

3. Questions to Ministers Without Notice - The Minister for Social Security

The Deputy Bailiff:

Very well. We come to the end of that part of question time. We now come to questions to Ministers without notice. The first question period is to the Minister for Social Security. Deputy Le Hérisser?

3.1 Deputy R.G. Le Hérisser:

Can the Minister confirm that the delay to the introduction of the insurance scheme, the Care for the Long Term Elderly, is solely based upon the fact that he does not believe that the suggested rates were set at the right level or are his changes going to be of a more radical nature?

Senator F. du H. Le Gresley (The Minister for Social Security):

In answer to this question, I could speak for about half an hour, but I am sure you would not wish me to do so. The suggested rates that the Deputy refers to were, of course, in the report accompanying the proposition which introduced the enabling law. The rates that were mentioned there were as a result of the Green and White Papers that were consulted on. It is a fact that in reviewing these rates that they do not appear to be adequate. There will have to be streamlining of not only the contributions required but also the means testing and the eligibility to the scheme. There are a number of aspects that I am looking into. That is a reason for the delay coupled with, of course, the need - which I believe is imperative - to make sure that we collect contributions from people who have earned and unearned income. That is why we are looking to work with the Tax Department for the collection of the contributions.

3.1.1 Deputy R.G. Le Hérisser:

Could the Minister explain his concern that this scheme may be placing a much greater burden, as indeed are other schemes now because of the way the economy is moving, upon the younger generation and that the older generation, those who have now moved into retirement and have in some cases, for example, done well out of property, that they should bear a greater burden? Is that his thinking?

Senator F. du H. Le Gresley:

This is such a difficult area that it is difficult to answer very quickly in a couple of minutes. The fact is that that Green Paper showed that the calculation was that contribution rate for employees could be 6 per cent by 2036 and possibly 8.5 per cent by 2049. I am very concerned that with the projection of the ageing population that that 8.5 per cent may be even exceeded. That is why we are looking at the contribution rates and also whether we need to phase this scheme in gradually rather than offer all benefits from day one.

3.2 Deputy G.P. Southern:

That is a major change of policy there, we just heard. Could I ask the Minister, does he have figures for the amount of overpayments made under the Income Support System? Does he accept that when overpayments occur it does cause hardship in paying those overpayments back?

Senator F. du H. Le Gresley:

I would be very well prepared for this question time if I had that sort of figure at the top of my head. However, I agree completely with the Deputy that when overpayment occurs it does create great difficulties for the individual who has to repay the department. I can tell the Deputy, and I think he is well aware, that the rate that we collect any payment is at £3 per day or maximum of £21 a week. But there is discretion and we do work very carefully to make sure that people are not placed in a difficult financial position.

3.2.1 Deputy G.P. Southern:

Will the Minister then examine this particular area and produce some figures as to how often this occurs? Will he take measures if he considers it appropriate to alleviate or to ameliorate this situation?

Senator F. du H. Le Gresley:

I think it may well be very difficult to provide the Deputy with the information he is seeking, because overpayments can occur in very small amounts, which the department may decide to overrule and not claim back or there could be substantial amounts. Current claims are about £6,600. So, to go through the claims over the last 4 years would be incredibly time consuming and I am not sure they would be of great value. However, I am prepared to consider whether the rate of £3 per day is appropriate for collecting money overpaid and that is something I would be quite happy to look at.

3.3 Senator L.J. Farnham:

Given the high level of unemployment, is the Minister considering introducing any form of work scheme that will help facilitate in returning some of the unemployed to work? I am alluding to schemes such as work involving environmental projects that include a certain amount of training and skills implementation.

Senator F. du H. Le Gresley:

I am pleased to advise the Senator that the use of environment work schemes is something that the Back to Work programme is currently developing. These are voluntary schemes, I would stress. We are working with the Men of the Trees, in particular, to have an ongoing scheme to do with the trees in the Val de la Mar reservoir and the restoration of the forest there. So, that is an example of a scheme that is currently up and running. We have people from the Workwise area who are currently doing voluntary work. I am sure that in conjunction with the Minister for Planning and Environment that we will hopefully have other such schemes coming forward in the future.

3.3.1 Senator L.J. Farnham:

Just a point of clarification, the Minister when he says “a voluntary scheme”, does he mean it is voluntary as to be included in the scheme or it is not remunerated?

Senator F. du H. Le Gresley:

Voluntary to take part in the scheme.

3.4 Deputy J.A. Martin:

Given the Minister’s comments that he thinks that ... estimated the long term care is at such a low rate, I have grave concerns of the delay. What I would like to ask the Minister for Social Security is would he look into the amount of people who are on the verge of keeping their main residence, but now could be delayed for up to 2 years? Would the Minister look into people not signing over their main residence to Social Security, who on their demise will then be able to sell that property, which is happening now? I think that is the main concern. That is really sort of 2 questions. Why the delay, because we should get started if it is not enough? Secondly, the concerns out there again about the main residence of people ... you are going to capture a lot of people’s homes in the next 2 years.

