we have a serious problem again when it goes live and there are -- all right to ask you now with the workload to change the forms, I mean, obviously the answer I would presume is you are going to -- well, you answer me. But we are told there is no form so everything is on the computer but it also talks about in writing to the Minister in the Regs and in writing a form of, which I think was explained last time that it would all come out of one-to-one questioning and then it would be printed out and the applicant would sign. We have seen concerns about that.

Senator P.F. Routier:

Well, the existing form will not exist when we go live. The majority of people are going to have one-to-one interviews and the computer will print out a document with whatever language we need and to sign a declaration, whatever, agreeing with the information that they have given us and we do recognise there will be a need for a form. For some people we may have to visit or something. So, I welcome Dr. Evans' information of what he has been offering and what has gone on in the UK and we would be happy to put that into the new form that comes along. Very happy to work along those lines but we cannot say 100 per cent of people are all going to be dealt with on the computer because that is impractical really, but the majority will be and the information will go into the computer, a printout will

come out with all the information and we will ask them to sign that as the declaration.

Deputy J.A. Martin:

Did you not have some problems with data protection?

Deputy G.P. Southern:

Yes. I think certainly in talking to the Data Protection Commissioner she is not satisfied that some of the worries that she has had and which, I believe, have been backed up by the Law Officers' Department. The manner in which claims have been made, under Article 7 of the General Provisions Order, and the amount of information in support of the claim required, which go down to the Determining Officer and that level is put in an order which does not effectively get a democratic audit but an order just exists. You can say: "I want this information and this information. I want everything." There is no justification as to why you want that in relation to this particular claim, is that information absolutely essential to be stored or not? So, there is a worry that the way you have structured things in an order and giving powers under that order just to make an order, there is worries that that is not a good way of doing things in terms of ensuring that data protection and rights issues are covered, or properly covered democratically, if you like and they would possibly be better in a regulation which at least gets some supervision in the States. A democratic audit, if you like: "Yes, you are asking for this. Why are you asking for that? Is that strictly necessary? You do not need to know this person's inside leg measurements to give him a grant." At the moment you have the power to ask them what you want by order and in fact I think this has been communicated to you and as far as the Data Protection Commissioner is concerned she has not received a satisfactory answer. I think you have gone ahead.

Mrs. S. Duhamel:

You are going back to the main law. The main law sets out which items go through regulation, which go through order. She expressed her concerns to the Law Officers. The Law Officers are the people that decide these things. It is not up to us to say the main law --

Deputy G.P. Southern:

I understand the letter was transmitted to you, although I have not seen it because it is legal advice and it suggested that there was an issue and there was a balance between the administrative convenience of doing by order and the issues of democratic accountability that would be addressed by regulation, which goes before somebody saying: "Yes, that is okay for you to be asking that." The problem with the law -- that went under the law and I believe that the objection has not been met and the problem is that once the law says: "That is human rights compliant and you can do what you like, you can ask for what you like" and there certainly were issues around the level of questioning you are asking of members of the household in terms of their assets. There was an issue there. That is then not open to challenge on the

Data Protection Law because already the overarching law has the rubber stamp on it and it says it is human rights compliant. This is an ongoing issue. I am just laying it out for you. There is an ongoing issue that certainly, on my part, I will be raising as we go through this that those issues have not been properly addressed.

Senator P.F. Routier:

I suppose we need to sort of think about the principle of what information we need. I mean, the overarching principle I am working to is that we would hopefully have the correct information and I am sure anybody, you or any taxpayer or whatever would want to ensure that we have the --

Deputy G.P. Southern:

You have the power enshrined in the law to ask what you deem necessary without having to check it with anybody else and that is a step too far. It may have been the way we have done things since time immemorial, Ministers or Presidents, as was, had the power to make an order and be accountable to nobody. The Data Protection Commissioner is saying times have changed. Right laws have changed and it is not black and white that that is still an appropriate way to behave. That you do not have a democratic accountability built into the system that says: "Hang on, the Minister is bringing this regulation and we can check it and make sure he justifies; why do you want this piece of information? Is it strictly necessary in order to give this benefit?" Somebody is looking at it. At the moment it is just an order.

