

STATES OF JERSEY

Health and Social Security Scrutiny Panel Quarterly Meeting with the Minister for Social Security

THURSDAY, 21st MAY 2015

Panel:

Deputy R.J. Renouf of St. Ouen (Chairman)

Deputy T.A. McDonald of St. Saviour

Witnesses:

Deputy S.J. Pinel of St. Clement (The Minister for Social Security)

Chief Officer, Social Security

Policy Director, Social Security

[14:00]

Deputy R.J. Renouf of St. Ouen (Chairman):

Right, Minister, thank you very much for coming to join us today at our quarterly hearing. For the record, as you know, this is being transcribed. This is a quarterly hearing conducted by the Health and Social Security Scrutiny Panel with the Minister for Social Security and, for record, I am Deputy Richard Renouf and I am the Chairman of the Panel.

Deputy T.A. McDonald of St. Saviour:

Deputy Terry McDonald, member of the Panel.

The Deputy of St. Ouen:

Can I ask you to introduce yourself and your team, please?

The Minister for Social Security:

Deputy Susie Pinel, I am Minister for Social Security.

Chief Officer, Social Security:

Chief Officer.

Policy Director, Social Security:

Policy Director.

The Deputy of St. Ouen:

Okay, thank you. We have apologies from Deputy Southern who is out of the Island and we are joined by Kellie Boydens, our officer. So, Minister, thank you. You have had a notice of our question plan, I believe, and we know that the department is I think justifiably proud of the work carried out under the Back to Work scheme. Can you give us some more information about that? How you are progressing, what targets you may have, what particular initiatives for the current year that you wish to achieve within that scheme.

The Minister for Social Security:

Well, can I give you a few figures to start off with, they are very recent ones. Unemployment dropped to 1,390 in April this year from a peak of 2050 2 years ago. We had 190 job starts in April alone. Long-term unemployment is at its lowest for 4 years and examples of sort of specific help initiatives, we are really concentrating on clients who are finding it harder to overcome the barriers to employment, such as having been unemployed for a very long time. We are helping those and the Foundation's Project, which is probably our most recent initiative - although the Chief Officer will enlarge upon any others - is the people who have been unemployed for a very long time and it is a 6 month programme, paying the minimum wage, and they have been working not exclusively but very largely on programmes for the Island Games. They have restored the site at Crabbé, which is amazing. The shooting ranges. Painting, landscaping and whatever, and they have worked on the hall at Fort Regent and they are just about to start on a project in St. Brelade on the railway walk, which the Assistant Minister for Social Security has initiated. So, yes, it is all working very well. Are there any others that you wanted to ...

Chief Officer, Social Security:

Yes, that is an example of the progress, we are doing some other smaller programmes around the industry needs like window fitting, courses for hair and beauty and so on. So these are perhaps much smaller groups of people. We have probably moved away in the last couple of years from having programmes of 100 or so to smaller groups at a time on more bespoke ... trying to link

closely to the requirements of industry. All the same we do have a range of incentives for employers. We just updated that range of incentives this week. We are planning to have what we call a job match event on 4th June and that is where we would invite employers who have current vacancies with individual jobseekers who are eligible for the incentive and we get together in the same room and they do speed interviews and so on. That is a good way of ... that is a successful for us meeting employers and jobseekers together who have real vacancies and particularly the employer knows there and then they could recruit that individual. They will generally be people who have been out of work for a long time. So it has been a good vehicle for us.

The Deputy of St. Ouen:

For those that have been out of work a long time how do these schemes translate into permanent jobs for them.

Chief Officer, Social Security:

Well, there are a variety of different things but it is true that we do not really mind initially - if somebody has been out of work for longer than 12 months - whether they get a part-time job, a small job, voluntary work, some zero-hour contract hours, whatever it may be, all those steps lead them towards hopefully what will be permanent employment. It may not be in the job they are doing at the moment but they can use that as a springboard to get a permanent job.

The Minister for Social Security:

It is always easier to find a job if you are in a job. I think we have about 400, is it, in part-time work which will hopefully lead on to full-time employment?

Chief Officer, Social Security:

Yes, and for everybody it may not be the permanent full-time hours is what is required, it may be that all they would need to satisfy their obligations to income support is a part-time role, be it on permanent contract or hours or otherwise. So there is a mixture there but ultimately we do like people to ... we would always try and push people and often our incentives are linked around permanent contracts, and we do insist for some of our incentives that is the case, not all. Because some individuals just need the first step back into work.

The Deputy of St. Ouen:

You would support them in that if they ... because of health reasons, they might have had several years of ill health, they might need some time and adjustment.

Chief Officer, Social Security:

That is right, and we also provide, particularly for somebody who has been out of work for a long time, we also provide ongoing in work support. So we will perhaps go and visit them in their workplace and perhaps speak to the employer and help act as interface between employer and the individual if there are any issues. Maybe the individual has got an issue but cannot express it, we talk to the employer and share that, so we try and act as a helpful interface to try and keep that individual there and help address any problems. It may be extra training is needed, it may be some equipment that is perhaps required and so on. So we do what we can.

The Deputy of St. Ouen:

So we know you gave us a briefing about the plan to bring those long-term benefits over 35 per cent, to bring them back into the workplace. Has that started? Have you ...

The Minister for Social Security:

It has indeed, yes. There are about 100 individuals that were in that scheme, in that 5 per cent scheme and 16 of them now have got paid employment, with the Back to Work team again of course. So a lot of these people of course have not worked for many years so that is quite a good percentage in a short space of time.

The Deputy of St. Ouen:

Is it proving a challenge in some cases because of the disability issue?

The Minister for Social Security:

No, the only challenge is because they have not worked for a very long time so it is providing the training, giving them the confidence to go for job interviews. So that is the challenge. Not the disability side because 35 per cent, as we said last time, is really not a disability as such it is just a slight impairment.

The Deputy of St. Ouen:

Have any said to you that they feel because of their disability or medical condition that they cannot take up the work that you want them to take up?

The Minister for Social Security:

No, because we fit the jobs. We would not expect them to do a job they could not do. So we find ...

The Deputy of St. Ouen:

Have there been any appeals or requests for redetermination?

The Minister for Social Security:

No, no, not at all. It has been a huge success and, as we keep saying, people are happier when they are working. So I think they have all been very pleased to be rather encouraged in that direction.

The Deputy of St. Ouen:

Okay, that sounds very encouraging. You are not aware then of any ...

The Minister for Social Security:

We would be if there was as problem because, as Ian said, with this scheme as well they are mentored and visited in their forms of employment and helped all the way through it. So we will have picked ...

The Deputy of St. Ouen:

Have any still to engage with you and meet with you to start the process?

The Minister for Social Security:

No, they all have but obviously some will take longer than others.

Chief Officer, Social Security:

Yes, and those results, those figures are less than 3 months since we really started inviting people in, so from that perspective we are pleased that we have had a good response. Not only in terms of some individuals finding paid work but in the response from the majority. Of course there is a scale in which people are engaging with us, some were already doing it voluntarily anyway and there is a group perhaps at the end that are slightly more resistant but we are finding we are making progress, albeit slower progress, but they are engaging. They are coming in, they are meeting with us and they perhaps trying out different things, training and updating their C.V. (curriculum vitae) and so on. So we are making progress. The team of advisers in particular are pleased with the progress given the length of time that people have been out of work in some cases. So it is still early days and that is really important, it is still early days in terms of progress but it is much better to be talking to you about 16 people who have found work and have taken a step back into paid employment, contributing in terms of earning money rather than saying there are not any so far. In terms of progress it is positive.

Deputy T.A. McDonald:

What is the message that they giving to you about the reasons why it is a struggle to get back to work after so long? Is it that technology perhaps has appeared on the scene or ...?

The Minister for Social Security:

It could be a number of reasons. If you have not worked for a long time you do not necessarily have a routine, I mean just having to be at a job by 9 o'clock some people find quite difficult. They have to get there, they have to be suitably attired for whatever job it is and if you have not worked for a long time that is all a bit of a shock to the system so it takes a while to get used to it. So those are the barriers. It is not anything else as such.

