

# **STATES OF JERSEY**



## **HEALTH INSURANCE EXEMPTION CARDS: FREE BUS TRAVEL AND ACTIVE CARDS**

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**Lodged au Greffe on 26th September 2007  
by the Health, Social Security and Housing Scrutiny Panel**

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**STATES GREFFE**

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

- (a) to agree that new arrangements should be put in place following the introduction of the new income support scheme to enable those persons who are currently holders of Health Insurance Exemption cards to continue to be able to access –
  - (i) free bus travel; and
  - (ii) free Active cards and free access to the fitness referral scheme;
- (b) to request the Minister for Transport and Technical Services (in respect of (a)(i)) and the Minister for Education, Sport and Culture (in respect of (a)(ii)), in conjunction with the Ministers for Social Security and Health and Social Services, to bring forward proposals to ensure that appropriate arrangements are put in place to enable this provision of services at no cost to continue.

**HEALTH, SOCIAL SECURITY AND HOUSING SCRUTINY PANEL**

## REPORT

### **(a)(i) HIE and free public transport**

As a result of an intervention by the former Finance and Economics Committee and following discussions with the former Defence Committee, the States agreed, by Act dated 11th October 1988, that free bus travel should be extended to both Jersey residents of pensionable age and Health Insurance Exception (H.I.E.) card holders.

The Transport and Technical Services Department state the following in correspondence of 29th March 2007 to the Social Security Department –

*'The subsidy was originally introduced to provide the head of household with free travel to and from work or when looking for work. It has spread a bit and now provides free travel to the adults in an H.I.E. household.'*

The Transport and Technical Services Department has confirmed that there are currently 327 H.I.E. passes issued for free bus travel. It was further confirmed that in 2003 approximately 9% of concessionary journeys were undertaken by H.I.E. cardholders.

Welfare and related schemes were essentially out of work benefit. Income Support is an in-work benefit. With the introduction of Income Support H.I.E. entitlement will cease to exist.

The Social Security Department have assured us that a travel element has been incorporated into the Income Support components and would, as a result, subsume the H.I.E. free transport subsidy (which is actually income forgone by Transport and Technical Services). It is uncertain how much this travel element will be. It is certain though that the travel element will be the same to both job seekers and non-job seekers. The criteria for 'Actively seeking work' is set out in P.90/2007 –

*A person is actively seeking work if the person has, during the past 28 days –*

- (a) taken all reasonable steps (including any appropriate training or work experience) to obtain suitable work;*
- (b) not unreasonably turned down any offer of suitable work; and*
- (c) attended every interview with an officer of the Department of Social Security to which he or she has been invited unless he or she had a reasonable excuse for not so attending.*

These criteria are in addition to attending job interviews. Claimants are required to seek work in order to receive financial support. Many will be required to make up to 4 job applications per week. The individual will incur travel costs –

- in seeking job opportunities to apply for;
- in attending job interviews;
- in attending interviews at the Social Security Department; and
- in travelling to and from work should they gain employment.

The significant travel costs far exceed those of non job seekers who receive the same travel element in their components. These costs will have a bearing on claimants and their behaviour.

Many more people will be seeking work in order to qualify for Income Support. For example, as at 23rd September 2007, 693 of the 1,292 open family allowance claimants have children between the ages of 5 and 16 and would become job seekers under the new proposals. If they do not actively seek work, Income Support may be denied to the whole household. Substantial travel costs could result in them being less likely to actively seek

work and put their household at risk of losing Benefits. The removal of free bus travel directly contradicts the intention to require applicants to actively seek work and undermine the ultimate aim of Income Support, i.e. to get people into work.

The Minister for Transport and Technical Services has made his view on the subject clear. In e-mail correspondence of 15th August 2007 to the Sub-Panel the Minister for Transport and Technical Services states –

*‘My own view is straightforward. I see little merit in subsidising bus fares for specific groups, such as H.I.E., if funds for travel on Public transport are being awarded to those same groups from another source.*

In a letter of 3rd August 2007 to the Income Support Sub-Panel the Minister for Social Security stated –

‘These schemes (Free bus travel and free Active Cards) are not schemes of the Social Security Department, but are schemes of the Transport & Technical Services and Education, Sport & Culture Departments respectively. My Department is working with Officers of those Departments to provide whatever information they require to enable them to target access to any schemes they may wish to have to supersede their existing schemes.

There has never been any intention to include those schemes within the Income Support Scheme, just as they are not within the current H.I.E. scheme.’

This proposition seeks to ensure continuance of free travel for those actively seeking work in order that the aims of Social Security of achieving higher employment rates is achieved.

#### **(a)(ii) HIE and Active Cards**

Active cards form part of the Health Department Department’s strategy for promoting healthy active lifestyles in the population in order that Islanders can take control of and improve their health. Under the strategic proposals contained in ‘New Directions’ this aim will be encompassed in a new strategy called ‘Health for Life’.

Previously, holders of H.I.E. Cards received a free induction to the Health and Social Services Exercise referral scheme following recommendation by their G.P.s followed by an initial course of 20 sessions at no charge. When they have completed this programme these clients are encouraged to become independent exercisers. For some, a programme of exercise would be gym-based.

The most convenient means of accessing gym facilities and training programmes is through possession of an Active Card. The Education, Sport and Culture Department had previously agreed to offering up to 50 free active cards to recipients of H.I.E.

Following the introduction of the Income Support scheme H.I.E. will cease to exist.

Both of these schemes form part of an overarching cross departmental initiative to improve the health of the Island’s population. The provision of free facilities previously through H.I.E. is particularly useful in reaching those on the lowest incomes.

Under Income Support, the Education, Sport and Culture Department had hoped that the need for a limit on free Active Cards would be addressed through additional financial support. However, the Social Security Department have confirmed that it will not be possible under Income Support to financially support current H.I.E. claimants on Active Cards. As such, the Education, Sport and Culture Department has indicated that they will be reviewing how they operate with a view to limiting support to individuals based on medical conditions.

In a letter of 3rd August 2007 to the Income Support Sub-Panel, the Minister for Social Security stated –

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*Department, but are schemes of the Transport & Technical Services and Education, Sport & Culture Departments respectively. My Department is working with Officers of those Departments to provide whatever information they require to enable them to target access to any schemes they may wish to have to supersede their existing schemes.*

*There has never been any intention to include those schemes within the Income Support Scheme, just as they are not within the current HIE scheme.'*

The Sub-Panel is of the opinion that this position adopted by the Minister for Social Security is unsatisfactory. This proposition seeks to ensure that the Education, Sport and Culture and Social Security Departments find a solution so that those recipients of Income Support who would previously have access to these health-based initiatives continue to do so.

This will mean establishing a convenient means for establishing who would most benefit and ensuring a simple mechanism for obtaining free access. It should be pointed out that the previous Education, Sport and Culture scheme was limited to 50 Active Cards. Therefore, financial costs should not be too great unless the Minister chose to expand the scheme.

It should be noted that both Transport and Technical Services and Health schemes attached to H.I.E. resulted in income foregone for the respective departments. This proposition proposes continuation of the situation with revised systems of delivery. There should therefore be no additional financial and manpower costs.