Senator P.F. Routier:

My understanding is that the advice we were given is that is the way to go about it. For my part, I was looking for a mechanism which got the right information to be able to provide the right benefits and the advice we have been given all along, we have taken the right route.

Deputy G.P. Southern:

All I am flagging is that the Data Protection Commissioner still has concerns about this and I believe it is worth revisiting.

Mrs. S. Duhamel:

Can I just say we have submitted all the Regulations and the orders back through the Law Officers, which we would not normally do. So, it is going through a second check, which is over and above what we are required to do. We took advice from the Attorney General on the main law. It is not for us to make that decision, it is for the Law Officers tell us that.

Dr. M. Evans:

For example, in the IS01T there is a question about arrears of rent.

Mrs. S. Duhamel:

Sorry, that is nothing to do with us. That is a Housing form.

Dr. M. Evans:

Okay. But it is --

Mrs. S. Duhamel:

That is on the existing Housing form.

Dr. M. Evans:

This is section B of the IS claim form 01T.

Mrs. S. Duhamel:

Yes, that is a joint form of the Housing Department. That is a Housing Department question, which is on their existing form. It is nothing to do with the law because it is a transitional form. That is not a long term form.

Dr. M. Evans:

Okay, but it got into what is a claim form for Income Support.

Mrs. S. Duhamel:

It is a joint application with the Housing Department and Social Security. We use some information and they use other information. We do not use the rent arrears information in our system, they do.

Deputy G.P. Southern:

So, if they are asking inappropriate questions, take it up with them?

Mrs. S. Duhamel:

Yes, exactly. It is in an existing form. It is on the existing Housing form.

Deputy G.P. Southern:

You almost make my case for me. I mean, we have a question here about the necessity to ask a particular question on a housing form. I am not here to argue with you. It is an issue between the Data Protection Commissioner and the Law Officers Department and what eventually comes out and the structure of the law under orders related to them which we already have. Now, it is a problem for you because the Data Protection Commissioner is still unhappy.

Dr. M. Evans:

But I am very confused. So, if someone puts in the information of what their arrears of rent are, even if it is not considered by people who are determining the income support claim, it is still there and it is information held by Income Support.

Mrs. S. Duhamel:

No. No, no. Sorry, the T form fulfils 2 functions; we replaced the Housing Department's reviews every week, every month through the year, so we wanted to not give people 2 forms to fill in the same information on, so we combined the forms together. So, people coming up for their regular reviews, since November, have filled in a single form which has been sent to the Housing Department. It is processed by the Housing Department. They extract the information they require, they pass it to Social Security, who extract only Income Support information. We do not record anywhere anything to do with rent arrears on the Income Support system.

Deputy J.A. Martin:

You are saying that under the new system you will not record it because you will be paying out housing benefits but you are not going to ask if people are in arrears.

Mrs. S. Duhamel:

You have to talk to Housing. The rent arrears question is there for a different reason. Housing had their own rules about private rent rebate and people that are in arrears for the private rebate. I mean, that is a different matter.

Senator B.E. Shenton:

Sorry, you totally confused me then. When Income Support comes in, how will you get back rent arrears? Or Housing will separately?

Mrs. S. Duhamel:

Housing will separately. There will be a way in which if you are a tenant and you want to pay us off a few pounds per week you will be able to sign an agreement which would allow it to be taken out of Income Support, but that is the same as anything else. You could do that for other things as well. In the same way as they do it now. It is not very different to the existing system.

Deputy J.A. Martin:

Yes, they have taken it and some have found that out.

Mrs. S. Duhamel:

They have taken a small amount out each week. Yes, you can voluntarily agree to that. There is no

coercion there. We do not force you to do it but if people agree to do it that can be done like that.

Deputy J.A. Martin:

So, you are paying out and they are the ones chasing the arrears. So, it is nothing you need to know on your original application.

Mrs. S. Duhamel:

Yes, Housing becomes the landlord, looking after the arrears, and we become the benefit provider.

Deputy J.A. Martin:

As you say, the mix of the 2 forms and what will be the -- and it will not be a form. We cannot say to you: "Well, can we see what information you are going to ask on the new form?" I mean, we have seen it in the Regs but it is the actual details.