Chief Officer, Social Security:

You are right about technology. These days you would apply for quite a few jobs online and that was not the case say 5 years ago. Therefore we do provide help. We have a dedicated resource that people can use. If they do not have a computer they can use one of ours. That is coached, it is facilitated, there is someone to help them and we obviously provide support around C.V.s and so on. So there is a lot of support we would provide to help people apply online as well as more general I.T. skills which they might need in any work place these days.

Deputy T.A. McDonald:

I think the idea of the job match and I think that has probably been one of the most successful of your initiatives really, has it not?

Chief Officer, Social Security:

It has been successful for employers, I think, as well as the job seekers. It is a really good way of them seeing people quickly in a couple of hours ...

The Minister for Social Security:

It is a bit like speed dating.

Deputy T.A. McDonald:

Yes, it is because they move around it is very, very efficient. So the next one is on 4th June.

Chief Officer, Social Security:

That is right.

Deputy T.A. McDonald:

Lovely, I shall go and have a nosy.

Chief Officer, Social Security:

You are more than welcome to.

The Deputy of St. Ouen:

Continuing on the back to work questioning, can I ask you some questions about the proposed P.51, which is the proposal for parents to actively seek work once their child reaches nursery age? You say in the proposition that the activities you will ask of the parents will be realistic and proportional. Can I ask what you mean by realistic and proportional?

The Minister for Social Security:

Well, it depends obviously, as does everything, on the situation involved. This is being brought in in conjunction ... well, it is already being offered by Education as the 20 hours of free nursery places per week for 4 year-olds for the year in which the child is 4. So we felt we should introduce a similar thing with those on income support to encourage them back to work when their child is accessing the free nursery. In so doing we are increasing the childcare component and also introducing more flexibility because at the moment only one of the parents can claim the ... one has to be working full-time, the other one perhaps not work. So to split it so that both parents could have part-time jobs so making it easier to care for the child. So introducing a lot of things to support the parent going back into work but, of course, if they have had 3 or 4 children they may not have been working for 10 or 15 years, so again they are going to need the Back to Work team's support to get back into the employment market. But that is why it was introduced. Well, hopefully will be introduced if the States approve it.

Chief Officer, Social Security:

We have been running some pilots, and quite often that has been done before, we try things out and this was a concept that came from a member of staff and developed the whole programme. So we tried this pilot, albeit for maybe parents with children slightly older than the group we are talking about but the same principles apply. So we have run a number of these pilots and we bring a group of parents together and have a cohort that go through training courses and effectively create their own job club together. There is a lot of support they provide to each other. If you facilitate it in the right way it is very helpful in terms of encouragement and progress. So we have run those sorts of pilots before and specifically out of the pilots about half the individuals go on to find some sort of work. So it has been quite pleasing from that perspective, and we have got the programme now that we would want to run. Should the States agree with what we propose then from September we would run some cohorts of groups introducing those parents into that and going through the job seeking activity programme with them and help them move into employment.

The Minister for Social Security:

But part-time obviously to start off with.

The Deputy of St. Ouen:

Would it be to match the 20 hours' nursery care that the ...

The Minister for Social Security:

It depends on the job that we find, there is flexibility involved.

Chief Officer, Social Security:

The other important thing to remember is that it has been expressed as a concern about how many jobs are there that make that time. Of course if they have a partner they may be able to find a job in the evening or at weekends and the partner will be looking after the child while they go to work. So it is not just restricted to nursery hours, it is potentially far more flexible than that in terms of it depends upon the individual's household status. But we would also provide childcare cover costs as well, which is one of the other things we are changing. So we can also provide cover for that as well. It is not just in that period that matters.

The Deputy of St. Ouen:

So in addition to paying the increased component for nursery, you would also, if they were working a 25 hour work with the child in nursery for 20 you would pay a component for childcare for 5 hours, would you?

[14:15]

The Minister for Social Security:

Well at the moment it can only be a registered childcare venue or a nanny, so we are looking at - which we have not done yet - breakfast clubs, which they have at some of the schools and after school clubs or whatever they call them, but at the schools. So looking at being able to fund those as well so that if you have a job that starts at 7 in the morning until midday, then the breakfast club would provide the childcare, which we would fund, until the nursery starts, or vice versa at the end of the day.

The Deputy of St. Ouen:

Yes, so these are your broader range of childcare options that you are amending the law ... it needs amendment of the law in order to do that?

The Minister for Social Security:

This one will need to do it, yes. Hence bringing it to the States.

The Deputy of St. Ouen:

Yes. Right, okay. Are there any other options apart from the schools and breakfast clubs and the like? What other options ...

Chief Officer, Social Security:

So we are expanding the range but we obviously already support people who have their children in more general childcare, childcare nursery providers, not just school nurseries, not just after school clubs, it is nursery providers that mainly support young children. We already will fund the income support claimants up to certain limits to put their children into nursery. At the moment we exclude after school clubs and breakfast clubs who are based in schools now or are adding those on. So this is a standing up provision but we already do fund income support claimants with young children ...

Policy Director, Social Security:

We also allow family daycarers. So basically we use the Education daycare law which identifies the way you get registered as a daycarer and it is registered as a nursery so we use that law to identify good quality care. So that could be in a domestic situation with perhaps another parent who has a child of their own and they take on one or 2 children as a daycarer or it could be in a nursery. Then when the child is old enough to do the nursery hours, the 20 hours, you can have that 20 free hours within the nursery environment you are already in, you just get the 20 hours and you buy the hours either side of it. Then obviously income support supports those extra hours on either side so the child has continuous experience of the day at nursery uninterrupted. It is a bit of a flexible system and the school holidays as well. The breakfast club is a very important one because that obviously will give parents additional flexibility to pick up a job that starts a bit earlier or finishes a bit later, you are not limited to that 8.30 to 3 o'clock kind of window. So that is going to be really quite helpful.

The Minister for Social Security:

There is little point in trying to encourage people to back into the workplace if you are not going to support them with their childcare.

The Deputy of St. Ouen:

No, I agree but we must also bear in mind that these are young children, some of them will be just 4.

The Minister for Social Security:

Some of them will be almost 5.

The Deputy of St. Ouen:

But whatever range, it is still young. Might we get ourselves in a position where you are asking parents to go out and take a job that is for 25 hours a week which will necessitate them putting their 4 year-old into ... taking him out at 7.30 in the morning to join a breakfast club that begins at 8.00 and have his breakfast there and then not coming home until ... seeing mum until ...

The Minister for Social Security:

Midday, depending on what the job is that he or she, mother or father, will get.

The Deputy of St. Ouen:

Yes.

Policy Director, Social Security:

One of the points I think that we have made is that the treatment of income support parents is now being brought a little bit in line with what is the experience of almost all other working people in Jersey, which is that we have many colleagues that work who are back at work after maybe 6 months or a year with a child, with a young child or baby put into nursery. Women do work very extensively in our labour force. We need them to work. One of the ways in which we are achieving economic growth, which is really necessary for the Island, is to increase the number of people, local people, who are working. A very useful part of the workforce is women with children, and obviously men with children who have the childrearing responsibilities.

The Deputy of St. Ouen:

But if a parent is worried about a child's development or health and they do not feel that it is a good thing for the child to be in that environment from 8.00 until 12.00 or something like that, how can that taken into account in what you are doing, which is trying to get the parent back to work? Do you take it into account?

Policy Director, Social Security:

Yes, obviously if the child is ill in any way or has a disability or if there is any other kind of additional care and responsibilities on the parent that is always taken into account. You could have a double generational thing, you could have a person in the middle who is caring or part caring for an elderly person, perhaps one of their parents, plus have some younger children as well. So obviously we are realistic about where people have ... where the job seeking is counterproductive, where the person is doing so much other stuff that it is better they do that. The other point I would make is perhaps an initiative to bring up with Education is the stability that is provided through the professional nursery environment. In some cases the child's main source of the development needs that they have is best addressed by putting them into some slightly more formal environment. At the age of 3 to 4, so this is not small babies, this is children who are

walking and talking, to bring out their social skills, to develop their speech and language skills, to get them used to the environment of a school. That year before formal school starts is a really important year and children who stay at home and are thrown into school at 5 or 4 and a bit are often at a disadvantage. It is sometimes quite hard to make up that disadvantage once you are in the school system. It is much better to enter the school system ready for school. That is one of the other things that we will just help to facilitate because that will be more support for the childcare, the child is more likely to be able to access a nursery place.

