

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 17th APRIL 2012**

**Question**

Will the Minister inform members what his latest estimates are for the impact of the UK Government's decision on Low Value Consignment Relief on employment figures, redundancy payments, Income Support costs, lost Social Security contributions and other costs to his Department ?

**Answer**

The latest estimates for the impact of the UK Government's decision on Low Value Consignment Relief are as follows:

- **Employment figures**  
Advice from the Economic Development Department suggests that there is reason to remain optimistic that a number of the businesses involved in the industry will remain in the Island for the foreseeable future. The Economic Development Department is working closely with the industry to explore new business opportunities and markets. This Department is working with business to provide information and advice to staff in the event of redundancy. Some 800 people are currently directly employed by the fulfilment industry.
- **Redundancy payments**  
The Department is only responsible for statutory notice payments in the event of the insolvency of the employer. There is no current indication that any fulfilment employer will become insolvent.
- **Increased Income Support costs**  
Estimate of £800,000 per annum per 100 fulfilment employees losing their jobs
- **Reduced Social Security contribution income**  
Estimate of £180,000 per annum per 100 fulfilment employees losing their jobs
- **Social Security Contribution Credits**  
Workers who are made compulsorily redundant may be entitled to receive contribution credits against their Social Security record. The award of unemployment credits to 100 individuals is equivalent to a lost contribution income of £567,000 per annum. This cost is not met directly by the Fund at the time, but it does represent a future financial liability against the Fund.
- **Reduced Supplementation costs**  
Estimate of £315,000 per 100 fulfilment employees losing their jobs

- **The Back To Work Scheme**

The total allocation of £7.4 million for this scheme includes funding for additional support for unemployed workers. This support is principally provided through personal advisors and the provision of training courses. Extra costs are also incurred through the administration of an increased volume of Income Support claims.