Senator P.F. Routier:

You will be able to see the computer's questions --

Deputy J.A. Martin:

Yes, when we see the model and the questions. That is fine. Yes, I think the next one is all down to you. Is there anything we missed in the big discussions? Agreements and ...

Dr. M. Evans:

A whole load of things about claims and overpayments and a whole range of things that --

Senator P.F. Routier:

I have a list of things which we thought had not been asked which I have here. Regulations --

Deputy J.A. Martin:

Sorry, Paul, you are going to leave us a photocopy of those.

Senator P.F. Routier:

Yes. Well, I have scribbles all over mine.

Male Speaker:

We will take scribble.

Senator P.F. Routier:

Could somebody go through that for me?

Deputy J.A. Martin:

Yes, shall we just have a 5 minute break? We will get a copy and it will be easier if he is talking to a paper that we all have it in front of us. Thank you.

BREAK

Senator P.F. Routier:

Are we up and running? The points that we noted that you have not asked us to comment about were in the Regulations, Article 2(1) was the definition of the hours required for full time work. You asked that we review that because we had -- what stage did we have when we met you? Was it 35 hours we had when we met?

Deputy J.A. Martin:

Yes, and we suggested 32.

Senator P.F. Routier:

You suggested 32, yes. I would say that is still under review because I have met again with -- you know that we also meet with a political steering group as well and they keep on feeding information and they are sort of verging on the side of 35 and we have had quite a discussion about the merits --

Deputy G.P. Southern:

A political steering group?

Senator P.F. Routier:

Yes, you are aware of the political steering group.

Deputy G.P. Southern:

Again, my brain has gone blank. Just tell me.

Senator P.F. Routier:

Well, for all of this process in leading up to this we have been meeting with Terry Le Sueur, Constable of St. Helier, Constable of St. Peter, Senator Le Main as well because they --

Mrs. S. Duhamel:

Oh, sorry it is Jacqui Hilton now.

Senator P.F. Routier:

It has swapped to Jacqui Hilton now and the officers of those departments. It has been helping us develop this all the way through obviously lots of people are working on this. This number 32 or 35 is still up in the air. We are still not sure which way we are going to go on it yet. That is being reviewed.

Dr. M. Evans:

It is just how the whole thing works in terms of encouraging work. You need to put that alongside the jobseekers' agreement so that there is a clear -- in the policy manual, wherever it is, so there is something that people can see, for people with work hours constraints. They will be encouraged to work fewer than 35 but they will also be supported to move into full time work, however you phrase it, but at the moment the whole thing did not make a lot of inherent sense.

Senator P.F. Routier:

We are very aware that the jobseekers' agreement is vital and we want to make sure that we have that set out quite clearly what people need to do in their agreement. So, that was one point that we took note of at the last meeting and we are working on that. There was another point about the availability of work as well. Obviously we take note of what work is available in the community because you have to react to the job availability and you cannot make unreasonable claims on people if there are no jobs out there. Then schedule 1(2). Sorry, I am struggling with this.

Mr. T. Gales:

There was concern you raised of people under the age of 21 leaving home and then coming back to the parental home, so we have looked at that and we have suggested guidelines. I have to say that might be considered to be unreasonable and therefore they would not be required to go back. So, we have taken that on board.

Senator P.F. Routier:

Thank you. Yes, in schedule 1(5) we have taken out the hours for the carer's(?) component. We thought that was a useful comment you had made last time for that. Schedule 2(4) the wording of paragraph 2(a) under the child care component has been amended. Amended to what?

Mr. T. Gales:

There was a phrase in there that was not very complimentary, so it was taken out.

Mrs. S. Duhamel:

It was about when we were talking about alternative methods of day care and there was some reference to price.

Senator P.F. Routier:

Oh, yes, I remember that.

Mrs. S. Duhamel:

It just says the validity of any alternative options for temporary placements. So, it still has the concept there but it is not referred to in any kind of --

Senator P.F. Routier:

Yes, what was it? I have forgotten. Was it cheap or something?

Mrs. S. Duhamel:

I cannot remember what it said.

Senator P.F. Routier:

That was it on the Regulations and then on the order 4(1), which was a bit related to prisoners, that has been referred to the Law Officers to see if that is human rights compliant.

