

STATES OF JERSEY



MEETING THE COST OF WELFARE IN 2003 – 2005 (P.104/2003): COMMENTS

**Presented to the States on 23rd September 2003
by the Employment and Social Security Committee**

STATES GREFFE

COMMENTS

A report of the Employment and Social Security Committee on “Minimising Material and Social Deprivation: Low Income Support” (P.180/2000) which was approved by the States stated that –

“The Employment and Social Security Committee has concluded that the fragmentation and complexity of the existing system is such that it cannot be made to work without a major overhaul. This is no better exemplified than in the current funding arrangements. Looking at assistance with housing costs reveals that, not only does the funding come from two different sources (rates and general revenue), but through three different routes (Parish welfare, non-native welfare and rent rebates). Similar examples exist with child costs, disability etc.

Also, at the present time, funding arrangements for welfare involve a distinction between “natives” and non-natives”. Over the years, a “native” has been strictly interpreted as someone born in the Island. When a “native” claims a welfare grant, it is paid out of income from the rates. Those born outside the Island must be resident in the Island for five years before claiming any welfare support and are categorised as “non-natives” for the rest of their lives. Their claims are paid from general revenues. These distinctions do cause difficulties, particularly when children from long-established Jersey families are born outside the Island and return shortly after to be categorised as “non-native” for the rest of their residency in Jersey. The Social Policy Strategy Group has taken the view that these categories are discriminatory and would prefer a system based on residency with a shorter qualifying period”.

In the discussions which followed, it was generally accepted that it would be more equitable to fund a new system of low income support through general revenues rather than the mixed funding arrangement which exists at present. This proposal was subsequently considered by the States/Parishes Working Party. However, it was always envisaged that such a major change would be implemented in an orderly way and that sufficient notice would be given when reporting back to the States on “the likely effects of a new low income support system” and “the financial, legislative, manpower and administrative consequences”.

Unlike the report of the States/Parishes Working Party, Constable Crowcroft’s proposition is silent on the involvement of the Employment and Social Security Committee or how the funding might be monitored and controlled.

At present, non-native welfare funding is channelled through the Employment and Social Security Department. Issues relating to the control and administration have already been identified through audit. One option would be through service level agreements. Practically, budgetary control is more difficult as the system is demand-led with high individual residential care costs having major and disproportionate impacts. The system does not operate within any legal framework, data is difficult to retrieve from 12 Parishes and there are no clear lines of responsibility across the whole Welfare system. Not only is it difficult to monitor and control expenditure, but also impossible to forecast future expenditure with any degree of accuracy.

It is probably fair to say that transferring more funds through this existing mechanism would not need extra manpower resources although it will require extra effort. Experience also suggests that there will be more dialogue with Parishes on individual cases around the margins of eligibility which will have to be addressed. However, the Committee would have serious concerns about a transfer before the Low Income Support system is put in place and accountability clearly identified for managing such a large area of expenditure.