

# **STATES OF JERSEY**

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## **MILK SUBSIDY FOR DELIVERY TO SPECIAL CLASSES: FUNDING**

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**Lodged au Greffe on 5th July 2005  
by Deputy G.P. Southern of St. Helier**

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**STATES GREFFE**

## **PROPOSITION**

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

to request the Employment and Social Security Committee, in order to offer continued support to the principle of subsidised milk for special classes –

- (a) to work with other Committees and bodies as appropriate to devise a system to permit the free delivery of subsidised milk to the elderly and the housebound; and
- (b) to consult the Finance and Economics Committee in order to secure an appropriate level of funding to ensure the effective delivery of the new scheme.

DEPUTY G.P. SOUTHERN OF ST. HELIER

## REPORT

The Employment and Social Security Committee has funded a subsidy on the price of milk to those in need for many years through the Milk (Sale to Special Cases) (Jersey) Regulations. This has provided direct practical support to those groups regarded as susceptible to harm through poor nutrition, namely those with young children, expectant mothers and the elderly.

The numbers of households receiving subsidised milk and its cost over the past 5 years are as follows:

Year	1999	2000	2001	2002	2003
Recipients	10,682	10,415	9,792	8,948	8,353
Cost, £	608,000	495,000	467,000	408,000	380,000

Numbers of recipients have been decreasing over this period, but remain significant, at over 20% of households.

The costs of administering the scheme, along with the cost of delivery of this milk, either in the town market or through doorstep delivery has always been met by Jersey Dairy. Despite the imposition of a charge of 30p on its milk rounds in the last year, the Dairy managed to maintain the free delivery of subsidised milk. The imposition of this charge led to a reduction of the order of 25% in the number of customers taking doorstep delivery of milk. The number of households on the milk rounds had fallen to around 4,500 in the last year and consequently the Jersey Dairy has withdrawn its milk delivery service.

In a letter of 10th June 2005 the Jersey Dairy announced that the last home delivery of milk would take place on Saturday 2nd July. Obviously, this has resulted in the cessation of the free delivery of subsidised milk to those families and elderly persons in need of this service. For the several hundred recipients who are elderly and frail or are housebound and dependent on the doorstep delivery, this has been a time of deep anxiety.

In its letter, the Dairy announced that there are four businesses which intend to provide a delivery service for milk (alongside their current products), covering the following areas:

Rouge Bouillon to Carrefour Selous and Beaumont

Maufant to Five Oaks and St Saviour

Route des Genets, Portelet and Ouaisne

St Peter

In addition, Jersey Dairy will offer a “skeleton” delivery service for those who are housebound and living an area not covered by these services. This at present means an island-wide round covering around 50 individuals. Two of the above services report a large uptake with some 75 to 80 customers each requesting the service, and one reports relatively low take-up, but this may increase markedly after Saturday 2nd July.

These services offer 2 or 3 deliveries per week, and all make a charge. This, in most cases, matches the Dairy’s 30p per delivery, although one business which delivers 3 times a week, charges a nominal weekly 50p. None of these companies, including the Dairy, is making a profit, but is effectively providing a service, which it sees as meeting a continuing need.

In addition, two of our supermarket chains will deliver to homes at a charge.

As a temporary measure, the Employment and Social Security Department has stated that it will issue cheques for a lump sum to all current beneficiaries for the rest of the year. Based on 2003 figures, the average annual payment is around £45 for each recipient. So most recipients will receive a cheque for the remaining 6 months of around £23. However funding the subsidy without taking into account the costs of delivery of the service to the

housebound renders the whole scheme futile.

I believe that the provision of subsidised milk reflects a continuing need and should be maintained. For the several hundred recipients, mainly elderly, who are housebound or frail, there is no point in taking 24 pence off the price of a pint only to charge 30 pence for its delivery. In the absence of the hidden subsidy of this service previously provided by the Jersey Dairy, it must fall to the Employment and Social Security Committee to organise and fund its replacement.

### **Financial and manpower considerations**

These are difficult to estimate in the absence of a mechanism for delivery, but as a guide the cost of a milk round is around £40,000 annually. This sum, or less, might be used to offer a subsidy to existing delivery businesses to take on milk deliveries to housebound recipients. There would be some additional administrative costs in organising deliveries to some hundreds of the 8,000 recipients of subsidised milk.

## APPENDIX

The 2004 subsidy for the various classes of beneficiary are given below:  
(Regulation 3)

1	2	3
Class of beneficiary	Quantity of milk per week qualifying for reduced price	Amount to be deducted from the normal price of milk per 500 millilitres
Children under 5	3500 millilitres	22p
Over 70s and over 65s with medical need	2000 millilitres	24p
Expectant mothers	3500 millilitres	22p