Deputy J.A. Martin:

That was about them not being entitled to Income Support if they were here for a year and in prison for 4 or 5 years.

Senator P.F. Routier:

Yes.

Deputy J.A. Martin:

They had been in the Island for 6 but they come out and they have not been --

Senator P.F. Routier:

No, the bit that is inside the prison does not count as ...

Deputy J.A. Martin:

Under the Regs.

Senator P.F. Routier:

Yes. So, we are checking with the Law Officers.

Deputy J.A. Martin:

Under the orders. Yes, fine.

Senator P.F. Routier:

Why does it have 10. Obviously have about 10 leaflets. Anything when people receive a benefit or a leaflet or publicity it will make it very clear as people's circumstances change that they have to let us know. That is a duty of theirs for them to do that, as it is with our current laws. Then schedule 1(2), that paragraph has been amended as well.

Senator B.E. Shenton:

Sorry, just going back to that last one. So, if someone fills out a form, they are meant to notify you if their circumstances change.

Senator P.F. Routier:

Yes.

Senator B.E. Shenton:

But you do not ask them to re-fill out the form every 3 years or anything like that.

Mrs. S. Duhamel:

They get a review.

Senator B.E. Shenton:

Every year? How often is this review?

Mrs. S. Duhamel:

At least once a year.

Senator B.E. Shenton:

Once a year, and on that review do they have to produce all the same information? How often do they get verified?

Mrs. S. Duhamel:

The department, depending on different types of claimants, will have more or less differences in their circumstances from year to year. The computer forces you to review people once a year at least. You can review them much more frequently. You can review them every week if you want to but a year is the maximum --

Senator B.E. Shenton:

When you say "review" is that just a: "Have your circumstances changed?" "No." "Okay, fine."

Mrs. S. Duhamel:

No, they will get a form to fill in. We are like Housing. Housing are in the process now where you get a form to fill in from scratch each year.

Senator B.E. Shenton:

So, how often will they have to verify bank statements and anything like that?

Mrs. S. Duhamel:

As often as they get asked for review.

Senator B.E. Shenton:

So, there is nothing set. So, someone could go 10 years without having --

Mrs. S. Duhamel:

No, no, no. It is at least once a year.

Senator P.F. Routier:

No, minimum of a year.

Senator B.E. Shenton:

Producing all the rent books --

Senator P.F. Routier:

Yes, as they do for Housing.

Mrs. S. Duhamel:

As they do with Housing now. This is a very similar set up to the Housing review now.

Senator P.F. Routier:

Where are we?

Deputy J.A. Martin:

Schedule 1(2).

Senator P.F. Routier:

Yes, the paragraph has been amended. How has it been amended?

Mrs. S. Duhamel:

It talks about selling capital. It talks about deducting the likely expenses of sale of the capital. A deduction of any tax paid on the process of the sale. Then we will put that into guidelines as to what that would include.

Senator P.F. Routier:

The next one. Can you tell me how that is amended, schedule 2(2)(d)? Now 2(2)(e) has been amended.

Mrs. S. Duhamel:

That was allowing people to make savings for a member of the household that had high level impairment and it now refers to the fact that you can only do it while that person still has that impairment. So, in other words you cannot save up for people that are not ill any more. The timing of it was a bit odd before really.

Senator P.F. Routier:

That was all those and then your final question about Professor Stafford.

Dr. M. Evans:

Before we go on I think there were a lot of things we discussed that were not there. So, we will have to go back over our notes. I can remember things about self employed income and the minimum wage assumptions and things like that which we discussed. We were reiterating the amounts and reiterating the rates now.

Senator P.F. Routier:

Let us keep the information flowing between us.

Dr. M. Evans:

Yes, I think we have to ensure that there is a good flow.

Senator P.F. Routier:

Yes, sure. My offices are open for you. Please do not hesitate.

Dr. M. Evans:

Yes, we have to get it through scrutiny in our correspondence. We cannot do complete bilaterals(?).

Deputy G.P. Southern:

Otherwise you might get snowed under.