Deputy T.A. McDonald:

Yes, I think that is a very important point because if they are not getting that sort of stimulation in the home environment I think it is excellent that there is something there to provide that.

The Minister for Social Security:

It is also very good for the mother or father to be back in the social environment as well, rather than just being at home with a young baby or young child.

Deputy T.A. McDonald:

It was also nice to hear senior management give somebody else the credit for this idea and the fact that it has come from a member of staff that is a lovely thing to hear because I think so many people now in the world that we live in, they have wonderful staff but they do not always listen to their ideas. But to know that this has come from a member of staff and it is acknowledged is excellent.

Chief Officer, Social Security:

Yes, it is one of a number of examples. Across the department as a whole we are keen for staff to express ideas and to look at them and develop them and often give them the opportunity to develop them themselves, particularly Back to Work where of course it has been quite an evolving programme. Both evolving in terms of the number of unemployed people but also in terms of the ideas and approaches and we are in a position where we can try things out in a safe way, and if it works, great, we can roll it out and improve it, if it does not work then we will try something different.

Deputy T.A. McDonald:

It has not got a fortune to do it either, really.

The Deputy of St. Ouen:

You said in your proposition that this would you think affect about 100 parents. Are we satisfied that the Education Department has the capacity to take children of 100 parents into nursery or breakfast clubs and the like?

Chief Officer, Social Security:

Yes. Those parents are already putting their children into nursery so at the moment what would happen is they would put their children into nursery and they are not asked to work, so they would have the 20 hours' nursery care but we would not be asking them to work. They could be working, of course, but we would not be asking them to so they would have that time, that capacity, to do whatever they wish. Whereas if they are receiving income support then part of the obligation of receiving income support is you should be looking for work so let us use that time to take advantage of the support that is available and try and return to the workplace earlier and hopefully get you back into work earlier. But certainly you can start looking and preparing yourself for work earlier than waiting until your child is almost 6 in some cases. So Education already have that capacity.

The Deputy of St. Ouen:

They already do, do they?

Chief Officer, Social Security:

Yes.

The Deputy of St. Ouen:

It may be an old-fashioned model I am thinking of that parents would want to stay at home with their child until they are 5 and so ... but perhaps I am just not up to speed on that.

The Minister for Social Security:

As Sue mentioned earlier, people who are not income support they do go back to work a lot earlier so what we are doing is reflecting what happens in the workplace.

Chief Officer, Social Security:

I do not know if you have any information on what percentage of people use a nursery?

Policy Director, Social Security:

No, I do not know that directly. Obviously the nursery place scheme runs across education nurseries and also private nurseries. Education is seeking to increase their nursery ... the number of schools that have got nursery classes attached to them so they are expanding their provision at the minute. As Ian says, I think the point is that some of those parents at the minute will be using

nursery classes and some will not be but they are not being asked to make those steps towards working at the minute and, you know, there is no real reason why they should not be able to use those 20 hours to make those first steps. So that is kind of the smaller sense of what we are doing but obviously by the extension of the childcare it can a big difference for those parents where it makes sense to do that, where the child would benefit from that.

The Deputy of St. Ouen:

Now, forgive my ignorance on this but do these nurseries observe school holidays?

Policy Director, Social Security:

If you have got a primary school with a nursery class attached to it, it will provide ... it normally provides, I think, 30 hours - 20 hours is free and the other 10 hours you pay for - and, as I say, our childcare component would pick up that 10 hours' cost. But those are only in term time. Then you have also got a large quantity of private supply where you have got nurseries which are run probably 363 days a year, probably close Christmas, that provide all year round support. So lots of people will have their children in those nurseries as well. The nursery scheme pays for 20 hours of term time hours, but for those parents they have already got their child in nursery all through the year anyway so when they get to that fourth year they are getting a bit of subsidy from Education for those 20 hours. It works 2 different ways around.

Chief Officer, Social Security:

Then outside term time there are other nursery providers who perhaps run clubs and so on in that period, and even some of the existing nurseries will take on extra staff and children during that period. For someone on income support we would pay the increased childcare costs during school holidays. So it is not like someone has to stop work, can only take term time contracts, we would pay the childcare costs through the school holidays.

The Deputy of St. Ouen:

Yes. Are those costs generally at the same rate as a nursery school during term time?

The Minister for Social Security:

We have just increased them. For an under 3 year-old, it was £6.27 and it is now £6.48, over 3 is a bit less.

Policy Director, Social Security:

So our rates are mid-market, it is not the highest but it is not the lowest. We are in the middle of the market so there should space around ...

Deputy T.A. McDonald:

There should be sufficient space and money available to secure those places?

Policy Director, Social Security:

Yes.

The Deputy of St. Ouen:

You go out and you investigate the market, do you?

Policy Director, Social Security:

We have not been able to do it the last year because of budget constraints so we are now putting them back up again, but we have traditionally used ... the Childcare Trust has done a survey of all the nurseries and we have tried to match their average prices so we are now catching up. We have had to hold back for a year but we are now catching up.

Deputy T.A. McDonald:

Obviously, I presume, the levels of skill and so on do not vary between private suppliers and States run ones? In other words, you know, is there continuity with private suppliers exactly the same as there is in term time at school?

Policy Director, Social Security:

They are all registered so they are all safe environments for the children to be in. There is probably a difference between a nursery school looking after a 3 year-old and a nursery looking after a 3 year-old, but I think the nurseries, I am sure, these days will tell you that they understand the social skills that need to be developed and they will be doing those kind of activities towards developing those skills. That is what you will be talking about.

Deputy T.A. McDonald:

The most important thing is the kids themselves are in a safe environment, inspections, registered and everything ...

Policy Director, Social Security:

All that is the same, yes.

[14:30]

The Deputy of St. Ouen:

If we can move on to the income support regulations themselves, the changes you want to introduce. A large part of this, well regulation 2 of the draft anyway, relates to the third or subsequent breaches of failure to actively seek work sanctions.

The Minister for Social Security:

The sanctions, yes. All these regulation changes are administrative. We are constantly, as Deputy Southern keeps asking, reviewing income support. It is not something that has an overarching review once every 5 years. We are doing it all the time and a change to these regulations largely just allows the regulations change to be debated through the States as opposed to having to go to the Privy Council. So that is really what the changes are, just making the States responsible rather than taking up the time of the Privy Council because they are very small changes.

The Deputy of St. Ouen:

There has been quite a large change in the sanctions for third or subsequent breach now, has there not? There is currently a 42 day deprivation of benefit, is that right?

The Minister for Social Security:

Yes, 6 weeks. All we are saying now is that in that 6 weeks if you want to come back and reinstate yourself with income support ... I mean, somebody might not, they might leave the Island, they might decide that they have got a job. There are all sorts of reasons why they would not want to but if they do want to at the end of their breach time, if you like, then they have to have shown that they have been trying to find work during those 42 days, which is not the case at the moment. So that is essentially ...

Policy Director, Social Security:

Can I explain in a bit more detail, perhaps? There is a kind of a logical loop in the current way regulations are written which is that the breach 3 can be repeated as many times as you like, yes? So breach 3 comes into force and it says you lose your income support entitlement for 6 weeks and you must be actively seeking work for those 6 weeks. So if in the first week of that 6 weeks you do not seek work in theory we could send you another breach 3 notice at the end of that week saying: "Last week you did not satisfy the conditions either so there is a new breach 3" and the next week we send you another breach 3 and another breach 3, so every week we can send you another breach 3 notice because every week you have not done any job seeking, yes? That is administratively crazy. Therefore the tweak that we have made is to say - as the Minister says, there are many reasons why people do not comply with job seeking, some of them might be quite valid and some may not be valid - the onus is now put on to the job seeker when they are ready to re-engage and when they re-engage to show that there has been a 6 week period of appropriate

activity in order to turn the benefit back on again. Instead of looking at the breach and counting forward all the time, you now look at the period of re-engagement and count backwards. So you do it once rather than having to do it lots and lots of times. It is to try and make the law clearer. The effect is exactly the same, that breach 3 person now has lost their benefit, is not coming back at the end of 6 weeks and saying: "Now can I have my benefit back?" because they have not been job seeking they have not satisfied the requirements during the 6 weeks. So it makes no real difference, practical difference, to the person, it makes the rules much more clear and straightforward for the advisers to apply. We are not trying to make it harsher; we are trying to make it clearer.

