

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY S.Y. MÉZEC OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 24th FEBRUARY 2015**

Question

Can the Minister explain to members the justification for the use of loans rather than grants for special payments to Income Support claimants in respect of rental deposits and medical expenses?

Answer

The Income Support legislation contains provision for special payments to be made in the form of both grants and loans. In the majority of cases the one-off payment is in respect of an urgent need that the low income household does not have sufficient resources to meet from its normal weekly budget. Providing the payment as a loan is entirely appropriate in respect of a one off expense which cannot be afforded as a single lump sum but could be afforded over a more extended period.

Rental deposits fall under this category, as the person requesting assistance needs a one-off payment in order to secure their move to a new property. It is not proper to make this payment as a grant as the person will eventually be refunded their deposit when they vacate a property, although this may be several years in the future. Rather than retain an outstanding debt that must be administered and monitored by Income Support staff, the property loan is recovered as a small deduction from ongoing weekly benefit. This scheme has helped a great many Income Support households secure suitable housing in the private sector, and I have no plans to change it.

The Income Support scheme includes additional weekly components to help people with significant long-term illnesses or disabilities. The Department also helps older people through the Over 65 Health Plan. Income Support Special Payments are available as grants for some irregular medical expenses, such as replacement glasses and visits to the chiropodist. All these payments are made as grants and are not required to be repaid.

A Special Payment grant for urgent and essential dental treatment can be given up to a maximum of £500 per person in any two-year period. Support for any additional costs above £500 is available in the form of a loan to be repaid from ongoing benefit. People over the age of 65, people living in residential care and people in receipt of personal care levels 2 and 3 are exempt from this limit, although they must still demonstrate that they cannot meet the cost themselves. The limit may also be waived in cases where somebody has serious dental problems due to ill health.

The limit on the value of a special payment grant for dental costs ensures that the tax funded budget is targeted to essential costs. The availability of additional support through loans provides a flexible system that acknowledges the high costs of some dental treatment, but also means that claimants who request more than a certain amount over a set period will only be offered support for any additional costs in the form of a loan recovered in small amounts from their weekly benefit.