Deputy J.A. Martin:

Or you might get charged for it. A little invoice. **[Laughter]**

Senator P.F. Routier:

Okay, do you want to --

Deputy G.P. Southern:

The LTIA, yes.

Senator P.F. Routier:

Yes, we are inviting him over to give a presentation to States' Members and to everybody on 20th April.

Deputy G.P. Southern:

But he has presented on his report to you?

Senator P.F. Routier:

He presented some of the findings of his report. He has gone away to finalise everything to make sure that it is ready to present to me, you, and everybody on 20th April.

Deputy G.P. Southern:

The presentation that he gave you, can I have access to it?

Senator P.F. Routier:

It would not be right because it is not complete.

Deputy G.P. Southern:

By the same preparation. That is very disappointing. It sounds to me awfully like a way to keep something from me and from this panel for as long as possible.

Senator P.F. Routier:

It is not that at all.

Deputy G.P. Southern:

Has he made major changes as a result of the presentation to what he was -- well, why can we not see it then?

Mr. R. Bell:

The gap between 23rd March and 20th April is down to Professor Stafford's availability.

Deputy G.P. Southern:

I do not want a presentation from him. All I want is whatever documentation you have on what he is going to say so we can prep ourselves and see if what I consider to be might be a problem i.e. you are going to hit with a big bill eventually, is developing and who else LTIA is effectively helping and where the level of Income Support is lying.

Senator P.F. Routier:

What I will do is, I will ask him if we can get you a copy before he comes over so you can see it.

Senator B.E. Shenton:

A copy of the new presentation.

Mr. R. Bell:

As far as I am aware he is not changing the report. The report is as it was and it was purely --

Deputy G.P. Southern:

I would like a copy of that report, please, as soon as possible and I do not mean 2 days before --

Mr. R. Bell:

No, we are saying we will get it as soon as possible then, if we are saying that what it is a document that you would like to see for scrutiny purposes so it stays confidential within scrutiny.

Deputy J.A. Martin:

That is okay. That is not a problem.

Senator P.F. Routier:

It is his report and we want him to publicly go out and say it is his report.

Deputy G.P. Southern:

We have been waiting for it for 9 months.

Senator P.F. Routier:

We want him to say it is publicly his report so I do not want to get in any -- for me to say anything about it or for you to say anything about it until he has talked about it. That is what I am after.

Deputy J.A. Martin:

No, we do not work like that. Everything we have in confidence we keep and we have been on some highly confidential panels, have we not, Deputy? Nothing has been leaked so that would be really

appreciated.

Deputy G.P. Southern:

As far as I know in terms of leaks it is Ministry 3, Scrutiny nil.

Deputy J.A. Martin:

No, no.

Senator P.F. Routier:

I have not leaked anything.

Deputy P.N. Troy:

Can I just say in your letter you referred to Low Income Support and though it was original titled that we did delete "low" so if you are using the terminology in the future it might be best if you just refer to it as Income Support.

Deputy J.A. Martin:

It is a lot easier for us.

Senator B.E. Shenton:

Did you get rid of those, did you?

Deputy P.N. Troy:

Yes. It is Income Support.

Deputy J.A. Martin:

Anybody else?

Deputy S. Pitman:

Yes, I have one. I wanted to know about the GST now that you have compensated for that with the £2 million over 5 years, is that right? That is what you were going to do.

Deputy P.N. Troy:

No, that is the transition payments. You are confusing the transition payments.

Senator P.F. Routier:

The transition is £20 million over 5 years. GST is £2 million.

Deputy P.N. Troy:

But it is full principal(?) stock. That is what the Treasury is allocating towards protecting individuals.

Deputy J.A. Martin:

Every year?

Deputy P.N. Troy:

A year.

Senator P.F. Routier:

It will be in the budget then.

Deputy J.A. Martin:

Yes.

Deputy S. Pitman:

I wanted to know how you came about these figures if you do not have figures for the amount of people who could claim Income Support but are currently not.

Senator P.F. Routier:

The assurance I have from the Treasury Minister is that we will have sufficient money. The number has varied over the period and we are saying £2 million at the present time. We will receive the appropriate amount of money that it takes to protect people from GST.