Deputy T.A. McDonald:

Could you just talk me through the way that they can prove to you and you are satisfied that obviously they have tried to find work and so on?

Chief Officer, Social Security:

Yes, the sorts of examples would be that they have either engaged with the department so we are clear in our records that they have been working with us to turn up to appointments, that they have been applying for job, going for interviews, increasing their prospects of securing work. So a combination of activity that would say: "Well, here, I have been looking for work and I have been doing so actively." We would normally expect people to apply for a couple of jobs a week. So they would have that evidence to show, evidence which we could, if we wanted to, verify. But that would be required. Bear in mind this is a jobseeker who has been perhaps working with us for a while, has unfortunately failed to comply first with a warning, then the first breach, second breach and the third breach. This does not happen overnight, our experience is it normally happens over a number of months potentially. So they are fully aware of, by this stage, what would be satisfactory job seeking, what would not be satisfactory. They know where we are. They know there are coaches and so on. If somebody is determined not to look for work then they also know how to behave in that way as well. But we want the person to get back into employment and that is really our aim. The sanctions are there as a deterrent hopefully from not seeking work, but they are there. We do use them but after many, many discussions and warnings and so on. The third sanction is a last resort.

Deputy T.A. McDonald:

Right, and prior to that sanction do they receive a letter on the first or second one?

Chief Officer, Social Security:

Yes, and before they receive the warning letter they would have been told verbally a number of warnings beforehand setting out the job seeker's agreement, what is required of them, and then if

they fail they get the warning, they have the opportunity then to overturn that warning or ask for a redetermination, or possibly appeal, and same for the first breach, same for the second and same for the third. So there is significant opportunities for people to engage, to let us know what is going on, if they are having a difficult time for some reason to express that to us and obviously we want to keep them on the straight and narrow, we want them to get back into employment. That is our only interest is to get them back into employment.

The Deputy of St. Ouen:

But at the moment the breach has effect for 6 weeks, does it not? As you have explained, unless you have issued a further warning presumably that person can reapply for income support after the 6 weeks has expired?

Policy Director, Social Security:

That is the whole point, if they are not complying during the 6 weeks we can issue a breach at any point during that 6 weeks and start it up again. It creates a logical kind of silliness within the existing law because if the person does not comply for 6 weeks it is our legal right to issue a new notice.

The Deputy of St. Ouen:

It is, I can understand that. But now you are saying that the breach or the warning is going to have effect for a whole year, is it not?

Policy Director, Social Security:

No, no, sorry the warning ...

The Deputy of St. Ouen:

The warning will expire 365 days after.

Policy Director, Social Security:

Sorry, that is true but that is a backstop that already applies in the existing legislation. So the first time somebody comes adrift of what they are supposed to do they get a letter saying you have to turn up to interviews, you have to behave at training sessions, whatever it might be. "This is a written warning, it remains in force for a year from today. If you do fail to comply again you will get a financial sanction." That is the first thing they get. The point about the year is there needed to be something that has some teeth to it but on the other hand we did not want to penalise people for things that happened years before. So it has to expire. It expires if you go to prison for a long time ... there are various times it would expire anyway. It would expire through passage of time. If you are ill for a bit it just runs out. But what it means to say is that you need to be aware of that.

So the breach 3, if you had a breach 3 transaction, as it were, and you did not come back to the department for over a year, we would not look back and say: "Aha, you are still a breach 3" your slate is wiped clean at that point and you can come back in again. It does not mean to say the breach 3 lasts for a year, it just says after a year the breach 3 is taken away and you come in fresh again. We allow people to start over.

Chief Officer, Social Security:

One of the reasons why we chose a year is because it is typical that many employers if they have someone on disciplinary, the warning or disciplinary would last 12 months. So in effect what we have really constructed with the warning, first warning, second warning and third sanction is actually what you would receive in work. It is the same sort of approach. You would get a warning for turning up late frequently at work, you might get a verbal warning, then a warning, then a first strike, second strike and third strike you would be fired so it was similar in design in terms of that will be reversed.

The Deputy of St. Ouen:

Yes, I can understand that thinking. The regulation talks about a person proving that he has satisfied the requirement to be actively seeking work for a continuous period of 42 days. I am concerned about that word "continuous". Is that in the existing legislation?

Policy Director, Social Security:

It is implicit in the existing legislation in that at any point during the 6 weeks if you do not satisfy it then you will have a further breach against you. So you take it the other way around, you need to show a continuous period for the 6 weeks. When we say "continuous" we do not mean to say that, you know, 8 hours a day you have been out doing things ...

The Deputy of St. Ouen:

That is what I was going to say, taking it literally does this include Sundays?

Policy Director, Social Security:

No, no, no, you need to take it in the context of you cannot tell us you did a week 2 months ago and a week, you know, a month ago and a week just now and that is 3 weeks, please, thank you very much. You have to do 6 weeks of regular effort. So that is no different to the normal requirement of any job seeker to be regularly interacting with the department, to be regularly talking to their adviser, doing interviews, going on voluntary work placements, whatever it might be. Those interventions are almost never full time. Occasionally we put people on full-time work schemes and things like that but most people will be doing their independent job seeking, they will be looking at their C.V.s, they will be looking for things themselves, perhaps doing a bit of study at

home or something so it does not take up your full-time week. It means regular and consistent as opposed to continuous perhaps.

The Minister for Social Security:

Probably not Sundays.

The Deputy of St. Ouen:

Yes, I trust this is not going to be interpreted in that way but ...

Policy Director, Social Security:

There is no intention of it. Underneath the regulations there are detailed guidelines that spell it out in much more detail, and a tribunal would always look to the guidelines, the officer's guidelines, to see what the interpretation of reasonable, continuous and words like that mean.

The Deputy of St. Ouen:

There is also a regular ...

Policy Director, Social Security:

Regular activity I would call it, yes.

The Deputy of St. Ouen:

... reporting to for the period of 6 weeks?

Policy Director, Social Security:

Yes, yes.

The Deputy of St. Ouen:

Thank you for that confirmation. So does this mean that if somebody has been actively seeking work, fulfilling your requirements for 40 days and then you feel that they take their eye off the ball for a week, they have not quite got to the 42 days, they have to start all over again?

Policy Director, Social Security:

I think that is human nature, is it not? Obviously officers do have discretion to ... there are good causes within our guidelines so if somebody ... why on day 41 would you mess up that last 40 days worth of effort? If there was a reason why it was really hard for you to do something on that day, you were ill or something, that is a valid reason and the officers would take that into account. There will always be times when people fail to attend whatever it might be, sessions, regular interviews or whatever, for good reasons and not so good reasons. We are human beings ...

The Deputy of St. Ouen:

Yes, but this is somebody who has disappointed you in the past and they will perhaps ...

Policy Director, Social Security:

To a certain extent you are identifying things which are true of the system as a whole. That would be true for somebody in another situation who had been doing really well and then had a week when they just did not care, they did not have excuses, they just were not doing something, that person would be sanctioned like a person on day 41 might be sanctioned. It is possible, yes. Hopefully by day 40 they have got the hang of it and they are doing quite well.

Chief Officer, Social Security:

But if at day 40 they have already done what is expected of them in that last week, as it were, that they have applied for a couple of jobs and attended a meeting, then ... it is not like an individual in breach 3 we would be asking to come in every single day and show us every single day what they have been doing. Only in extreme cases do we do that and normally it is with their agreement we might do that. We would not necessarily even organise a meeting for the 42nd day just to try and catch people out. We do want people to get back into employment and I think that is really important. If somebody has gone through a warning, a first breach, second breach and third breach is starting to slip away from getting back into employment and if they then come back to claim income support they are going to be even more difficult ... the longer they leave it the more difficult to get back into employment.