Senator F. du H. Le Gresley:

To bring in a temporary relief pending the full scheme coming into force is something that my officers are looking at. Sadly, I have to inform that Assembly that to do anything of that nature is going to cost significant sums of money and this would probably mean an increase in the amount of income support benefit that we pay for people in nursing or residential care. There is no budget for this and I am not sure that the Minister for Treasury and Resources would give me

the increased budget to introduce a temporary scheme to relieve some of the problems that the Deputy is referring to. We are looking at it and if we are able to do anything I will come back to the Assembly with some proposals.

3.5 Deputy T.A. Vallois:

A large number of recommendations were made in 2 Scrutiny reports over the last 3 years and were deferred due to a review being undertaken by the Minister's department. What has happened to that review and will the Minister endeavour to update Scrutiny as to those particular recommendations?

Senator F. du H. Le Gresley:

That is quite a vague question, because the Deputy has not told me what it is that she is trying to get me to respond to.

Deputy T.A. Vallois:

Sorry, it is with regard to income support.

Senator F. du H. Le Gresley:

I think the fact is we are continually reviewing income support. It never stops. Members will be aware that we have recently lodged the proposition, which again is the result of reviewing income support. One of the main recommendations of the last Scrutiny Panel report was that we produce a report on the components and the cost of income support and how the money has been allocated. I am pleased to advise Members that that report is nearly ready for publication. I am due to see the final draft very shortly. It will be released as an R. I am sure that Deputy Southern, in particular, will have plenty of questions once he reads the report.

3.5.1 Deputy T.A. Vallois:

There were many other recommendations that were made and deferred due to a review being carried out by the department. This was specifically stated in the response by the Minister. Now, will the Minister come back to Scrutiny and advise us on an update as to where they are with those recommendations or whether they are even accepting them?

Senator F. du H. Le Gresley:

To the best of my knowledge, the previous Minister responded to the last Scrutiny Panel report. I have read his comments and I believe that we are covering all the angles.

3.6 Senator L.J. Farnham:

Could the Minister just remind the Assembly please, of the level of benefits that are currently paid out on an annual basis, and an indication of how they have increased or otherwise over the last 2 to 3 years?

Senator F. du H. Le Gresley:

The department's report on the payment of benefits out of the Social Security fund will be available very shortly. Insofar as income support, I have already indicated that we will be producing a separate report of the components. I can say that the figure in total for income support, which includes residential care transition, winter fuel, was just over £90 million in 2011.

3.7 Deputy J.A. Hilton of St. Helier:

In a previous answer the Minister said he is reviewing low income support payments. I wanted to ask him whether any consideration had been given to tie in low income support payments in with housing qualifications. What I am referring to is increasing the period of time to 10 years that people would need to be living here before they qualified for low income support payments.

Senator F. du H. Le Gresley:

We have taken the opportunity of using the Jersey Annual Social Survey, which has just been sent out to approximately 4,000 households to ask the very question the Deputy is raising as to the length of residence that people feel is appropriate to qualify for income support. This is just one source of information that we will use should we decide to increase the current period of 5 years to a longer period.

3.8 Deputy G.P. Southern:

Could the Minister inform Members what take up, I know it is early days, of the subsidised work scheme he has so far met on the scheme that he announced last month?

Senator F. du H. Le Gresley:

I think the Deputy refers to the employment grant, which is to encourage employers to take on somebody who has been unemployed for more than 12 months, of which there are approximately 310 people at the moment. The answer to the Deputy's question is that as of yesterday we have had about 40 inquiries. Some are progressing to the point of selection of candidates and taking up employment.

3.8.1 Deputy G.P. Southern:

Is the Minister content that that is an appropriate response, 40, some of which will not be progressed, out of 310? Is that enough? What more can he do?

[11:30]

Senator F. du H. Le Gresley:

The scheme has been made available and publicised since 18th May, so it has not really be running for 4 weeks yet, so that is an average of 10 inquiries per week, which I do not think is too bad. We have to bear in mind that, of course, in many cases it is about creating new jobs, because employers may be thinking of using this scheme to perhaps increase their workforce. So, in the current economic climate, some employers may not feel that they are ready to increase their workforce.

3.8.2 Deputy G.P. Southern:

Could I have a supplementary, Sir? What measures does the Minister have in his armoury to improve that particular score?

Senator F. du H. Le Gresley:

The Back to Work team are doing a fantastic job in communicating with employers, making sure that we try and match skills and bring in appropriate training. Certainly we are working in particular with the Jersey Hospitality Association, because personally I see that as an opportunity to find new employment for people. A lot of work going on and where possible if new schemes arise that will generate opportunities for employment then we will progress those.