Deputy J.A. Martin:

Low income, and that is another thing, is there anywhere in the Regs, orders or decision made when that kicks in because there is Income Support that will maybe only pay to people who maybe need a bit of help with their rent, or something. Then you have the Income Support people who have no income, so have you made a decision on who, or is it everybody receiving Income Support that will get a protection of GST?

Dr. M. Evans:

It will be in the scale rate.

Senator P.F. Routier:

Yes. You will not get GST protection on housing benefit because there is no GST on housing.

Mrs. S. Duhamel:

We will increase the rates that are relevant to the GST by the amount of GST and we will do it up front.

Deputy S. Pitman:

So, if you need more than £2 million, will the Treasury give you what you need?

Senator P.F. Routier:

I have assurance that I will get it but there will be the battle there.

Deputy G.P. Southern:

I think that assurance has been given in the States.

Senator P.F. Routier:

It has, yes, several times.

Deputy G.P. Southern:

It is a matter of fact.

Senator B.E. Shenton:

The GST system was based on the New Zealand model which hopelessly underestimated the amount of compensation requirement so I thought I would just put that in. On the social affairs interim report there were a couple of things I just want to pick up on. One of the points was the sub-panel was concerned that in effect 2 clients in identical circumstances would receive different payments dependent on whether they would benefit from transitional payments. I assume that they would still receive different payments. So, nothing has been done.

Mrs. S. Duhamel:

Because they are gaining it in that way, are they not?

Senator B.E. Shenton:

So, that depends on how long the transitional payments stay in. The other one is the sub-panel recommends the department takes steps to secure -- no, that is fine. The sub-panel seeks guidance(?) as soon as possible pertaining to the likely financial consequences of the proposed change for the period receiving a benefit towards housing costs after the qualifying period of 5 years. Have we covered that at all this morning?

Mrs. S. Duhamel:

Yes, the extra cost is people from 5 years onward.

Senator B.E. Shenton:

Yes.

Mrs. S. Duhamel:

That is again one of the parameters that needs to be included in the total cost, yes.

Senator B.E. Shenton:

So, again you will come back to us on that one.

Mrs. S. Duhamel:

Yes.

Senator P.F. Routier:

When you work with the model you will see.

Deputy J.A. Martin:

That is another tranche of people that you are not reaching at the moment who do not receive any housing benefit. You think that they might be quite a low amount. It is a totally unknown figure. Do you know under the new scheme --

Senator B.E. Shenton:

You say it is in the model, but ...

Deputy J.A. Martin:

It is effectively everyone who has been here 5 years, whether qualified or unqualified, which is a total new thing for people in the unqualified sector, will be allowed a partial rent rebate, if they are on a low income.

Senator P.F. Routier:

If they are on a low income.

Deputy J.A. Martin:

Which is totally unknown.

Senator P.F. Routier:

But they have been before.

Deputy J.A. Martin:

No, they have not.

Senator P.F. Routier:

From welfare.

Deputy J.A. Martin:

Well, if you ask welfare, welfare say they do not keep records. So, they cannot give us a figure.

Senator P.F. Routier:

The ability for people, if they are in financial need, is currently there for them at 5 years to get support for their rent from the welfare system.

Deputy J.A. Martin:

But it is not benefit and people with 5 years normally do not go to welfare, unless it is a full welfare thing. This is just a one-off benefit that might be an extra thing that they can get.

Senator B.E. Shenton:

Also, Income Support is going to be more user-friendly. You are trying to get the net out to as many people as possible so you are going to get more people in anyway but you do not know how many people you are going to catch.

Senator P.F. Routier:

It is the same with all our benefits. Every benefit that we currently have the door is open for people to come and claim benefits and we do not know tomorrow who is going to get run over, who is going to get sick. It is literally --

Senator B.E. Shenton:

I do think there is a large portion of Islanders who can claim benefits that they do not know they are there and hopefully under Income Support that group of people will become less.

Deputy G.P. Southern:

We are back to where we started on the fundamental under claim that there is in any benefit system.

Senator P.F. Routier:

We will be promoting benefits.

Deputy G.P. Southern:

We suspect there are lots of people out there.

Senator P.F. Routier:

It is our duty to promote the benefits. I mean, it is not written down but it is our duty --

Deputy G.P. Southern:

No, we are going to write it down --

Senator P.F. Routier:

It is our duty to go out and promote benefits.