[14:45]

We do want people to be working with us. That is what we have been trying to do every step of the way prior to that. I think one of the things about this amendment is that the policy intent is all there in the existing legislation, it is just trying to clarify it. So your questions are interesting from that perspective. It is to clarify what the position is after that breach 3, which is in fact a very small number of people thankfully, but all the intent is already there in the existing legislation it is just spread out. We are just trying to clarify it in one place.

The Minister for Social Security:

But it is very much a 2-way street. The people wanting income support also have to do their part of the deal and prove that they are looking for work if they want to claim income support.

The Deputy of St. Ouen:

They certainly have to do their part but, of course, if they have struggled with employment, such as getting back to work, in the past I think we must understand the different reasons that might pray on people's minds ...

The Minister for Social Security:

Well, of course, yes, that is taken into account.

The Deputy of St. Ouen:

... to suddenly not engage for a consistent period of 6 weeks.

Chief Officer, Social Security:

Of course that 6 week period means they do not receive any income support, so it is the final financial penalty, so we would expect them to be very incentivised to come and work with us and do everything they possibly can to either go and get a job on their own or work with us to help them get a job because they are not receiving the benefit they were receiving. So that is the reason why it is there at the end, it is significant and the previous Minister gave very careful consideration to that period of time and what it would mean but felt it was the right deterrent.

The Deputy of St. Ouen:

You have referred to the guidelines you issue to your officers and they reflect the comfort you have given us today, do they, in the same way? So there is that humanity and discretion ...

Policy Director, Social Security:

Yes, examples of good cause are identified, examples of reasonable behaviour are identified and that is the whole point, the law cannot go into that level of detail but those are carefully thought through.

The Deputy of St. Ouen:

Okay, we will take that on board, thank you. Still dealing with that amendment to the regulation but regulation 6, which is the carer's component to income support. I see that in order to receive the carer's component the person cared for must be on the highest rate payable for the personal care element, is that right?

The Minister for Social Security:

Level 3.

The Deputy of St. Ouen:

Level 3, yes. That is obviously going to affect certain people who might be caring for people on levels 1 and 2, how many, do you know?

Policy Director, Social Security:

Again, that has not changed. The change that has been made to this regulation now is to acknowledge the fact that long-term care is now available. For example, long-term care has made it much easier to get financial support for looking after somebody at home. So you might have had a situation in the past where in an income support family where you had somebody receiving the highest level of personal care component under income support - that is PC3, the top level - and the carer was receiving the carer's component under income support. So that was the financial package that family had. With the advent of the long-term care scheme the person needing care can access more money for support at home through the long-term care scheme. So they have stopped having PC3 and instead they are going for long-term care, right? We are just now filling in the gaps and making sure that that carer can still get the carer's component in income support although their partner is now receiving a benefit under long-term care. It is just knitting the 2 benefits together better. We have created extra support for the person getting care and I just wanted to make sure the carer still could get the support. So the carer's component now links to 2 different benefits, it either links to PC3 as it always has done or now also links to any level of long-term care, because all the long-term care levels are higher than the PC3. That was the whole point about the long-term care levels were at quite a high minimum rate.

The Deputy of St. Ouen:

Right, I understand what the regulation is doing.

Policy Director, Social Security:

So it is not reducing it, it is increasing it.

The Deputy of St. Ouen:

Is that happening at the moment or is it the case that if a person is in receipt of long-term care today their carer may have lost the ...

Policy Director, Social Security:

No. No carer has lost any components. We are still transitioning people into all of the long-term care schemes and so people who had an existing financial arrangement ... so what would typically have happened would have been they had the PC3, their needs increase and therefore they picked up some extra support from the Health Department which was provided as a service from Health and those packages are still in place. The person does not need long-term care but in future a person in the same situation would go straight on to the long-term care benefit, it will be

much more simple, they would have more choices as to how they get their care. We are slowly transitioning all the people in these kind of higgledy piggedly arrangements into the more sorted out long-term care one. Nobody has lost any money from the existing benefit, new people have been set up correctly under the new benefits and we will either leave the existing packages in place and let people just carry on with them or over time we might review them. Particularly if there is a change in care need, it will be an appropriate time to address them then. We are not trying to disrupt existing care packages. Both sides have kept the right funding to allow that to carry on. Funding is not coming from long-term care; it is coming from the 2 sides still.

The Deputy of St. Ouen:

Could I ask you to explain regulation 8 perhaps, which is the mobility element of the impairment component?

Policy Director, Social Security:

Yes, 2 things have happened. The first thing was a more general one which is not just mobility but also personal care as well, is that the things that people can use to help them with a disability have got more exciting over recent times so we refer to walking sticks and hearing aids and glasses maybe, but there are now a whole variety of different things. There are artificial limbs, there is all sorts of other things. So we just wanted to update our language first of all to refer to prostheses and aids in general. We have done that consistently throughout the first part, so that is the personal care section and then the changes to mobility were to reflect those changes and also to make sure that it was absolutely clear. Again, for clarity sake, it has not changed the way that the law is being used but for clarity sake within the law we have written every one of the statements which the mobility amendment applies to as opposed to the lowest one. Previously it just had the lowest one and it was assumed that the highest ones were included and that sometimes caused a bit of confusion so now they are all listed out. It makes no difference at all to the way the mobility component is scored and the only thing we would add for now is that if you have got ... we did have a case of someone had artificial arms and we struggled to be able to assess them because our law did not think about someone who had artificial arms. So that makes it more clear because if you can use an artificial arm then that is allowed for within the assessment now.

The Minister for Social Security:

There is also the clarity of loss of consciousness or seizures which was described as epilepsy. There are now ways of losing consciousness or having seizures that are not necessary epilepsy, so it has expanded on that too for the clarity of language.

The Deputy of St. Ouen:

I see, so previously it was a reference to epilepsy?

Policy Director, Social Security:

It used to just say epilepsy and now it talks about loss of consciousness ...

The Deputy of St. Ouen:

Which is a diagnosis ...

Policy Director, Social Security:

Exactly, if you did not have epilepsy, you had something else which caused loss of consciousness you did not get the points because it was not caused by epilepsy. So the changes to the impairment component are not supposed to make the impairment more or less generous, they are supposed to bring it up to date, keep in line with the way that conditions are described, make sure all the statements reflect the way that people are helped with various types of disability.

The Deputy of St. Ouen:

Yes, okay, I understand. That is helpful, thank you. Anything you want to add?

Deputy T.A. McDonald:

No, I am happy with that. Thank you very much. Thank you for that explanation, it does make it so much easy to comprehend when it is spoken out.

Policy Director, Social Security:

It is when you have got changes to existing regulations they are quite hard to read what the changes actually mean.

Deputy T.A. McDonald:

Yes, yes, and we are very fortunate sitting here with bright lights and a table to work on, for anybody else sitting at home ... no, thank you, it is appreciated. Did you want to go back to the running order, Mr. Chairman?

The Deputy of St. Ouen:

Okay, you take it back.

Deputy T.A. McDonald:

Yes, lovely. Where did we get to now? I wanted to speak about dental service and benefits because I think this is something that is overlooked in many ways but obviously in February we were advised that the review of dental services and benefits was only a couple of months away

from completion, however the business plan indicates September 2015 the completion date now. Could I ask if there is any reason for that delay?

The Minister for Social Security:

This is a project, if you like, that has been worked on with Health and Social Services and 2 reports have been produced but not released yet because what we have to do is pull the 2 together with Health. We are doing it with them so that is quite time-consuming trying to find time to work with 2 departments. So an overarching report that explains both of those. It has started, it is just waiting to be completed.

Deputy T.A. McDonald:

All right, that is understandable.

The Minister for Social Security:

Generally speaking, Jersey has come out very well in comparison to even the better places in the U.K. (United Kingdom) with regards oral hygiene.

