Social Affairs Scrutiny Panel
Income Support Sub-Panel

Meeting 9
Date: 24th July 2006
Location: 1st floor meeting room, Morier House

Present	Deputy J.A. Martin, Chairman Senator B.E. Shenton Deputy G.P. Southern Deputy S. Pitman, Vice Chairman
Apologies	
Absent	
In attendance	Mr. C. Ahier, Scrutiny Officer

Ref Back	Agenda matter	Action
	1. Minutes of Previous Meetings The Sub-Panel approved the minutes of the meeting of the 10th July 2006.	
	2. Action Updates The Sub-Panel noted the action updates.	
	3. Public Hearing The Sub-Panel considered a list of draft questions and agreed a number of changes. The Sub-Panel further agreed to review the revised questions at their meeting prior to the Public Hearing on the 25th July 2006.	**CA**
	4. Adviser The Sub-Panel introduced themselves to Dr. Evans and proceeded to discuss the Income Support proposals and related issues. Dr. Evans explained that the proposals in Jersey were of a similar nature to those being proposed in New Zealand. Their programme was called 'Working for Families' and was due to be introduced in 2007. He confirmed that the programme was being funded from general revenues. The Sub-Panel went on to discuss the various income support models in operation across Europe. Dr. Evans explained that most of mainland Europe had contributory based systems though the Eastern European countries did employ different variations on the model. He also confirmed that the Nordic model involved a large contribution on the part of the public but resulted in comprehensive and generous public service provision.	

Dr. Evans stated that the structures proposed in the Jersey model of Income Support looked sensible. He advised the sub-Panel that and system had to incorporate incentives to work. He went on to discuss the need for greater information in respect of the components of Income Support. In particular it was identified that further information was required concerning those who would be losing out, how the old benefits would be transferred into the new system and definition of households under the new proposals.

Dr. Evans was informed that social housing in the Island was generally not under occupied and was already used quite efficiently.

The Sub-Panel went on to discuss the funding of the new proposals. It was confirmed that the exact funding proposals were not yet available but that there would be a finite amount available resulting in top down approach to setting the levels. It was commented that this could explain the CRSP reports not being used to inform the calculations. Dr. Evans discussed whether the proposals were in fact a 'no cost' reform. It was confirmed that the budgets for benefits being transferred under income support would be combined with £1.75m annual amount to off set the effects of GST and a £20m transitional payment. It was confirmed that the Department of Social Security had acknowledged that some people would still lose out.

It was confirmed to Dr. Evans that the social Security Department had a commitment to reducing poverty in the Strategic Plan. The Sub-Panel went on to discuss how this would not be possible on the basis of a constrained budget under no-cost reforms.

Dr. Evans discussed the validity of social survey responses with the Panel. He confirmed that, despite the possibility of some bias in findings, it was possible to extrapolate the figures through quality assurance methods to ensure that they were sufficiently robust to base proposals on.

The Sub-Panel discussed whether 'the reduction of poverty' was a stated aim of the Income Support proposals and, if so, the aim for social inclusion is implicit. It was agreed that the proposals should be examined in this context and the driving force for policy change should be properly identified and the resulting proposals judged on how they affect the stated aim.

The Sub-Panel discussed the minimum wage rate in Jersey and the UK. Dr. Evans informed the Sub-Panel that the UK had acknowledged that they had set the rate at too low a level. He further stated that studies in the US had shown that a low minimum wage rate did not encourage job growth.

The Sub-Panel went on to discuss how many centres would be required in the UK to administer a comparable income support system. Dr. Evans advised the Sub-Panel that, in his opinion, no more than 3 would be required. He went on to state that any

	reform should take into account the simplification of processes to free up funds to channel into benefits. The Sub-Panel agreed to ask the Social Security Department what savings there will be and where the resulting savings, if any, will go. The sub-Panel further agreed to ask the Social Security Department what cost benefit analysis had been done of satellite offices. Dr. Evans discussed the issue of probity and fraud work in any Income Support system. He commented upon the value of this work and the need to ensure the minimum of abuse of any system. He went on to comment that it was important this function was centrally run and that it was separated from the standard work on the system. The Sub-Panel agreed to provide Dr. Evans with the following documents in addition to the ones he had already requested: • CRSP Report Executive Summaries • Social Protection in Jersey • Income Distribution Survey • 2001 Census The Sub-Panel further agreed to arrange for Dr. Evans to visit the Island again on the 10th and 11th August in order to attend the next monthly meeting with the Department of Social Security and the Officers involved with the Income Support proposals.	**CA** **CA** **CA** **CA**
	5. Future Meetings The Sub-Panel noted that the next scheduled meeting would take place at 2:00pm on Monday 7th August in the Le Capelain room, States Building.	

Signed Date

…… ……..

Chairman,
Income Support Sub-Panel,