Senator B.E. Shenton:

Through your advertising.

Senator P.F. Routier:

These guys have been to so many groups, like Age Concern. They have been going out and about which you have not been aware of but we have met so many charities and talking to people.

Deputy J.A. Martin:

You are still missing a lot of people out there who do not know what is going and what is coming. I mean, Sue said that it was just people have got so much money in the bank I do not want to claim my Income Support, well --

Senator P.F. Routier:

I have had several of those.

Deputy J.A. Martin:

So, whether or not it is people who do not understand --

Senator P.F. Routier:

No, it is not that at all. It is just that they are recognising that the money that they have they will no longer qualify for Income Support and they are not going to claim.

Senator B.E. Shenton:

I have come across a lot of people that thing this Income Support thing coming in is on top of existing benefits.

Deputy J.A. Martin:

I really cannot understand that, Paul, because, as Sue said, it is not much different -- what you are asking

for to verify your claim is exactly the same, if not more stringent but I would not say much more stringent than housing. Now, how are these people falling through the net supposedly have thousands of pounds in the bank who are not going to be, unless you are talking about the ceiling for housing benefits, being £49,000?

Mr. R. Bell:

An example would be DTA which is quite high income barred. There is an asset bar in there.

Deputy J.A. Martin:

That is the main one you are talking about is DTA.

Dr. M. Evans:

On the question of take up, the new system you can measure take up rates far more easily than you could under the previous dog's dinner. The variety of allowances of different kinds and different interpretations by parishes. So, I mean, I think one of the major things that will be needed in a year or 2 years time is another income distribution so that other people, if there are other clients for that, with which you can then measure take up and that has to be something that is really important because one of the big gains you are trying to get is better coverage.

Senator P.F. Routier:

We have been talking about it in the Council of Ministers, the distribution survey, and the last one cost us £250,000 to do and that was not particularly the full works. It is quite a commitment to go and do but it does need to be done. I agree with you.

Deputy G.P. Southern:

Well, you have already saved on the census so there is money around.

Deputy J.A. Martin:

Does anybody have anything?

Deputy S. Pitman:

Yes, just on that line. How will you be appealing to the immigrant population, the Portuguese and the Polish?

Senator P.F. Routier:

As I say, the Communications Unit are the ones who are going to be advising us on how we are going to get the message out to the whole of the population. I mean, that is what we need to do and we will be relying on them to come forward with an appropriate mechanism to do that.

Dr. M. Evans:

It is very complex because you have a range of existing allowances which is very complicated, so you have existing people who have an element of knowledge of the system and you also have the whole range of new things that you are covering like childcare. So, I mean, there is going to be quite a big range of promotional material: “Are you low paid? Want childcare?” is one group that you want to attract. “Are you disabled and have transport costs? Currently this is what is in the future.” I mean, there is a lot of niche marketing to be done, unfortunately. As well as saying Income Support is this big new change which I think people will feel quite frightened about, or could be quite frightened about.

Senator P.F. Routier:

I mean, we are making contact with all of these people. We are not saying that we have everybody. We know that we do not have everybody but the majority of people are being contacted now and have been contacted and will be contacted regularly between now and the introduction. There will be a minority of people who need the big publicity campaign to --

Deputy J.A. Martin:

Now, the quantity is unknown. You do not know the minority. We know your social policy and your conscience is for you to promote those people to come into the office to claim, to find out if they come under the new system either for rent or an up-rate in pensions. It could be a minority. It could be a big majority that you do not know about but it is for you to go out and promote it, Paul, not us. Do you agree, as the Minister for Social Security?

Senator P.F. Routier:

Yes, I agree entirely and we will be.

Deputy J.A. Martin:

You will.

Senator P.F. Routier:

We will be.