Deputy T.A. McDonald:

I notice, and it is not just in this sphere, that across the board we seem to look to the U.K. and it always seems to be London that we use to compare with. I just want to ask for an opinion really, is there any reason why we tend to stick with London and we do not look at other Islands or other jurisdictions? All the figures I seem to see in these circles seem to refer to U.K. and then we go straight to London. What is the comparison really between us and London?

The Minister for Social Security:

The U.K. ones have not just been confined to London, have they? They conducted their surveys in various parts of the U.K., I do not think it was just confined to London in this case but we do do comparisons with London.

Deputy T.A. McDonald:

Well, that is right. It just seemed that ...

The Minister for Social Security:

I suppose because it is so cosmopolitan, you have got it in an area of like any city.

Deputy T.A. McDonald:

Absolutely, yes.

Policy Director, Social Security:

It does depend what kind of statistics you are talking about. So I think London makes sense in terms of prices. So when they did a price comparison London and Jersey looked quite similar. When you are looking at health statistics you quite often compare with the south-west of England on the grounds that you have got similar climate, not so much heavy industry, they are not dissimilar in terms of kind of economic activity. So it would depend on what kind of statistics you are doing. But you make a very good point about do we make good comparisons with other places and are they valid. We try to compare with Guernsey quite a lot, sometimes that works, sometimes it does not. Guernsey and Jersey have developed interestingly similar but dissimilar legislation and functions, so sometimes what appears to be a simple comparison is not a true comparison at all. So we are aware of the point you are making and it is sometimes harder than you would imagine to find a true comparator.

Deputy T.A. McDonald:

Yes, I am sure it is. It is very easy asking the questions but when you have to go away and find the answers it is a different kettle of fish.

The Deputy of St. Ouen:

Looking at the broader picture for benefits, your business plan, Minister, talks about examining the sustainability of the social security fund. In answer to a recent written question I notice you said that a major review of the social security fund is planned to commence later this year. So can you tell us what your review is going to encompass and how you are going to go about it?

The Minister for Social Security:

Well, I suppose the major part of it is going to be the sustainability of the social security fund, or the pension fund, because it is due to roughly break even in 2016 and we will have to look then at the contributions and the period of contributions with an ageing demographic. So that is going to be the major part of it, which is obviously going to cause some concern. We are all right at the moment but obviously when you look at people over 65 doubling in 20 years and over 85 trebling, then we have to adjust the circumstances accordingly. Of course people are claiming pensions for 30, 40 years now instead of 10 as it was before. So that is really quite a future concern.

The Deputy of St. Ouen:

Is this a review which would concentrate on actuarial evidence?

The Minister for Social Security:

Yes, we have a G.A.D. (Government Actuary's Department) report, is it every other year?

Policy Director, Social Security:

No, the next G.A.D. report will be prepared in 2016 based on the end of 2015 figures and that will be an important part of the background to the review. But in reality you know what the actuarial review is going to say, it is going to say it is 2016 and your costs have just exceeded your income for the first time, which is what we expect to happen.

[15:00]

So if you look at our accounts for the last few years you will see that we were putting £30 million aside a few years ago into the reserve fund, then 20, then 10 and then, you know, hardly anything at all. We have had a surplus since the early 2000s. We have been saving money to our reserve funds. We have built up a good reserve fund but the Minister is quite right, we have time to prepare, time to review what to do but there are 2 stark choices or a combination of the 2 is that either the fund pays out less money in the future or the fund collects in more money in the future or a combination of the both. We will work with the actuaries next year mainly, but we would expect to produce some public information on the way the scheme works, the current position, we can use the reserve up to a certain extent but should people want to put contributions up in order to maintain pensions in the future, are people prepared to accept a lower rate of pension or perhaps a lower operating pension might be a less dramatic way of doing it. We talked about Guernsey just now as comparators, Guernsey have just finished a massive piece of work on review of pensions, benefits, on tax regimes. They took to their States a very complicated proposition, which I think rather fell to pieces in the actual doing of it, but the appendices that they have prepared that go against that - there is public information you can have a look at - show you the kind of detail that we will be looking at. So they were suggesting pension age rising to 70 from 67. So both Islands have agreed to move to 67 starting in 2020 and using a 12 year timetable. We went to see Guernsey recently, the Minister there, I think, was quite keen, they thought they should move faster than that.

The Minister for Social Security:

The 12 years is ...

Policy Director, Social Security:

So faster and further, both ...

The Minister for Social Security:

... 2 months every year so that it is a gradual transition. You cannot just do it in one go.

The Deputy of St. Ouen:

That is right. That is understandable.

Policy Director, Social Security:

So this will be a public consultation. If you think back to the fiscal strategy review in 2010 and with the range of options that was presented by the Treasury as to making up some shortfall is Zero Ten or whatever it was at the time, there were options for G.S.T. (Goods and Services Tax), there were options for tax, there were options for social security so people were given choices as to where they felt extra support should be provided. So we asked the public their views and fiscal decisions were made in the knowledge of the public opinions.

The Deputy of St. Ouen:

If the actuary's report is to be prepared during 2016 based on the end of this year's figures and it is going to be well into 2016, what are you planning to do at the end of this year with regard to the review?

The Minister for Social Security:

We also have the household income distribution survey which is due to be produced end of September, I think?

Policy Director, Social Security:

Yes, that is slightly different, that is going to help us do different things. The point about the actuary's review will not tell us anything very much new, we get actuary's reviews every 3 years and the number of older people claiming pensions, the increased longevity and the ... so you have 2 things happening at the same time. You have more people in Jersey, you have the people who were born after World War 2 and you have got extra pressure in Jersey where there was migration in 1960s, a lot of young people came to Jersey in the 1960s and 1970s and those people are also moving through the ages and getting towards retirement age, plus old people are living longer. So 2 things at the same time are increasing the number of old people in the population and they are also living longer, and therefore you have this substantial pressure on the pension fund. At the moment you have 4 working age people - so 4 of us - pay their contributions to support one pensioner in Jersey. As I said the number is going to double so in 20 years time there is only going to be 2 working age people supporting each pensioner. The number of working will not change but the pensioners will have doubled. It is that way around. We can do lots and lots of work with the public and with States Members towards the end of this year, certainly into next year - next year I think the bulk of the work will be done - in advance of the actuarial review being finished and therefore by the time you get to the review coming out you will have a feel for if people are interested in higher contributions or interested in lower benefits and then the actuary will give the detail as to how to implement it. If you wait for the actuary review to get done first,

that is another year in reality if we take most of 2016 to do it. We do need to get on, kind of start to have that conversation with people as to ...

The Deputy of St. Ouen:

How are you considering engaging with the public? By what means?

Policy Director, Social Security:

I do not know. It would be a whole range of things. These days you will get a ...

Chief Officer, Social Security:

In fact we want to develop that thinking over the rest of this year so we can have a plan together that we can go out to the public and seek their views. One of the parts of this in progress is to develop those thoughts. At the moment we are focused as a priority on things found in the Medium Term Financial Plan.

The Minister for Social Security:

Which has now taken over from the Strategic Plan. So there is not very much time this year to do anything else.

The Deputy of St. Ouen:

Okay, moving on to something different. Can I ask you about apprentice rates, Minister? There have been some questions to you about this and I have also been investigating this for a parishioner who is ... well, I need not go into his case. It appears to me that somebody employed on the training rates during year 1, earning £5.09 an hour, will not meet the lower earnings monthly limit in most of the months. But if there is 5 Fridays in the month then he will just make it, I understand. This depends on the number of hours the gentleman works.

The Minister for Social Security:

It does.

The Deputy of St. Ouen:

In one of your recent answers to a written question you used a 40-hour week and working a 40-hour week the apprentice would reach low earnings limit but do you accept that there are very likely to be apprentices who will be working a 35-hour week?

The Minister for Social Security:

Well, as we said before, it affects very few people this situation with the trainee rate and, of course, the benefits or sickness benefit or whatever is based on the quarter before the last quarter.

So I think the example given is if the person became ill in August the basis of the contributions would be the first quarter, so the January, February, March quarter. So it is not impossible that somebody could miss the target but we, generally speaking, had to balance the whole thing, you cannot adjust social security law for the one or 2 that might miss the target. We have to have an overarching view of it. Generally speaking, the low earnings limit of £884 is far more than the requirement needed.

The Deputy of St. Ouen:

Yes, but this is systemic, is it not? What it means is we are setting a rate for apprentices and we must know that 35 hours a week is a pretty normal rate. At that number of hours at that rate for the 2 years that the person may be being trained as an apprentice and, indeed, for 6 months thereafter because it is always looking back 6 months, the person will not be able to access any benefits yet they will have been paying social security and that is just because of the ...

The Minister for Social Security:

Well, they are paying a considerably lower form of social security and the supplementation, which is tax funded, which Treasury give us, if you like, backs up their contributions so that they have the full record. So there is already a considerable amount of taxpayer's money being put into the system and if you were to increase the trainee rate, which is set by the Employment Forum when they do the minimum wages - well the 2 trainee rates, it increases on the second year - if you were to vary that then we would require more supplementation in order to cover the extensive contributions.

The Deputy of St. Ouen:

I am just concerned though what sort of message it sends to the apprentices. I think, as an Island, we are trying to encourage local people to take up apprenticeship in trades rather than just rely on the finance industry, legal or accountancy service, but in effect we are saying to them: "These are the rates we fix and, by the way, you will not be able to access benefits for 2 and half years if you are working 35 hour week." I understand the point of the lower earnings limit is to ensure that there are not people who chose to work part-time and still try and get benefits if they fall ill. Here we have people who are working all the hours their employer is giving them, they have chosen to learn a trade, they have chosen to take a low wage because they are taught at the same time and yet the Island is not helping them if they fall ill, because not only can they not access a short-term incapacity benefit they have to pay their full doctor's bill because they will not get the medical benefit.

Policy Director, Social Security:

They will get some, they will qualify for ...

The Minister for Social Security:

They will get a percentage of it.

Policy Director, Social Security:

They will get their normal health insurance benefit because the health insurance law has a different condition which is just that you have paid whatever contributions are due for the first 6 months, so if no contributions are due then you still qualify in the 6 months. In a reality an apprentice is very likely to be a local person and so they would get their health insurance card as ...

The Deputy of St. Ouen:

I would like to investigate that because the parishioner that I was working with could not claim and had to pay £80 to the doctor when he had to go because he had not paid sufficient social security. That is a detail we can look into but I thought that was the implication of not having reached the lower earnings monthly limit.

The Minister for Social Security:

That is a fearfully expensive doctor.

The Deputy of St. Ouen:

I think I have got the bill somewhere.

Policy Director, Social Security:

Okay, I will check that in more detail. That is a fair point, but the condition to get health insurance is quite small compared to social security. It works in a different way.

The Deputy of St. Ouen:

Okay, I will try and understand that separately. Minister, from a political point of view is there not a case for saying that there should some credit given to these trainees, because they are only just falling short of the lower earnings limit?

Chief Officer, Social Security:

I think that is the issue, we had one example of this and there are many others, I am sure, in terms of the number of hours in any particular week. Some trainees are on day release from college, some go to college in the evening, you know there are lots of different variances and so it would be very hard to understand where to draw that limit. The real issue is that there are 2 different things happening here at the same time. There is somebody who is working however many hours

for an employer and there is the lower earnings limit, which is there for a different purpose, in some respects, to create a minimum limit above which you need to earn to be able to receive the benefit contribution. There are 2 different things happening. You are right there is a tension there between the 2. You can probably find other apprentices who maybe work 45 hours a week, who do evening or weekend study and so on, versus ones who maybe choose, for whatever reason, to have less ...

The Deputy of St. Ouen:

It is not that they choose to, I think it is that their employer operates a mechanic shop or something that works for 35 hours a week.

Chief Officer, Social Security:

The real thing that is underneath all that is if the individual is on low income then income support is there to help capture them for whatever reason, if the employer reduces their hours, if the individual is sick and cannot take a sickness benefit, then income support is there to step in and help them if they are in that position. So if they can claim income support then it would top up their income, in that sense, if their income went down. So there is a provision there to operate between the 2 in those sorts of circumstances. The employer of course could pay them sick pay is the other alternative.

[15:15]

The Deputy of St. Ouen:

Yes, but we cannot require that, can we, that is a term of their contract and not all employers will. But, Minister, can I ask you what you think about the position of trainees that we are trying to encourage, not being able to access benefits possibly for 30 months from the time they start work?

The Minister for Social Security:

Well, as Ian said, there is always the income support system to prop them up if they lose their earnings for whatever period of sickness. When I was first asked about this I did think then that it does seem to sort of contradict itself in as much as exactly as you are saying, that you are trying to encourage people to do apprenticeships and then if they miss a few of their days' payments, if you like, then it falls short of it. But generally speaking, it affects I think about 100 trainees and so it is very difficult to have a one fits all, we cannot keep changing things in order to compensate for the one or 2 that might not have a full contribution record.

The Deputy of St. Ouen:

Is there not a facility to credit somebody with their contributions in certain cases so they do not lose ...

Policy Director, Social Security:

I just make the point that I was taught when I started in Social Security that hard cases make bad law, I am sure you have heard it from the lawyers as well.

The Deputy of St. Ouen:

The lawyers say that too.

Policy Director, Social Security:

Yes. But if you think about it, what we are saying is that we have a good mechanism for setting minimum wage rates which is set through the employment forum which is obviously endorsed by the Minister, but the forum goes out as an independent consultation to see what minimum wage should be. The trainee rate at the end of the day is set as a proportion of the minimum wage, so it kind of comes off that category. So you have that happening over there, it is a good, robust methodology which we are using now. Then you have the way in which the social security fund refreshes itself each year which is by having automatic up rates in line with the earnings index. So that lower earnings limit is going up every year by the earnings index in the year before, and the benefits go up and things go up all together, so things fall behind each other. So that is also an appropriate mechanism to maintain the social security fund parameters kind of up to date with people's earnings. That will be one of the things that we will look at in our review as to say is that appropriate to carry on doing it like that. So you have those 2 things and then you also have an income support system that is specifically designed to pick up people who fall through for whatever reasons, local people who have a low income, for whatever reason, can access income support. I will add a fourth thing to equation today which is M.T.F.P. 2 (Medium Term Financial Plan 2), reduce the complexity of the States, reduce the number of civil servants, take away rules, make things easy. So we either need to create a more complicated system which somehow knows how to identify the genuine trainee from the part time trainee from the part time housewife who is doing some work, and work out which ones of those should get credits or some other form of support. Or we interfere with the way the minimum wage is set, we interfere with the way the social security fund renews itself each year, and we can ignore the fact that we have done that because we have done income support which the whole point of income support was to create a one off support system for people who, for whatever reason, had a low income in a short term position. So, yes, we could make it better but it will probably make it more complicated by making it better and you are probably also telling us at the same time to make things less complicated, to reduce the number or rules and things that trainees and employers have to go through. So the question is quite interesting and quite complicated and the more you look into it the more you realise that

there is not a simple solution to it. But, as I say, we are very happy and I think the Minister has already agreed that we will include that quite small area but we will include it within the bigger review, because you could have a different way of setting the lower earnings limit, you could have a different way of reducing supplementation to individual people, but that would have to be probably seen in the bigger picture. There is a tiny number of people who fall into this particular kind of part of the interaction between different laws.

The Deputy of St. Ouen:

Yes, okay, well I am grateful to your indication that you will review it. Can I just ask when the lower earnings monthly limit is to be reviewed, or what date it changes?

Policy Director, Social Security:

It goes up automatically on 1st January. There are now 3 levels in the law for lower earnings limit standard and upper, and they are all updated every year by the earnings index from the year before.

The Deputy of St. Ouen:

Okay, but the trainee rates I see are reviewed from April each year so ...

Policy Director, Social Security:

You are absolutely right, yes, yes.

The Deputy of St. Ouen:

These poor trainees, they get so confused. Okay, perhaps I will leave that. Do you have something you want to ask about?

Deputy T.A. McDonald:

Yes, well before I do that, I would like to just have a quick word about the Income Support Medical Appeals Tribunal, so that is number 6 on our agenda there. The first question is how often do the tribunal sit?