Deputy J.A. Martin:

You are quite sure that the person who you have got, the dedicated communication person, understands what you are trying to promote? She has read the policies you are trying to promote. Because I do not underestimate her communications skills. I do not know her. I do not know who it is. If she does not understand where we are coming from she will not get it across properly and it has to be, as Dr. Evans says, in bits and it has to start well before June or July. It is not about the money. Eventually it will be

about the money, but it is about the change and it is no good talking to Age Concern. There are loads of elderly people who do not go to Age Concern meetings. I mean, we had this about: "Raise your hand, do you want TV licenses or health care?" Everybody said it was because Age Concern put their hands up and said: "No, we do not want TV licenses, we want dental and eye and foot care" or whatever. Every other person who happened not to be in that room at the time said: "No, we wanted free ..." I mean, it is not the way to do things and you do not want to carry on down that line because you are the Minister who has to lead this and it will be on your head. We are scrutinising it, but right or wrong it will be on your head.

Senator P.F. Routier:

We can share it, if you like.

Deputy J.A. Martin:

I will share it. Do it right, but you have to put some oomph in it. You have to stop fussing around with the parishes and you really have to take some leadership. That is all I have to say. Strong leadership.

Senator B.E. Shenton:

The panel might disagree with me here, but the whole point of Income Support is to better target where the money goes and you said the transitional payments might go over 10 years. I do not know whether you were joking when you said that.

Senator P.F. Routier:

We have not finalised the numbers yet but it will not be 10 years.

Senator B.E. Shenton:

I mean, there are payments being made at the moment and I think you would agree that are not particularly well-targeted in certain areas.

Senator P.F. Routier:

That is a States decision, that is.

Senator B.E. Shenton:

Well, I was not in the States then. But having a long transitional period you are basically carrying on paying money to badly targeted areas.

Senator P.F. Routier:

There was a view a number of years ago there would not be any transitional period.

Deputy J.A. Martin:

You have to weigh that up.

Senator P.F. Routier:

Are you going to be up for that? As a politician are you going to --

Deputy G.P. Southern:

Can I come in? On targeting, I mean, some of them are incredibly badly targeted in terms of HIE, for example. If you want to see a benefit that is not well-targeted because it takes no account at all of how ill you are, only on your income, and it has an income bar but you have to be on the street to get HIE. Very few people have taken it up. One of the things I will be looking for in particular is that the replacement for HIE gets to more people and it is about health and not just about Income Support, even though it is under the same umbrella and that has to be essential that more people get access to subsidised healthcare in the proper way.

Senator P.F. Routier:

Does anyone have a view on that?

Mrs. S. Duhamel:

The replacement for HIE is the clinical costs component and it is based on clinical need. Clinical process is in 8 of schedule 1.

Deputy J.A. Martin:

Does anyone have any comments from your side?

Senator P.F. Routier:

Nothing other than to say that our door is open. You will have the model, you will have the details that you need to help us.

Deputy J.A. Martin:

We do formally request that at least if you can put it back to August, we really need this time to scrutinise all the elements in the models and the leaflets and everything else, the guidelines. So, it is not that we are holding up at all, it is just we want to do a proper job and we want to help make sure that it is fit for purpose when it comes out.

Deputy G.P. Southern:

Chairman, would you like to put out a joint press release as a result of this meeting with the Minister? I am particularly concerned that it is not presented in any way as scrutiny causes delay. It might be

useful, even though the press was here and they have obviously --

Senator P.F. Routier:

He will be out there now.

Deputy G.P. Southern:

Would you like to --

Senator P.F. Routier:

He was going to write his story right then.

Deputy G.P. Southern:

Would you like to agree a joint press statement?

Senator P.F. Routier:

Yes, very happy to.

Deputy J.A. Martin:

Yes, if you can pass something across the Communications Unit to us.

Senator P.F. Routier:

Okay. We will work on that. I do not know what timescale we are going to work to. We probably might be reacting to what the *Evening Post* have done today.

Deputy J.A. Martin:

Yes, that is fine because if they have reported it completely wrong, they will go for a headline, which we can --

Deputy G.P. Southern:

It was Ben. Say no more.

Deputy J.A. Martin:

-- agree between us and we will back you on whatever way.

Senator P.F. Routier:

As it is being transcribed, I think Ben is a very good reporter. **[Laughter]**

Deputy J.A. Martin:

Well, that is lovely. Anyone else? Any more? Okay.

Senator P.F. Routier:

Thank you very much.

Deputy J.A. Martin:

Thank you very much.