The Minister for Social Security:

Not that often. I think one lady retired from a tribunal recently, having been on it for 6 years with one sitting. But of course it varies.

Policy Director, Social Security:

Can we just explain that there are 3 tribunals which all have quite similar names?

Deputy T.A. McDonald:

Yes, please do.

Policy Director, Social Security:

So having said how I would like to simplify things, I know it is introducing complexity. So for historic reasons we have the Social Security Tribunal which looks at all things to do with social security which are not to do with medical appeals, and that also picks up benefit appeals from other laws as well. Then you have the Income Support Medical Appeals Tribunal which is on your agenda, which only looks at income support medical issues, and the Social Security Medical Appeals Tribunal which looks at disability benefit things. The last one I said, the Social Security Medical Appeals Tribunal, is the one that has recently been reconstituted with a lawyer added to the panel to provide that legal support, which was previously 3 doctors and they sometimes struggled to ...

The Minister for Social Security:

Get 3 together who do not have a conflict.

Policy Director, Social Security:

To get 3 doctors, yes, but also these days in particular appellants do tend to raise more issues of a legal nature and, therefore, the experience of a lawyer on the panel was felt to be very useful.

The Minister for Social Security:

We are hoping in the long run ... because we have an interim chairman at the moment until November, and the Judicial Greffe are looking to appoint one that will hopefully chair all 3 tribunals so that there is a consistency across all 3.

The Deputy of St. Ouen:

Yes, the point was made through the States.

Deputy T.A. McDonald:

That is right, because the question will have been how will the chair have been able to divide his time between 3?

Policy Director, Social Security:

There are not very many, how many have got there all together? There were 35 ...

The Minister for Social Security:

So far this year there have been 10 across all 3.

The Deputy of St. Ouen:

Is there a case for saying that these tribunals should sit on a permanent basis, say, one afternoon a week or one afternoon a fortnight so that they can be readily accessible by people who want to lodge an appeal?

Policy Director, Social Security:

The tribunal process is now run by the Judicial Greffe so we are keen for the tribunal process to be seen to be extremely independent of the department, so we had started with a part-time registrar who kind of was based in our department but did not report directly to anyone in the department. But it is now much better where the Judicial Greffe are now doing the application process, so the appeals go to the Judicial Greffe, they organise the tribunals, they work with the tribunal members, they organise the hearings. So we do not control the way in which hearings are set up. I think the Judicial Greffe would like to further improve the way that their tribunal services run so that may well be something that they are interested in, obviously they run not just our tribunals but there are other kinds of tribunals as well, there are mental health ones, there are planning ones, there are a variety of different tribunals around. So I think that is a very good question, I think to a certain extent we would be very happy to see an improvement in the access to tribunals but to a certain extent it is not something that we organise directly or that we fund directly.

The Minister for Social Security:

I think the current chairman, albeit interim, is working with the Judicial Greffe in this in reviewing the process currently.

Policy Director, Social Security:

We met recently just to do things, like to make sure there would be printed copies of all the relevant laws in the room so that any appellant can kind of easily access anything they wanted to. So we are trying to do little things to kind of improve the experience for the appellants, although I think the Judicial Greffe try very hard to make it very fair and very easy to understand.

Chief Officer, Social Security:

Yes, I mean, ultimately even though there are not very many appeals we would much prefer there were even less and what the department can do is try and do more in terms of communication and clarity and so on to help improve the understanding of the decision making and where there may be something that needs to be changed in the law for a particular reason then make those changes. That is what we would ideally like to happen. Appeals can be very stressful for everybody, particularly the claimant going into that sort of environment and if we can try and reduce the need for that I think we would all be in favour.

The Deputy of St. Ouen:

Yes, they can be, but any authority should not be afraid of appeals because sometimes it is very good to have an independent view on things and that can lead to improvements.

The Minister for Social Security:

On the basis there has been a sort of fairly consistent reduction in the number of appeals, something must be going right somewhere.

The Deputy of St. Ouen:

But we also hear of frustration of the time it might take to appeal, a feeling of pointlessness if the appeal is only heard months after the event complained of so ...

The Minister for Social Security:

Yes, well this is one of the reasons for changing the composition of the medical tribunal because of the difficulty of getting 3 medical practitioners together at one time so now with the lawyer as a chair it is going to make it easier to form more promptly.

The Deputy of St. Ouen:

That is encouraging.

Deputy T.A. McDonald:

I am happy with that.

The Deputy of St. Ouen:

Do you want me to ask?

Deputy T.A. McDonald:

Yes, please do.

The Deputy of St. Ouen:

Minister, can we ask you about the amendment of Deputy Doublet is bringing to the sex discrimination regulations in relation to breastfeeding. Do you yet have a view on that?

The Minister for Social Security:

Yes, in as much as I congratulate her on bringing it. There are reasons why we put it in as 6 months or 26 weeks, whichever way you want to put it, which we still stand by. But I think there may have been some confusion - not with Deputy Doublet necessarily - but the fact that you were

almost imposing on people that you had to breastfeed your child for 2 years which is not the case, it is just protection in the sex discrimination law for that in cafes or restaurants. So I do not see much of a problem with it really.

The Deputy of St. Ouen:

Will you be accepting the amendment?

The Minister for Social Security:

I have to make a little speech first. We probably will, I mean, I will see how it goes with the Assembly but I think in principle it does not really change very much at all, all it changes is 26 weeks to 2 years, it does not have any affect on anything else. But we did have good reasons for it being 26 weeks so I would like to discuss that first and then see what the mood of the Assembly is.

The Deputy of St. Ouen:

Did any of the shops or consultees engage with you about the 6 month period and were they concerned about it? I am just asking if they were concerned about 6 months they might certainly be concerned about 2 years.

The Minister for Social Security:

I do not think it even came up until we did a briefing on the whole sex discrimination regulations and Deputy Doublet asked then. I do not think it was even mentioned before in the consultations, I do not recall, because we did a huge amount of consultation on the whole regulations and that was not mentioned. It was far more directed at clubs and religious communities and things, and I think she was the first one to mention it.

The Deputy of St. Ouen:

So this looks like a win/win situation that everyone can be content with we hope.

The Minister for Social Security:

Well, I hope so too.

Deputy T.A. McDonald:

We do not get many of those.

The Minister for Social Security:

Well it is the only amendment so we must have been successful with the consultation inasmuch as people clearly understand every word of it.

The Deputy of St. Ouen:

We had an excellent briefing from your adviser and a member of your department and we could see that there had been very extensive consultation so we were not proposing to conduct any sort of review on it because you have spoken to all the interested parties.

[15:30]

The Minister for Social Security:

We have and it went out for a second consultation as well when we had received the first one because we did not think that we had necessarily had enough feedback from the religious groups. So we did try very hard to get into every single area so that people would understand the implications, or not, as the case may be.

The Deputy of St. Ouen:

In doing our briefing we just had a couple of points where we thought things could be clarified and I think you were kind enough to incorporate those in the final draft.

The Minister for Social Security:

Yes, we did, so fingers crossed for the second.

The Deputy of St. Ouen:

Yes, yes, I trust. So I think that brings us to our time and may I thank you, Minister, and Mr. Burns and Ms. Duhamel for informing us of things.

The Minister for Social Security:

Thank you. This is a bit more of an updated business plan if you would be interested. I think Sue has a couple of copies.

The Deputy of St. Ouen:

We certainly would, yes, thank you.

The Minister for Social Security:

I do not think it says much more than the last one.

Deputy T.A. McDonald:

It gives perhaps a progress update.

The Minister for Social Security:

Yes, a progress update.

The Deputy of St. Ouen:

A progress update. The business itself has not changed then?

The Minister for Social Security:

No, no. Thank you.

Deputy T.A. McDonald:

Something else to read.

The Minister for Social Security:

I know, how exciting.

The Deputy of St. Ouen:

We appreciate being updated in respect to ...

The Minister for Social Security:

That is all it is, the green column, just saying where we have got to with things really, just at a timetable.

The Deputy of St. Ouen:

Thank you once again, that brings the quarterly hearing to a close.

The Minister for Social Security:

Thank you, Chairman. Thank you, Deputy.

[15:31]